



<b>1. Project Data :</b>		<b>Date Posted :</b> 08/02/2000	
<b>PROJ ID:</b> P004572 <b>OEDID:</b> L3261		<b>Appraisal</b>	<b>Actual</b>
<b>Project Name :</b> Second Communal Irrigation	<b>Project Costs (US\$M)</b>	64.4	56.8
<b>Country :</b> Philippines	<b>Loan/Credit (US\$M)</b>	46.2	36.8
<b>Sector, Major Sect .:</b> Irrigation & Drainage, Agriculture	<b>Cofinancing (US\$M)</b>		
<b>L/C Number :</b> L3261			
	<b>Board Approval (FY)</b>		91
<b>Partners involved :</b>	<b>Closing Date</b>	12/31/1996	12/31/1999
<b>Prepared by :</b>	<b>Reviewed by :</b>	<b>Group Manager :</b>	<b>Group:</b>
George T. K. Pitman	Madhur Gautam	Ridley Nelson	OEDST

**2. Project Objectives and Components**

**a. Objectives**

To provide continuity and improvement to the implementation of the government's on-going communal irrigation development efforts thereby contributing to poverty alleviation and raising incomes of 20,000 rural families, and to strengthen government and farmers' irrigation institutions and organizations supporting improvement of communal irrigation

**b. Components**

Rehabilitation (115 sub-projects covering 15,000 ha) and construction of new (65 sub-projects covering 10,000 ha) communal irrigation schemes including provision of access and service roads, grain drying and storage facilities and watershed erosion control measures in project catchments (\$34 million);

1. development of communal irrigation associations (IAs) including training of related National Irrigation Administration (NIA) staff, community organizers and IAs with emphasis on management, finance and operation and management (\$2.7 million);
2. institutional strengthening of the NIA including improvement of accounting systems and collection efficiency, enhancing M&E of communal systems, upgrading offices, training, and hydrologic capability (\$11.3 million); and
3. preparation of agricultural development plans for the project's communal irrigation systems (\$0.9 million)

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

Overall costs were lower because of the devaluation of the Peso (from Peso 22.8 to \$1.00 in 1990 to 40.0 in 1999). The project was extended for 3 years because of the slow release and reduction of counterpart funding by government.

**3. Achievement of Relevant Objectives :**

The objectives were substantially achieved.

**4. Significant Outcomes /Impacts:**

1. The project achieved about 87% of the SAR's irrigated area target (22,250 ha) and in addition completed 6,440 ha carried over from CIDP-I. Irrigation intensity increased from 137% to 178% percent post-project enabling incremental production of 73,200 tons/year or 90% of appraisal estimates. Overall the project benefited about 32,000 families - 6,000 from CIDP-I, 26,000 from this project. Incremental income from dry season irrigation averaged \$440/ha and the increment of irrigated over rainfed crops was \$ 203/ha. Grain drying areas were provided in 45 schemes thus facilitating better grain storage which enhanced incomes. Erosion control measures were implemented by IAs in 59 schemes utilizing 730 km of vetviver grass bunds and canal service roads (30 km) were built in 8 schemes.
2. IAs were established in all the new irrigation schemes and actively participated in pre-project planning, implementation and construction supervision and subsequent M&E. 229 training session for over 4,700 farmers were conducted, and additional training was given in integrated pest management. Overall, the project appears to have built sustainable IAs but there are several exceptions as noted in section 5.
3. NIA staff and irrigation organizers received training and effectively used the skills gained to support formation of IAs and their self-management while creating links with local government and agricultural extension

- agencies that enabled all communal irrigation projects to develop agricultural development plans .
4. The project successfully weathered the 1991 devolution of communal irrigation responsibilities from NIA to local government units .

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

- The ICR notes that the timely and longer term maintenance of schemes is doubtful in some cases because of IA's poor organization and lack of financial resources . While continued subsidies are likely to be needed, particularly for major maintenance work, there is a lack of resolve to earmark amortization payments for this task that threatens sustainability .
- Roads linking 47 schemes to nearest municipal roads/markets were constructed but lack of reliable maintenance plans by IAs caused these to be discontinued from 1993.
- Attempts to get farmers to take on the role of irrigator-organizers (to substitute for NIA employees) were unsuccessful because of lack of incentives .
- Adequate and timely counterpart funding remains a chronic problem and reflects badly on government commitment to the communal irrigation sector .
- Despite NIA's elaborate M&E program developed under earlier Bank projects its outputs are described in the ICR as "unreliable". Given the importance of M&E, supervision should have given more emphasis to M&E system.

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
<b>Outcome :</b>	Satisfactory	Satisfactory	
<b>Institutional Dev .:</b>	Substantial	Modest	Managerial capacity of IAs is weak .
<b>Sustainability :</b>	Likely	Uncertain	Funding for O&M by IAs, particularly for major works, seems to be problematic without external support.
<b>Bank Performance :</b>	Satisfactory	Satisfactory	
<b>Borrower Perf .:</b>	Satisfactory	Satisfactory	
<b>Quality of ICR :</b>		Satisfactory	

**7. Lessons of Broad Applicability :**

- Communal irrigation in high risk natural environments may need explicit subsidies for periodic major maintenance to ensure sustainability .
- Sound institutional building precedes successful communal irrigation development .
- Supervision should ensure that M&E is reliable and robust .

**8. Audit Recommended?**  Yes  No

**9. Comments on Quality of ICR :**

The dismissal of the M&E problem and willingness to "process" the ex-post ERR using decade old data makes the whole exercise meaningless. It would be better not to do it at all. Future operations are relegated to a yet another follow up project.