

Yemen: Al-Mahara Rural Development Project

Item	Assessment Remarks	Rating
Country & Project Name	Yemen: Al-Mahara Rural Development Project	
Loan No.	528-YE	
Project Id.	1095	
Board Date	9 Dec 1999	
Effectiveness Date	26 July 2000	
Original Closing Date	31 March 2008	
Final Closing Date	31 March 2010	
Total Project Cost USD(M)	USD 17.8 million	
IFAD loan USD (M)	USD 12.2 million; Grant of USD 0.06 million from IFAD/NENA.	
Cofinanciers (if any)	USD 1.9 million from beneficiaries; USD 2.99 million from Govt	
Implementing Agency	Ministry of Agriculture and Irrigation (MAI)	
Principal Components	Project's goal was to improve the well-being of participating smallholder households and rural communities by encouraging their active involvement in managing their social needs and a more productive and sustainable use of their natural resource bases. Project's objectives were: (i) support the development of more self-reliant communities and strengthen the partnerships among all stakeholders; (ii) strengthen the capacity of male and female farmers and fishermen and their communities to determine access to and use of appropriate resources, technology and financial services for agriculture, fisheries and livestock development; (iii) build knowledge and capacity in public and private institutions and enterprises to deliver equitable, sustainable and profitable financial and technical services to the rural community. Project's components were: i) community development; ii) support services; iii) rural credit; iv) Implementation support for project management through a Project Management Unit.	
Project Performance		
Relevance	The project objectives were aligned with the Country Strategic Opportunities Paper (COSOP) 1997. The AMRDP adopted a village-based integrated approach that relied on community participation. Some of the priorities established in the AP did not fully reflect the real needs of the communities. Thus, several changes and adjustments were introduced to adjust and adopt the course of project implementation to reflect field realities, respond to emerging and pressing demands by the beneficiaries and/or to address some imperfections in project design. However, some of the solutions proposed at design were not modified when implementation difficulties cropped up. With regard to the rural credit, at Appraisal simplistic assumptions were made about the implementation of the credit component, whereas alternative mechanisms to respond to beneficiaries' demands were not pursued. In addition, the assumption made in the AR regarding the privatization of veterinary services and ability of the beneficiaries to pay for Community Para-Veterinarian' (CPVs) and Community Extension Agents' (CEAs) services were unrealistic, therefore leading to inadequate cost recovery and near collapse of the community-driven extension services. In addition, social habits, particularly in the nomadic societies, that look down at those who practice the veterinary profession have also been an important constraint.	4
Effectiveness	Project effectiveness was hampered by the project's slow start as well as by its very unstable management until 2007 when the project implementation began to manifest effectiveness, versatility and flexibility. AMRDP's main achievement has been the empowerment of local communities and strengthening of their institutions. 42 men Community Development Committee (CDCs) and 39 women CDCs have been established since 2001 for the 42 communities. Of these, 20 male and 14 female CDCs were converted to and registered as full-fledged Development Associations (DAs). The project assesses the 46% of the CDCs are good, 43% are average adequate and 11% are weak. The main weaknesses concerns the financial service component, which suffered the strongest delays in implementation and was executed at USD 1.8 million, representing 35% of the appraisal target. This was due to the delayed start of rural credit, restructuring of the CACB and cancellation of the microfinance activity (promotion of the Village and Saving and Loan Associations). As a result of the failure of the rural credit component, the adoption of technological package - which were successfully tested and demonstrated - at a larger scale did not materialize at the level due primarily to inaccessibility of rural credit by the beneficiaries. Finally, there was a lack of systemic approach in the design of the M&E system. The M&E has not been result-based and thus very little use has been made of the Logframe which has remained the same since appraisal.	4
Efficiency	Differently from what reported in the PCR, the project's efficiency has been low due to several factors. The project had a slow start and low implementation rate for the majority of its implementation period (seven years out of nine). The project was extended for a period of two years, until 20 September 2009 for a total duration of over 9 years (07/2000 to 09/2009). This extension has been granted after the	3

