



1. Project Data:		Date Posted : 03/18/2002	
PROJ ID: P003331		Appraisal	Actual
Project Name: Agr Srv & Mgmt	Project Costs (US\$M)	33.4	6.9
Country: Zimbabwe	Loan/Credit (US\$M)	8.8	1.8
Sector(s): Board: RDV - Animal production (63%), Central government administration (13%), Vocational training (11%), Agricultural extension and research (10%), Tertiary education (3%)	Cofinancing (US\$M)	3.0	4.2
L/C Number: C3080			
	Board Approval (FY)		98
Partners involved : DFID (UK), European Union	Closing Date	07/31/2001	07/31/2001
Prepared by :	Reviewed by :	Group Manager :	Group:
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## 2. Project Objectives and Components

### a. Objectives

"The development objective of the project is to put in place improved institutional arrangements and operational capacity for policy formulation and for the sustainable and efficient management, financing, and delivery of agricultural services in Zimbabwe. The project will enhance the capacity of the Ministry of Lands and Agriculture (MoLA) to make more cost-effective use of the public resources available to support agricultural development and smallholder agriculture in particular. The project will assist in the redefinition of MoLA roles in the contexts of a liberalized economic environment, stagnant or declining budgetary resources, and increased motivation and capacity of the private sector to provide certain agricultural services. It will strengthen the managerial and technical capacities to perform core public functions, support efforts to render those services more client -responsive, facilitate pilot efforts to commercialize or out-source selected services, and facilitate the increased participation of private and other nongovernmental service providers" (Project Appraisal Document, p. 2).

### b. Components

(1) *Rationalization and effectiveness of agricultural services and policy -making.* "The project will (i) support the preparation and initial implementation of sub-sectoral strategic plans---defining 'core' functions, re-organization needs, and approaches toward sustainable service delivery ---by the MoLA departments for agricultural research, extension, and veterinary services; (ii) facilitate the planning, implementation, and evaluation of pilot efforts to commercialize, out-source or privatize selected public agricultural services; (iii) finance competitive and collaborative research and advisory services geared toward support of smallholder agriculture; (iv) provide support and essential equipment to improve the immediate effectiveness and client -responsiveness of essential agricultural services; and (v) finance analysis and consensus-building on outstanding and emerging policy issues. Support will also be provided for the preparation of a medium-term framework for priority expenditures and support programs in agriculture" (PAD, p.2).

(2) *Efficient resource management.* "The project will improve MoLA's management of human resources. Through training and through the reallocation and/or retrenchment of selected staff, the project will assist in bringing MoLA's human resources to their appropriate quantity and quality to perform core functions. The project will also support the design and implementation of improved financial and accounting systems and practices within MoLA including their decentralization to departmental and provincial/research station levels. It will strengthen MoLA's use of information technology. The project will improve the quality of MoLA's institutional reform process by supporting the development of stakeholder advisory panels for the technical departments and through the conduct of periodic beneficiary and staff assessments" (PAD, p. 2).

### c. Comments on Project Cost, Financing and Dates

The projected cost of component (1) was US\$26.0 million (77 percent of project cost); according to Annex 2 of the ICR, the actual cost was US\$4.7 (69 percent of project cost). It was estimated that component (2) would cost US\$7.6 million (23 percent of project cost), but in practice it cost US\$2.2 million (31 percent of project cost). There are discrepancies concerning the level of co-financing by DFID and the European Union, actual project costs and project closing dates. Section 5.4 reports estimated co-financing from these sources totaling US\$21.7 million. Annex 2 shows estimated co-financing of US\$3.0, compared to actual co-financing of US\$4.2 million. Section 3.1 states that only US\$2.0 million of the IDA credit was disbursed (US\$1.8 million in Annex 2). Section 1 of the ICR indicates that the original and actual closing dates were the same (July 31, 2001); but Section 3.1 says that "the project was aborted after implementation over only half its original lifespan".

