



1. Project Data:		Date Posted : 07/29/2002	
PROJ ID: P009484		Appraisal	Actual
Project Name: Agriculture Research Management	Project Costs (US\$M)	59.09	49.49
Country: Bangladesh	Loan/Credit (US\$M)	50.00	42.86
Sector(s): Board: RDV - Agricultural extension and research (72%), Central government administration (28%)	Cofinancing (US\$M)		
L/C Number: C2815			
	Board Approval (FY)		96
Partners involved :	Closing Date	12/31/2001	12/31/2001
Prepared by :	Reviewed by :	Group Manager :	Group:
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2. Project Objectives and Components

a. Objectives
The objective of the project stated in the Staff Appraisal Report was to increase the efficiency of the national agricultural research system and thereby to generate profitable, relevant, and sustainable agricultural technologies for Bangladeshi agricultural producers. This was to be done through: (a) strengthening the Bangladesh Agricultural Research Counsel's (BARC) capacities in research organization and management, including better research results application; (b) supporting priority research; and (c) strengthening research linkages to extension through participatory farming systems research.

b. Components
The project had three components: (a) *Research Management and Organization* to strengthen research planning and managerial capabilities of BARC through institutional reforms, improved economic analysis, technical assistance, civil works, training, contract research, and supervision of new master plans for participating Agricultural Research Institutes (ARI); (b) *Priority Research* in the ARIs on crops, fisheries, livestock and forestry; and, (c) *Participatory Farming Systems Research* to strengthen farming systems research programs through support to research extension linkages and testing and dissemination of appropriate technology.

c. Comments on Project Cost, Financing and Dates
The project closed on schedule having disbursed 14% less than the original appraisal estimate.

3. Achievement of Relevant Objectives:
The project achieved most of the objective of *increasing the efficiency of the national agricultural research system*. BARC prepared a national research strategy. Each ARI prepared management plans and appears to have utilized them. External reviews of each ARI gave generally positive findings. A contract research program covering about 15% of project costs and enabling greater accountability for performance was effectively implemented. A farming systems research component was implemented, albeit with some delays. With respect to *generating profitable, relevant, and sustainable agricultural technologies*, while it is mostly too early to expect technologies initiated under the project to reach farmers, a substantial flow of technologies arising partly from earlier Bank support, has been sustained. A substantial number of new varieties and new farm systems-related recommendations were released. Agricultural GDP grew by 4.7 percent from 1996 to 2000 and Bangladesh has largely maintained self-sufficiency in its staple crop - rice.

4. Significant Outcomes/Impacts:
Significant outcomes include the following: a number of reforms including empowerment through the BARC Act and 10 institution-specific ARI Acts; preparation of a national research strategy; management plans by each ARI; 242 research projects implemented under the contract research program with a 37 percent rate of submissions approval suggesting a rigorous selection process; Internal Rates of Return of between 15 percent and 59 percent for six major crops were projected in impact evaluations of new variety development; training was provided for 114 Ph.D.'s, 17 Master's degrees, and covered 400 short-term training courses, however training could have been better coordinated and was not implemented early enough; the quality and quantity of on-farm research activities involving farmer groups and multidisciplinary teams of researchers increased dramatically at all participating ARIs according to an

external review; the project was implemented without resort to Project Implementation Units; there was a substantial turnaround in performance as a result of a good MTR and eventual catching up in procurement and financial management systems development;

5. Significant Shortcomings (including non-compliance with safeguard policies):

1. The evidence, especially in the borrower's contribution to the ICR, suggests that there are quite serious concerns about sustainability because the research program is on a scale that appears to require substantial continued donor support that appears unlikely. 2. The ICR rates only modest progress on overall institutional development noting a number of ID improvements still ahead. BARC is limited in its ability to operate because of a freeze on filling vacancies. Many of the government financial management and service rules remain a constraint to efficient operation. 3. Due to delays in startup the actual application of the improved system of research prioritization was limited. 4. There were considerable delays at startup both with respect to procurement and the development of software for financial management - the latter still being little used at present due to system problems and inadequate computer skills. 5. Government (as opposed to the implementing agency) implementation performance is rated by the ICR unsatisfactory due mainly to bureaucratic procedures causing numerous delays in finalizing reform actions and frequent staff changes, although over 1,900 ARI staff posts have been transferred from the Development Budget to the Revenue Budget (insuring greater sustainability), some 1,000 still remain to be transferred.

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Satisfactory	
Institutional Dev .:	Modest	Modest	
Sustainability :	Likely	Unlikely	Sustainability is defined as the resilience to risk of net benefits over time. While there are a number of factors supportive of resilience, including policy and institutional reforms, improved research management techniques and procedures, and training, there are serious concerns about financial sustainability. The ICR notes, both in the Bank submission and the borrower submission, that the prospects for adequate funding from government are not encouraging and there appear to be no realistic opportunities for significant self financing. The language of the borrower is, " (with the closure of the project) many important and prospective projects will come to an abrupt end causing enormous harm to the partial but basic developments achieved so far". While achieving improved processes is important in rating sustainability and while scale of programs can be treated more flexibly, given the modest ID rating, on balance, based on present knowledge, risk must be rated high and sustainability therefore appears unlikely.
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR :		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

The ICR offers four lessons which are appropriately drawn from the analysis and findings. They reflect earlier OED findings, and, with some modification, are reproduced here: 1. A necessary condition for sustainability is the development of management skills and processes to allow efficient implementation of priority research. (The equivalent lesson in the ICR seems to suggest that this is also sufficient because it will allow efficient management within a reduced budget envelope, however OED argues that enhanced skills and processes can only make efficient a scale of operation that can be financed, it cannot alone ensure sustainability.) 2. The effectiveness of technical assistance and training can be increased if these programs are well coordinated and implemented early in the project to offer benefits during the project period. This may call for management of the training program by outsourcing.

Outsourcing arrangements should be in place before credit effectiveness . 3. A realistic assessment at appraisal of procurement management capacity is particularly important for research organizations where procurement is not a core professional activity . Procurement Core Teams or outsourcing may help . 4. Project Implementation Units are neither necessary nor desirable because they isolate project activities from the institutional mainstream, may reduce high-level support, and are likely to be damaging to longer -term sustainability. In this case, it is very unlikely that a PIU would have achieved better implementation and transition to the operational phase and sustainability would almost certainly have been even more questionable .

8. Assessment Recommended? Yes No

Why? It would make a useful pair with the previously closed Agricultural Support Services to learn lessons related to research extension linkages and to further explore the question of sustainability in both projects .

9. Comments on Quality of ICR:

A satisfactory ICR with a quite useful borrower contribution . The case for the likely sustainability rating is not self-evident against the rating criteria .