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	provision by the GoY of an action plan as a response to the audit report of 2006. As of March 31st 2010, the total amount disbursed represented 98% of the loan after the reallocation of funds. The project recorded efficiency gains in the coverage of community development, as the corresponding component was executed at 5% lower costs than planned. However, the project management registered a little over 79% of estimated cost overruns. This resulted from considerable salaries and allowances which were incurred by the project from 2001 to 2006, as well as from the recurrent costs of the project during the two years extension period (2007-2009). Finally, project's efficiency was hampered by the high number of staff which on yearly average amounted to 48 people. It should also be stressed that the project realized some nominal savings as a result of changes in the SDR/USD exchange rates. The PCR has estimated that under conservative scenarios, and without accounting for possible benefits or accounting for a modest contribution of agriculture and livestock interventions, the upper and lower-upper and lower bounds of the project's internal economic rate of return (IERR) are 27% and 14% respectively against an appraisal estimate of 17%.	
Project Performance		4
Partner Performance		
IFAD	IFAD's performance has been characterized by the frequent change of CPM (three times during the period 2002-2007), as well as IFAD's exclusive reliance on UNOPS for implementation support without any direct and active involvement to tackle protracted problems, such as rural credit and community extension support services, or bridging the financial gap caused by UNDP withdrawal as a cofinancier. Once became aware of the classification of AMRDP as a problem-project, IFAD communicated its concerns to the GOY and recommended immediate action to address the situation. However, in general IFAD's response and follow-up to UNOPS's supervision reports was slow. Finally, IFAD's infrequent visits to the projects did not encourage a fruitful dialogue to reach appropriate solutions to lingering problems.	4
Cooperating Institution	UNOPS's supervision in the project's early years was ineffective. In addition, although UNOPS mounted supervision missions, drafted supervision reports and prepared aide-memoire in which encountered problems were identified, the proposed solutions were mostly of administrative character. UNOPS TA support for credit and other components did not materialize, and this disoriented the implementation of the project, especially the credit component. Finally, there was a delay of processing of WAs by UNOPS during the year 2007 for nearly 7 months following the transfer of UNOPS offices from Rome to Tunis.	3
Government	PMU performance has been unsatisfactory. Several reasons underpin this assessment. Initial project's poor performance was associated with low disbursement, arbitrary management decisions, poor procurement practices and inadequate financial management, in addition to high staff turnover. There have been delays and transparency issues in procurement due to poor management and oversight which then have been resolved with the new managers entering the system in 2007. In addition, several covenants were not respected, in particular: (a) lack of counterpart funds to finance the Government's share in project financing; (b) the contribution from the Agriculture and Fisheries Production Promotion Fund (AFPPF) for credit was not made; (c) no actions taken by the Ministry of Fisheries, causing serious delays to the implementation of the fisheries component; (d) delay in the completion of audit reports; (e) lack of expertise in procurement matters, resulting in considerable delays; (g) the Sana'a co-ordination office of the project was unnecessarily overstaffed (the average yearly number of staff over the past 9 years is 39). In addition, despite the potential role the PCC could have played in the coordination of project implementation, PCC meetings were infrequent and without agenda. Since 2007, the project performance has improved significantly in terms of procurement and financial management, quality and timelines of reporting. Up to the project closing date, the Gov't has provided USD 1.2 million to co-finance the four components. This exceeds the appraisal estimate by 130%. However, no reasons are provided in PCR to justify this higher amount.	3
NGO/Other		
Cofinancier(s)	Co-financing from UNDP foreseen at design (USD 0.7 million) never materialized. This seriously affected the project, as the lack of funds constrained the starting of the village-based saving and credit initiative, which was never launched. The CAC bank disbursed 39.9% of the initial budget. The AFPPP has disbursed only 40.6% of the allocated amount.	2

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Combined Partner Performance	<i>The PCR assesses that despite the project's difficulties, IFAD and the GoY have always enjoyed a strong partnership which became even stronger after the establishment of IFAD's field presence in late 2005/06. However, on the basis of project's performance, it seems that the project's stakeholders did not interact much in order to solve project's main problems and constraints.</i>	
Rural Poverty Impact		
Household Income and Net Assets	Within this domain, project's main impact concerns fisheries, with significant increases in number of fishing boats, which has increased during 2000-2008 from 1800 to 2965 boats. In addition, about 30% of the fishermen have rehabilitated their boats and/or have changed off-board motors. Most significantly, fishermen have experienced a threefold increase in the average gross revenue generated per boat. Thanks to the project, there has also been an overall increase in the number of livestock in the project area. As far as agricultural and livestock trials and demonstration, the adoption rate by farmers has not been recorded and is therefore not possible to assess impact on income. Due to the overall unsatisfactory performance of the rural credit component, only 32% of the appraisal target has been achieved, and a little over 25% of the planned number of beneficiaries has been reached.	4
Natural Resources and Environment	Project's impact within this domain is assessed as mainly positive. The promotion and support of artisanal fishing techniques instead of commercial fishing is likely to be sustainable in the long-run. In addition, the project husbandry and management techniques for improved crop and livestock based on established practices did not involve heavy use of fertilisers, chemicals or drugs. Soil erosion associated with construction of community-based access roads is very limited and thus unlikely to cause serious damage to the landscape.	5
Human, Social Capital and Empowerment	Within this domain, project's impact has been notable. They are positive changes brought to the participating communities in terms of quality of life and improvement of human assets. More than 8,600 households have gained access to drinking water supply, electricity, vocational trainings, schooling and basic health service and most communities are accessible by road. Moreover, diversified training and capacity building programmes, strong and effective involvement of women in the community affairs coupled with the community-driven physical and social sub-projects have improved the level of human assets in these communities. The project also opened up new horizons for the communities and worked on their awareness and empowerment. In addition, CDCs and DAs have become an effective lobbying and communication platform to secure different services from the government, NGOs and other institutions. Thanks to the project's intervention, the fishing communities have organized themselves into artisanal fishermen associations, as well as the number of fishermen and fishing communities increased also by 21%.	4
Ag. Productivity	With regard to this domain, as far as livestock is concerned, the increase in livestock production is due mostly to intensive vaccination and treatment programmes. Consequently, the number of livestock increased by 20%, milk and fattening cycle was reduced by 50%. However, apart from the notable improvement in livestock, project's impact has been limited. In fact, with regard to agricultural and livestock trials and demonstration, the adoption rate by farmers has not been recorded. However, it is quite likely that the yield and production of staple crop has remained unchanged.	4
Food Security	The project's impact on food security has been mainly driven by fishing and livestock-related activities. The reported three-fold expansion of fishing activities appears to have made an important contribution on food security. This was also supported by fisheries' improved prices in addition to better marketing of produce. As far as agricultural and livestock trials and demonstration, the adoption rate by farmers has not been recorded and is therefore not possible to assess impact on food security.	5
Agricultural Productivity and Food Security		4
Inst. & Policies	Within this domain, project's impact has been mixed. In fact, on the positive side, the project was able to create a dynamic process that encouraged further investments in the Governorate over the years. In addition, staff from local administrations, village development committee members and project staff benefitted from specialised training, advocacy, community workshops and awareness campaigns. On the other hand, despite the fact that all the outputs for the fisheries support services were completed, the recommended policy instruments have not been enforced by the MFW.	4
Markets	Thanks to the project's intervention in infrastructure, most communities have become more accessible by roads as well as there has been an improvement in the marketing of fish products. Concerning agricultural products marketing, the project established and equipped the quarantine center in Shehen, which would improve import and export of agricultural products with and through the Sultanate of Oman and would protect the country from any risk of diseases.	4
Project Impact		4