### 3. Achievement of Relevant Objectives:

The objectives were relevant but, owing to the deterioration of the political environment during implementation, none of them were met: the policy framework for agricultural services was not strengthened, services were not delivered more cost-effectively, and there was no strengthening of private-sector service provision. The PAD proposes a set of monitorable targets: budgetary allocation to non-core functions decreased by 50 percent; unit cost for delivering core functions reduced by 20 percent; client satisfaction improved by 25 percent over baseline benchmark. But the monitoring system which would measure progress toward these targets was not set up. Thus, the ICR (Annex 1) has no real data to adduce. Moreover, the ICR rates sustainability as highly unlikely, suggesting that there was no lasting organizational strengthening or improvement in the policy framework.

### 4. Significant Outcomes/Impacts:

None.

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

Despite significant outside pressure for reform (particularly from the Ministry of Finance and Public Services Commission), the Ministry of Agriculture was ambivalent. The ICR notes (Section 8c) that "Donors, including the Bank, tended to under emphasize early weaknesses in the hope of encouraging the Ministry to move ahead with project implementation. By mid-1998, when the project was approved, strong signals of a looming economic downturn and governance crisis were beginning to emerge but IDA and its donor partners decided to proceed with the project in hope that this assistance would help the ministry overcome the problems emanating from the emerging crisis to maintain the reform process in the agricultural sector". There were significant policy reversals once the project was underway: price and marketing controls were reintroduced for some commodities, and the government backtracked on decentralizing agriculture services and involving the private sector. Even if the context had been better, certain flaws in the project design would probably have limited its effectiveness. For example, although stakeholders were consulted, they had no statutory representation and therefore no input into decision-making (e.g. on the agricultural research agenda). A joint statement by the Bank, DFID and European Union (Annex 7B) concludes that "If there has been an improvement in the delivery of services to smallholders as a result of this project it has been marginal and the effects overwhelmed by the general economic decline".

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
<b>Outcome:</b>	Unsatisfactory	Unsatisfactory	
<b>Institutional Dev .:</b>	Modest	Negligible	The remarks under Section 6.1 (Sustainability) make it clear that the modest achievements in terms of organizational strengthening and improved policy and incentive framework have been reversed, making it unlikely that there was any enduring positive institutional impact. Conceptually, institutional development and sustainability are closely related: it is hard to conceive that a project rated Highly Unlikely on sustainability could have even a modest institutional development impact.
<b>Sustainability:</b>	Highly Unlikely	Highly Unlikely	
<b>Bank Performance:</b>	Satisfactory	Satisfactory	
<b>Borrower Perf .:</b>	Unsatisfactory	Unsatisfactory	
<b>Quality of ICR:</b>		Unsatisfactory	

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

## 7. Lessons of Broad Applicability:

- (1) In projects of this nature, where reform is contingent on backing by several ministries, there needs to be clear evidence upfront of commitment.
- (2) Sector reform programs should ensure that the key interest groups are involved in project preparation, with special emphasis given to small-scale farmers who tend to lack voice.
- (3) Logical frameworks prepared during project design must be flexible and contain indicators that can be readily monitored; as the project is implemented, the framework should be modified to reflect changes in circumstances.

8. Assessment Recommended? ☐ Yes ☒ No

## 9. Comments on Quality of ICR:

The ICR author was faced with a difficult task given that the project adduced no real data. However, the ICR could have more rigorously evaluated the circumstances that led the Bank to approve this project. There are two substantive errors: (i) taken together Section 2 and Section 3.5, first paragraph, suggest that QAG rated quality at entry satisfactory; but QAG did not review the project until the supervision stage; (ii) Annex 2c (Co-financier contribution, Appraisal estimate) is not consistent either with the statement in Section 5.4 or with Annex 3b of the Project Appraisal Report. Also, as evidenced by some of the comments received on the draft ES, the ICR should have been much clearer and explicit on the rationale for Bank lending and degree of Government ownership at time of loan approval. In addition, there is a significant formatting error: Section 5.2, second paragraph, contains repetition of a large chunk of text.