



## 1. Project Data

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|--|--|---|
| <b>Project ID</b><br>P129774             | <b>Project Name</b><br>MA- GEF Social & Integrated Agriculture |   |
| <b>Country</b><br>Morocco                | <b>Practice Area(Lead)</b><br>Agriculture and Food             |   |
| <b>L/C/TF Number(s)</b><br>TF-14398      | <b>Closing Date (Original)</b><br>31-Dec-2017                  | <b>Total Project Cost (USD)</b><br>6,323,914.31 |
| <b>Bank Approval Date</b><br>12-Mar-2013 | <b>Closing Date (Actual)</b><br>31-Dec-2018                    |   |
|  | <b>IBRD/IDA (USD)</b>  | <b>Grants (USD)</b>                             |
| Original Commitment                      | 6,440,000.00   | 6,440,000.00                                    |
| Revised Commitment                       | 6,440,000.00   | 6,323,914.31                                    |
| Actual                                   | 6,323,914.31   | 6,323,914.31                                    |

|                                      |  |   |                                |
|--------------------------------------|--|---|--------------------------------|
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## 2. Project Objectives and Components

### a. Objectives

According to the Project Appraisal Document (PAD) (p. vii) and the Global Environment Facility Grant Agreement of April 16, 2013 (p. 7) the project development objective (PDO) for the “Social and Integrated Agriculture Project (ASIMA) was “to increase the implementation of land and biodiversity conservation measures in selected projects directed to small farmers located in targeted marginal areas in the Project Area.”



The project was the second project financed by the Global Environment Facility (GEF) supporting the Green Morocco Plan (PMV).

**b. Were the project objectives/key associated outcome targets revised during implementation?**

No

**c. Will a split evaluation be undertaken?**

No

**d. Components**

The project included two components:

**Component 1: Development of the capacities of public and private institutions on land and biodiversity conservation (appraisal estimate US\$1.32 million which completely disbursed):** This component was to develop the capacities of selected staff of public and private institutions involved in the planning and implementation of Pillar II projects on land and biodiversity conservation measures. Activities to be financed included: (i) training, study tours, and field visits; (ii) studies and dissemination materials; (iii) awareness campaigns; (iv) Monitoring and Evaluation (M&E) and reporting; and (v) audits.

**Component 2: Transfer of land and biodiversity conservation measures among small-scale farmers (appraisal estimate US\$5.12 million which completely disbursed):** This component was to disseminate land and biodiversity conservation measures in selected projects directed to small-scale farmers located in the two target regions of Souss-Massa-Draa and Marrakech-Tensift-Al Haouz. Activities to be financed included: (i) works and goods for implementing land and biodiversity conservation measures; (ii) training, study tours, and field visits; (iii) awareness campaigns; and (iv) Monitoring and Evaluation (M&E). Selection criteria for the selected projects were “proven conservation measures in agri-food chains typical of marginal areas, and with engagement of women”. The final selection was based on a three month study and consultations with farmers including: i) the use of cactus and argan-based livestock feed as a means of reducing pressure on rangeland; ii) soil enrichment using olive by-products; iii) methods of protecting soil and water from wastewater produced during olive oil processing; and iv) ways of conserving biodiversity by sustainable harvesting and adding value to medicinal and aromatic plants and by conservation of the Saharan yellow bee.

**e. Comments on Project Cost, Financing, Borrower Contribution, and Dates**

**Project Cost:** The project was estimated to cost US\$6.44 million. Actual cost was US\$6.32 million.

**Financing:** The project was to be financed by a Trust Fund in the amount of US\$6.44 million of which US\$6.32 million disbursed.

**Borrower Contribution:** It was not planned for the Borrower to make any contributions.

**Dates and Restructuring:** The project was restructured twice:



- On September 23, 2016 the project was restructured to drop the PDO indicator “the number of successful pilot sub-projects” and replace it by the indicator “the number of small farmers using at least one biodiversity or soil conservation measure in the sub-projects”. Also, the target for the PDO indicator “the number of direct project beneficiaries” was changed from 12,000 to 8,500 beneficiaries since the original number incorrectly referred to all the beneficiaries of the eight Pillar II projects of the national *Plan Maroc Vert* (PMV) which focused on the smallholder sector covering 122 rural communes whereas this project covered only 30 rural communes. Also, four intermediate outcome indicators were added to measure the achievement of the second intermediate result “transfer of land and biodiversity conservation measures among small farmers.”
- On September 28, 2017 the project was restructured to change the closing date from December 31, 2017 to December 31, 2018 to allow for the operationalization of the processing units, including the creation of microenterprises for their management.