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Other Performance Criteria		
Innovation	Within this regard, project's design was perhaps too ambitious. In fact, it was supposed to carry on innovative features, such as: a community empowerment process; reinforcement of the role of women recruited as Community Para-Veterinarian (CPVs) and Community Extension Agents (CEAs); nurture and support the infant NGOs to improve their managerial capabilities; explore the possibility of using some NGOs as delivery instruments for village-based financial services and strengthen the development of the civil society in the area; encouraging Yemen's growing and vibrant private sector. Among all these planned features, the only one reported by the PCR is the introduction of the participatory approach which was made in an area like Al-Mahara where the top-down approach prevailed.	3
Replicability and Scaling-up	All the communities requested additional support and extension of the project to a second phase. In addition, the Ministry of Agriculture and Irrigation (MAI) and Ministry of Planning and International Cooperation (MOPIC) in collaboration with the AMRDP, are preparing a 5-year replicable and sustainable project (AMRDP-2) to consolidate the AMRDP achievements in the 42 communities and the replication of its activities to cover an additional 40 to 50 communities in the nine districts taking into consideration the lessons learned from the implementation of the project. The GoY intends submitting the AMRDP-2 proposal for financing by different donors.	4
Innovation, Replicability and Scaling-up		4
Sustainability and Ownership	Project sustainability is considered both fragile and risky. This is primarily due to the fact that the project's exit strategy has not been fully formulated yet. In addition, the prospects for sustainability are not assured, as the project supported public services which may deteriorate in the future.	4
Targeting	The project did target around 56% of the population of the governorate of Al-Mahara, selected following specific criteria. Eligible beneficiaries would include almost the entire rural population of Al Mahara and comprise: i) artisanal fishermen owning small fishing boats or work as crew on those boats; ii) rural hhs owning less than 2 ha of land with limited alternative sources of income; iii) nomadic livestock hhs with about 15 camels and less than 50 sheep and goats with limited alternative sources of income; iv) rural women. During project's implementation, there was an amendment of the criteria to cater for the scattered nature of the population.	4
Gender	The project established a separate gender team that was assigned the gender mainstreaming responsibility of project activities. The project implemented a considerable set of activities benefitting rural women. It established women community structures such as 39 CDCs, of which 14 are DAs. Women were also involved in participating in various technical and vocational trainings (health and nutrition, para-veterinary, Community Agricultural extension, literacy programmes, sewing) as well as they took part in the establishment of income generating sub-projects such as (sewing shops, grocery shops, coffee milk, bakery, livestock fattening). Most of these activities are well managed and profitable. The total number of women benefiting directly from these gender-specific interventions has been about 14,782. About 4258 women benefitted from literacy programme. In addition, they have also benefited from the rest of the activities as members of the 8,634 households. 50% of the trained women have been integrated in the local economy and created a positive growing synergy in various cities and villages. It is worth noting that impact on women could have been much higher if they had access to credit.	5
Overall Performance		4
Estimated number of beneficiaries	The AMRDP was expected to reach out to 40 communities in 9 districts: direct beneficiaries of all the components of the project were estimated at 6750 hhs. The project targeted 11860 hhs	
PCR Quality		
Scope	The PCR is partly in line with guidelines, as some annexes are missing.	4
Quality	The quality of the PCR is quite good, even though some sections could have been better covered. Above all, the lack of quantitative data to assess project's impact on the different domains is a major shortcoming strongly affecting the quality of the PCR.	4
Lessons	More efforts should have been put in drawing this section, also considering its complicated implementation. The lessons learned are presented mainly as recommendations.	4
Candour	The PCR is quite objective and self-critical, although for some sections (see efficiency), projects own assessment was too positive.	4