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| 1. Project Data: | | Date Posted : 07/19/2004 | |
| PROJ ID: P063096 | | Appraisal | Actual |
| Project Name: (PCN) Land Reform Support Project | Project Costs (US\$M) | 7.0 | 0.0 |
| Country: Zimbabwe | Loan/Credit (US\$M) | 5.0 | 0.0 |
| Sector(s): Board: RDV - Central government administration (100%) | Cofinancing (US\$M) | | |
| L/C Number: C3286 | | | |
| | Board Approval (FY) | | 00 |
| Partners involved : | Closing Date | 09/30/2001 | |
| Prepared by : | Reviewed by : | Group Manager : | Group: |
| John R. Heath | Roy Gilbert | Alain A. Barbu | OEDST |
| 2. Project Objectives and Components | | | |
| a. Objectives | | | |
| "To initiate on a pilot basis a couple of land reform approaches that show promise to reduce rural poverty and increase agricultural productivity in the participating farms " (PAD) | | | |
| b. Components | | | |
| (i) Land Acquisition Fund (estimated at appraisal, US\$ 1.3 million). Self-identified communities of poor rural households would purchase farms with resources from a fund financed by the government; | | | |
| (ii) Infrastructure Investments (estimated, US\$4.7 million). After the transfer of land has taken place beneficiary communities will become eligible to receive funding for social and economic investment subprojects, a one -time cash start-up grant, and technical assistance to establish the land settlement and improve land productivity; and | | | |
| (iii) Technical Assistance and Contingencies (estimated, US\$1.0 million) | | | |
| c. Comments on Project Cost, Financing and Dates | | | |
| This was a Leaning and Innovation Credit that never became effective . Beneficiary communities would contribute on a matching-grant basis to the infrastructure investments, in materials, labor or cash . The project's effectiveness date was extended four times to allow government to meet six (operational) conditions. Only three of the six conditions were met. When the fourth extension expired in August 2001 the government did not request a further extension and the credit was allowed to lapse . | | | |
| 3. Achievement of Relevant Objectives: | | | |
| Not applicable. | | | |
| 4. Significant Outcomes/Impacts: | | | |
| Not applicable. | | | |
| 5. Significant Shortcomings (including non-compliance with safeguard policies): | | | |
| Although government initially provided support for this innovative market -assisted land reform project, faced with the need to prop up support among the rural electorate, it switched to "reform by expropriation", sponsoring a series of land invasions of white-owned farms, involving the mobilization of disgruntled war veterans . These developments completely undermined the project and the principles of the 1998 International Donor Conference which had backed the market-assisted approach. Meeting the effectiveness conditions would, in any event, have been difficult given the substantial lack of government capacity and in -fighting between the various ministries and agencies charged with implementing the land reform program . | | | |

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| 6. Ratings : | ICR | OED Review | Reason for Disagreement /Comments |
|-----------------------------|------------|-------------------|---|
| Outcome : | Not Rated | Not Rated | |
| Institutional Dev .: | Not Rated | Not Rated | |
| Sustainability : | Not Rated | Not Applicable | |
| Bank Performance : | Not Rated | Satisfactory | The objectives were highly relevant and the design was sound. |
| Borrower Perf .: | Not Rated | Unsatisfactory | Government failed to meet the agreed conditions for the credit to become effective. |
| 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:

- Attempts to pilot market-assisted approaches to land reform are unlikely to work when the government is unable or unwilling to protect property rights, and there is escalating rural violence .
- The feasibility of supporting land reform will be much greater when donors are able to finance the total investment package--land plus infrastructure and technical assistance; until recently the Bank was proscribed from lending for land purchase, seriously reducing its ability to support land reform .

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

This Project Completion Note gives a fully satisfactory account of the project background and the reasons why the credit never became effective .