### 3. Relevance of Objectives

#### Rationale

According to the PAD (p. 1), at the time of project appraisal agriculture was an important asset to the Moroccan economy and represented on average 15 percent of Gross Domestic Product (GDP), 23 percent of exports, and employed close to half of the labor force. However, the sector experienced a large disparity between large commercial and small farmers. Half of Morocco’s agricultural GDP and 75 percent of agricultural exports were generated by a limited but efficient group of commercial farmers producing high-value irrigated crops for international markets and milk for domestic consumption. The other half of Morocco’s agricultural production came from low-productivity smallholders working on mainly rain-fed lands located in marginal areas characterized by less favorable agro-climatic conditions, limited basic infrastructure, difficult accessibility, and unsatisfactory agricultural services. Also, smallholders accounted for 70 percent of agricultural holdings but they had access to only 26 percent of all cultivated land (PAD p.1).

Morocco also experiences high erosion rates, is vulnerable to droughts, and agricultural development is increasingly impaired by dwindling resources and inadequate support services in marginal areas. According to the ICR (p. 5) at the time of appraisal, the government was implementing an ambitious plan *Plan Maroc Vert* (PMV) which aimed to promote market-oriented agricultural growth, doubling sector value added and creating 1.5 million jobs to close the gap between the highly efficient export-oriented commercial farming sector and the lower productivity small farm sector. The objective of this project supported Pillar II of the PMV which was also in line with the latest Global Environment Facility (GEF) Strategy, especially its focal areas on “sustainable use of plant genetic resources” and “sustainable land management and restoration of degraded production landscapes”.

The project objective at closing was also aligned with the Bank’s latest Country Partnership Framework (FY2019-2024) and its focus areas on “promoting inclusive and resilient territorial development”, “improving access to sustainable water resources”, and “enhance adaptation to climate change and resilience to natural disasters, adopting effective spatially targeted interventions where they are needed”. Furthermore, the objective of the project was in line with the World Bank 2019 Strategy for the MENA Region and its



objectives to increase sustainable growth, strengthen resilience in relation to natural resources, support female inclusion, and increase the number of projects with a gender tag.

While the project's objective was highly relevant to the Government, World Bank and GEF strategies for Morocco, expected project achievements of the PDO, namely "to increase the implementation of land and biodiversity conservation measures in selected projects directed to small-scale farmers located in targeted marginal areas in the Project Area" lacked specifics. It was not clear what increase in land and biodiversity conservation was expected. The project's PDO indicators provided no clarity on this matter. For these reasons the relevance of objectives was rated Substantial.

## **Rating**

Substantial

## **4. Achievement of Objectives (Efficacy)**

### **OBJECTIVE 1**

#### **Objective**

To increase the implementation of land and biodiversity conservation measures in selected projects directed to small farmers located in targeted marginal areas in the Project Area

#### **Rationale**

The project's theory of change linked the outputs of improving capacity of public and private institutions for planning and implementing conservation measures in PMV Pillar II projects, increasing beneficiaries' awareness and knowledge of conservation measures and beneficiaries' skills to incorporate land and biodiversity conservation measures, and constructing and equipping Processing Units (UVs) and planting terraces with outcomes for farmers applying the land and biodiversity conservation measures in their own production systems and small-scale farmer beneficiaries using at least one land conservation or biodiversity measure in Pillar II sub-projects.

#### **Outputs:**

- 3,021 small-scale farmers received training, not achieving the original target of 4,000 small-scale farmers but surpassing the revised target of 1,200 beneficiaries. 34 percent of these farmers were female, surpassing the original target of 15 percent of farmers trained and the revised target of 20 percent. Among these small-scale farmers trained 41 percent were female, surpassing the original target of 15 percent and the revised target of 20 percent.
- 520 staff from public institutions was trained, surpassing the original target of 120 staff and the revised target of 450 staff.
- 50 staff from private institutions was trained, not achieving the original target of 700 staff and achieving the revised target of 50 staff.



- Seven processing units (called *unites de valorization* or UVs) for olive processing were constructed, surpassing the target of two units.
- Five beehive manufacturing units were constructed, achieving the target of five units.
- Four animal feed production units for producing feed from agriculture by-products (cactus and argan) were constructed and equipped, achieving the target of four units.

**Outcomes:**

- 2,526 small-scale farmers used at least one biodiversity or soil conservation measure in the sub-projects, surpassing the target of 2,500 farmers. According to the Bank team (October 9, 2019), this outcome did not have a baseline since the project was a pioneer in introducing the biodiversity and land conservation measures, as a complementary measure to pillar 2 projects.
- 180 hectares of land adopted sustainable land management practices, achieving the target of 180 hectares.
- 96 percent of small-scale farmers were satisfied with the project, surpassing the target of 70 percent.
- 94 percent of targeted clients were satisfied with agricultural and rural advisory services, surpassing the target of 70 percent

**Rating**

Substantial

**OVERALL EFFICACY**

**Rationale**

The achievement of the objective is rated Substantial.

According to the Bank team (October 9, 2019) the outcomes of the project can be solely attributed to the project since the project was a pioneer in introducing the biodiversity and land conservation measures.

**Overall Efficacy Rating**

Substantial

**5. Efficiency**

**Economic Efficiency:**

The PAD (p. 18) did not conduct a traditional cost-benefit analysis but only stated that with an expected 12,000 small-scale farmers benefiting from the selected eight Pillar II projects and corresponding ASIMA sub-projects, the GEF grant was to invest approximately US\$427 per beneficiary, leveraging the approximately US\$2,962



invested in each beneficiary by the government. As the GEF grant totaled US\$6.44 million and the government co-financing was expected to be US\$35.54 million, every dollar invested in the ASIMA by the GEF was to be leveraged by the government's investments at a ratio of 1:5. The PAD stated also that this ratio did not account for the fact that the government intended to scale up successful land and biodiversity conservation measures to other Pillar II projects throughout Morocco, suggesting that the value of each dollar invested through the GEF grant was to enhance the benefits of the PMV even beyond the scope of the eight ASIMA sub-projects. While this leverage of GEF financing by the government by a factor of 0.5 was a highly valued contribution it had no implications for the efficiency with which the project would be implemented.

The ICR did not conduct a traditional cost benefit analysis either. The ICR (para 38) stated that ASIMA invested approximately US\$544 per farmer due to the correction of the number of direct project beneficiaries, slightly more than the US\$427 per farmer as calculated during appraisal. The Bank team (October 9, 2019) stated that it did not conduct an economic analysis of the diversification of agriculture on degraded lands due to limited financial resources. Based on an average per capita income for Morocco in 2017 of about \$8,000 and a share of agriculture in this income of about 12%, the average per capita income of the rural population is probably \$900 per capita. For a farm household of five the average household income would be about \$4,500. The actual investment in land subject to land degradation and under diversified production by ASIMA per household would be about 12% of household income. This suggests a significant incentive to engage in more diversified production but it is not a measure of the project's efficiency.

According to the ICR (para 39), data on projected costs and benefits of five out of the ten processing units were collected by the National Institute for Agronomic Research (INRA). Based on these data the ICR estimated an Internal Rate of Return (IRR) for the "Al Haouz Beekeeping" project of 55 percent, for the "Rhamna Cactus" project an IRR of 27 percent, for the "Essaouira Argan" project an IRR of 39 percent, the "Agadir PAM" project an IRR of 24 percent, and the "Tiznit Beekeeping" project an IRR of 22 percent. The projected average Internal Rate of Return (IRR) was 33.4 percent across all sub-projects, for which data was available. According to the Bank team (October 9, 2019), 33.4% represented the average Internal Rate of Return for 5 UVs put in place under the ASIMA project for which data to conduct Cost Benefit Analysis was available. This is the unweighted average of the IRRs of the following five projects: Essaouira Argan, Agadir PAM, Tiznit Beekeeping, Al Haouz Beekeeping, and Rhamna Cactus. The average cannot be regarded as representative, as it includes UVs of significantly different sizes under the ASIMA project. Annex 4 of the ICR reported that the Marrakech Cactus Project is "currently facing problems acquiring raw materials due to a cactus disease outbreak in 2018. The ICR noted that the UV cactus unit can be adapted to process tomato and apple waste instead of cactus but there is no comment on the implications for the IRR.

### **Operational Efficiency:**

The project experienced implementation delays due to procurement and financial management related issues such as delays in payments to contractors and slow implementation of contracts for the construction of the UVs etc. (see Section 10b for more details) resulting in the need to extend the project closing date by 12 months.

Based on the assessment above, the project's overall efficiency is rated Modest.

### **Efficiency Rating**

Modest



a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

|              | Rate Available? | Point value (%) | *Coverage/Scope (%)                          |
|--------------|-----------------|-----------------|--|
| Appraisal    |                 | 0               | 0<br><input type="checkbox"/> Not Applicable |
| ICR Estimate |                 | 0               | 0<br><input type="checkbox"/> Not Applicable |

\* Refers to percent of total project cost for which ERR/FRR was calculated.

## 6. Outcome

Relevance of the objective was rated Substantial given the objective’s alignment with the Bank’s latest Country Partnership Framework (FY2019-2024) but the lack of specificity. Efficacy was rated Substantial but Efficiency was Modest because of a lack of evidence on the project's specific investment returns. Overall the project’s achievements had moderate shortcomings and hence its outcome is rated Moderately Satisfactory.

a. **Outcome Rating**  
 Moderately Satisfactory

## 7. Risk to Development Outcome

The Bank team stated (September 17, 2019) that the government is interested in scaling up the pilot model. According to the ICR (para. 31) several new investments will be implemented based on the model of ASIMA. For example, the Green Climate Fund will finance the PMV Argan project (US\$49 million) which will build on the ASIMA project conservation model on 18,000 hectares in the Marrakech/Souss Massa region. Also, a project by the National Agency for Development of Oasis Zones and the Argan Tree (ANDZOA) is using the ASIMA model to cultivate 2,000 hectares for medicinal and aromatic plants. The ICR (para. 33) stated that through the project, staff in public agencies have obtained the necessary capacity for planning and implementing conservation measures to scale up the ASIMA model. However, the project was not able to create linkages between Pillar II projects and private investors, traders, and entrepreneurs. According to the ICR (para. 34) interest by the private sector might grow once the current UVs will be fully operational and profitable.

The ICR (para.81) stated that not all sub-project sponsors have experience in the management of UVs. At the time of project closure not all UVs had implemented management arrangements and several UVs were dependent on subsidized technical assistance for which it was unclear what the future assistance would be. According to the ICR (para. 82) the PMV provides support for the management of UVs and the responsible DPAs.

According to the ICR (para.83) the risk, which was identified during project preparation, that long-term preservation of the environment may become secondary to short-term livelihood activities. The sustainability





of continuing improved production techniques to conserve land and biodiversity will depend on the success of the management of UVs.

The Bank project team advised IEG (September 17, 2019) that no Bank follow on of this pilot project is planned. Nevertheless, lessons from the project were incorporated in the ongoing project on Strengthening Agri-Food Value Chains, e.g. including construction of basins for storage and treatment of olives by-products and production of compost. These lessons will be also included in the Digital and Climate Smart Agriculture Project under preparation.

## 8. Assessment of Bank Performance

### a. Quality-at-Entry

According to the ICR (para. 49) the project design was built on lessons learned from the implementation of a previous Bank project (*Integrating Climate Change in the implementation of the PMV – PICCPMV*). Lessons learned from this project included the importance of building a partnership between the Agricultural Development Agency (ADA) as financing agency and the provincial departments of the Ministry of Agriculture, Maritime Fisheries, Rural Development, Water and Forestry (MAPMDREF) as the implementing agency. The ICR (para. 50) stated that while some aspects of the project design were built on a relatively well-developed technical basis and had been studied in previous studies and GEF projects, other aspects lacked knowledge such as the practical approaches to monitoring erosion and the behavior of medicinal plants in cultivation.

The ICR (para. 51) also stated that the design did not include sufficient incentives to engage with the private sector even though the project aimed to develop new income streams to ensure sustainability. However, engagement with the private sector was limited to training and was not designed to foster its role in promoting or managing the processing units (UVs).

During project preparation the Bank identified relevant risk factors. At the stakeholders' level, the risk concerning the limited participation of farmers in project design and implementation was rated Substantial. This risk was addressed by de-concentrating procedures for the selection of Pillar II projects, stronger focus on consultations and training, increased transparency in information sharing, and efforts to include female beneficiaries. Also, the Bank tried to mitigate the moderate risk of weak capacity by providing training and recruiting staff. However, the ICR (para. 70) stated that the project experienced procurement related implementation delays due to lack of experience of the procurement teams.

**Quality-at-Entry Rating**  
Satisfactory





## **b. Quality of supervision**

The ICR (para. 53) stated the project experienced implementation delays due to procurement, slow disbursements and slow implementation of the contracts for the construction of UVs. Even though these were risks identified during appraisal and the Bank provided training and capacity building activities, delays occurred. According to the ICR (p. 18), during the Mid-Term Review in December 2015 the Bank addressed this issue by providing additional training, revising procurement plans and thresholds and setting up a task force consisting of the Bank, the Ministry of Finance, ADA and MARMDREF to develop guidelines and an action plan to speed up disbursement. The Bank team stated (September 17, 2019) that the Bank addressed the delays resulting from the land issue by visiting all the proposed sites and providing advice to ensure that the sites were appropriate to the proposed construction and to their proposed function. Also, the Bank ensured that agreements for the legal and administrative formalities were correctly provided for, and that the sites were both environmentally and socially acceptable.

According to the ICR (para. 78) project supervision was moved from Washington DC to Rabat in 2014 to allow for intensified supervision with on-the-job coaching, and regular field visits with task forces and working groups. The ICR stated that the involvement of the Ministry of Finance in the disbursement task force allowed for a high level of engagement from a key agency and resulted in a nearly full disbursement despite initial delays. According to the ICR (para. 76) the Bank maintained its focus on development impact throughout implementation and provided candid and detailed reporting in aide memoires and Implementation Status Reports (ISRs). Also, supervision of safeguard and fiduciary aspects was satisfactory.

### **Quality of Supervision Rating**

Satisfactory

### **Overall Bank Performance Rating**

Satisfactory

## **9. M&E Design, Implementation, & Utilization**

### **a. M&E Design**

The project's theory of change and how key activities and outputs would lead to intended outcomes was sound. However, the project's objective lacked specifics. It was not clear what increase in land and biodiversity conservation was expected. The project's PDO indicators provided no clarity on this matter. At appraisal indicators lacked a baseline.

Also, the PDO indicator "the number of successful pilots" lacked clarity in terms of what a successful pilot would look like. This indicator was revised during the Mid-Term Review to "the number of farmers using conservation measures".

According to the PAD (para. 43) ADA was to be responsible for the preparation of the project reports each semester, on the base of the contributions of the DPAs, consolidated at a regional level by the DRAs. In addition, a summary of the status of the physical implementation and on the result indicators of the ASIMA



were to be shared with the farmers. The ICR (para. 62) stated that the project's M&E was integrated into the overall M&E system of pillar II projects to avoid duplication.

## **b. M&E Implementation**

A study was carried out in October 2015 to define the baselines and the indicators included in the Results Framework.

During the restructuring in 2016, the PDO indicator “the number of successful pilot sub-projects” was dropped and replaced by the indicator “the number of small farmers using at least one biodiversity or soil conservation measure in the sub-projects”. Also, the target for the PDO indicator “the number of direct project beneficiaries” was changed from 12,000 to 8,500 beneficiaries since the original number incorrectly referred to all the beneficiaries of the eight pillar II projects covering 122 rural communes whereas this project covered only 30 rural communes. Also, four intermediate outcome indicators were added to measure the achievement of the second intermediate result “transfer of land and biodiversity conservation measures among small farmers.”

The Bank team stated (September 17, 2019) that most of the indicators were followed by the Provincial Agriculture Directorates, with data submitted on a regular basis to the Agricultural Development Agency (ADA), which was responsible for project coordination. Only two intermediate indicators were tracked directly by ADA, through surveys (small farmers who are satisfied with the project and Targeted clients satisfied with agricultural and rural advisory services). The Bank team also stated that the data was found to be reliable and of good quality. Furthermore, the Bank team stated that the M&E functions are likely to be sustained as the project's M&E was integrated into the overall M&E system of pillar II projects of Plan Maroc Vert (PMV), which will continue after 2020, in a new agricultural strategy, which is currently under preparation.

According to the ICR (para. 63) the M&E component for measuring the pilot aspect of the project was not implemented.

## **c. M&E Utilization**

The Bank team stated (September 17, 2019) that the M&E function provided systematic management information on project implementation activities, procurement and disbursement. As such, it allowed the project agencies, the government and the Bank to keep on top of implementation, to identify delays and bottlenecks, and to intervene on a ‘just in time’ basis to correct anomalies.

M&E also tracked all project results as they occurred, and so allowed all parties to keep abreast of progress towards the intended outcomes. The M&E system was used for the first project restructuring of September 2016, following the MTR in order to change one performance indicator and the target value of others.

## **M&E Quality Rating**

Modest



## 10. Other Issues

### a. Safeguards

The project triggered OP/BP 4.01 (Environmental Assessment) and was classified as category B. According to the ICR (p. 20), the project prepared an Environmental and Social Impact Assessment Framework (ESIA) which guided the Environmental and Social Impact Assessments for sub-projects related to olive and argan processing, and for simple Environmental Management Plans (EMPs) for sub-projects on cactus, red meat, bee keeping, and medicinal and aromatic plants. The ICR stated that the required ESIA and EMPs were adequately prepared but experienced some delays. The Provincial Agricultural Directorates (DPAs) monitored compliance with the Bank's safeguard. According to the ICR, the project only experienced a minor issue when during the construction of the Processing Units (UVs) some minor safety measures were not complied with. According to the Bank team (October 9, 2019 these issues were resolved.

### b. Fiduciary Compliance

#### **Financial Management:**

The Bank project team identified moderate financial management risks during project preparation. Mitigation measures included capacity building and recruitment. According to the ICR (p. 20) fiduciary aspects were satisfactory throughout project implementation. Also, unaudited Interim Financial Reports were submitted in a timely manner and audit reports were submitted on a regularly basis with slight delays. The Bank accepted the audit reports and comments by the auditors were addressed in a timely fashion. However, the ICR (para. 69) stated that disbursement was low at the beginning of project implementation due to delays in procurement and payments to contractors. The Bank set up a task force with key partners such as ADA, the Financial Directorate in the Ministry of Agriculture, and Budget Directorate in the Ministry of Finance to address these delays which resulted in an increase of disbursements made. According to the Bank team (September 17, 2019) the external auditor's opinion was not qualified and the project complied with the Bank's financial covenants.

#### **Procurement:**

During project preparation, the Bank assessed the procurement risk as Moderate and mitigated any associated risks by providing training. However, according to the ICR (para. 70) despite these efforts the project faced significant delays due to issues related to the identification of the required land and confirmation titles and weak capacity of the procurement team. The ICR (para.70) stated that the Bank addressed these issues by working closely with ADA to speed up the procurement processes and revise the payment calendar to systematically to accelerate the processing of invoices from contractors and suppliers. The ICR stated that no misprocurement was found and the grant was fully disbursed.

### c. Unintended impacts (Positive or Negative)



NA

**d. Other**

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**11. Ratings**

| Ratings          | ICR          | IEG                     | Reason for Disagreements/Comment  |
|------------------|--------------|-------------------------|---|
| Outcome          | Satisfactory | Moderately Satisfactory | Relevance of the objective was Substantial. Efficacy was rated Substantial and Efficiency (contrary to the rating in the ICR) was rated Modest. |
| Bank Performance | Satisfactory | Satisfactory            |   |
| Quality of M&E   | Modest       | Modest                  |   |
| Quality of ICR   | ---          | Substantial             |   |

**12. Lessons**

The ICR (p. 23-24) included several lessons learned, which were adapted by IEG:

- **Identifying and assigning land rights during project preparation supports a timely project implementation and could be used as an eligibility criterion for sub-project sponsors.** As an example, in this project, the contribution of the farmer associations to sub-projects was typically in the form of land. However, the process of legally assigning land rights resulted in implementation delays and the lesson that legally assigning land rights is always subject to institutional risks.
- **In order to ensure the sustainability of sub-projects that are part of the commodity production chain, attention needs to be paid to the commercial viability of these sub-projects.** This project provides an example of a program aimed to train trainees from the private sector in order to create linkages with private investors, traders, and entrepreneurs to integrate small farmers in local markets in a vertical integration of the agri-food chain that was fostered by the public financing of PMV Pillar II projects. However, the number was substantially decreased to 50 trainees during the 2016 restructuring due to weak demand. The Bank team stated that the reason why the private sector showed less interest than expected was that although farmers, officials and the general public at the local level readily grasped the project purpose and value, the larger scale commercial sector preferred to await the results of the pilot project before engaging. The lesson is that the interest of the private sector at the pilot stage was simply over-estimated at appraisal in the absence of any evidence that UVs could provide evidence of actual long-term profitability.



### **13. Assessment Recommended?**

No

### **14. Comments on Quality of ICR**

The ICR provided a good overview of project preparation and implementation. The ICR is concise, internally consistent, and candid. The ICR could, however, have benefitted from including additional information and solid data in areas such as the project's efficiency, how M&E data informed decision making, and potential risks to development outcomes.

#### **a. Quality of ICR Rating** Substantial