

## **Mauritius**

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### **Rural Diversification Programme**

### **Project Completion Report Digest**



## Mauritius - Rural Diversification Programme

Item	Assessment Remarks	Rating
<b>Country &amp; Project Name</b>	<b>Mauritius - Rural Diversification Programme</b>	
Loan No.:	504-MU	
Project Id.	1093	
Board Date	29 April 1999	
Effectiveness Date	04 April 2000	
Original Closing Date	30 April 2009	
Final Closing Date	30 June 2011	
Total Project Cost USD(M)	16.57	
IFAD loan US\$(M)	11.12	
Cofinanciers (if any)	None	
Implementing Agency	Ministry of Finance (MOF)	
Principal Components	The programme will be demand-driven, responding to feasible and viable options of individual households/communities over a period of six years. Its objectives will be achieved through a set of four distinct sub-programmes, directly geared to increasing production based on the investment opportunities available in irrigated agriculture development; microenterprise and microfinance; development of FAD fishing; and community development initiatives.	
<b>Project Performance</b>		
Relevance	The Rural Diversification Programme (RDP) is IFAD's second intervention in Mauritius. Its design takes into account the recommendations of the ex-post evaluation of the first project. It also responds to Government's priorities to combat poverty in the island state. The project document highlights i.e. the fact that income distribution in Mauritius is highly unequal and that the target group is interspersed throughout the economy and only partially involved in primary activities such as agriculture. Hence, it stresses the need for active beneficiary participation at all stages of the project cycle to enable the programme to effectively respond to their specific needs. The programme was designed to respond to the complexity of the situation. It was split into four sub-programmes, each composed of a sub-set of activities: (i) Irrigated agricultural development; (ii) fisheries development; (iii) microenterprise and microfinance; and (iv) community development. Relevance is not explicitly assessed in the PCR. It appears, however, that program design was very ambitious and did not take into account the limited implementation capacities prevailing at all levels (public, private, beneficiaries) and sectors. The programme tried to adopt a participatory approach, rather unsuccessfully, due to the weak human capacities both within the JPIU/PMU and among the beneficiaries. The PIM approach applied for the design and implementation of new irrigated schemes was an exception. Altogether, it appears that programme objectives and design were relevant but not sufficiently realistic.	4
Effectiveness	The PCR mentions a wide range of implementation issues which have negatively affected the attainment of programme objectives: (i) weak implementation capacities at all levels and sectors; (ii) high staff turnover within the JPIU/PMU and the ministries concerned (lack of financial incentives); (iii) cumbersome administrative procedures, including procurement procedures; (iv) slow release of counterpart funds; (v) absence of capacity building opportunities for Government staff; (vi) lack of communication and coordination between the various actors intervening in the same communities but using different approaches (Rodrigues); (vii) political interference; and (viii) absence of baseline data and of a functioning M&E system. In addition, the PMU-Rodrigues has suffered from: (i) high staff turnover (insecurity of project positions); and (ii) weak control over its own vehicles (PMU had to request the use of its own vehicles from the local administration). The MTR already point out that: (a) staff training, capacity building and skill upgrading should have been given top priority; (b) an M&E system should have been in place; and (c) Rodrigues Island should have been given focus to address shortage of staff and capacity constraints. As a result, programme objectives could only partly be met. The ADP was effective in developing irrigated agriculture. It was only partly effective in the area of FAD fisheries development and community development and largely ineffective in the area microfinance and microenterprise development. With regard to irrigated agricultural development, the objective to increase agricultural yields and incomes and to diversify agricultural production on newly irrigated land could be achieved. Yields on rehabilitated schemes could be increased in the range of 10-70%. O&M responsibilities were handed over to the WUCs in 4 out of 8 cases and management of the schemes improved. FAD fisheries development had some positive impact on the livelihoods of the fishermen. Incomes of poor fishermen could be increased but reduction of the pressure on the lagoon was minimal. On the negative side, the FAD capacity building programme was completely ineffective. The micro-enterprise/microfinance component was highly ineffective and was discontinued at MTR due to structural implementation problems. Finally, community development helped carry out a number of relevant, though uncoordinated activities. A number of activities were	3

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	discontinued at MTR: FAD training by professional fishermen (lack of interest), boat line of credit (too expensive), number of patrol boats reduced from 6 to 2 (due to higher costs), micro-credit/micro-finance.	
Efficiency	There is little information to assess programme efficiency. The programme experienced an effectiveness lag of 11.2 months, which is slightly higher than the average for completed projects in the region. It was extended 3 times for a total duration of 4.5 years. The last extension of the completion date (1 July 2009-31 Dec 2010) was meant to complete the procurement of boats for five fishing cooperatives in Rodrigues Island, for which the process was started 5 years earlier. There is no financial and economic analysis of the programme. However, the low level of achievement combined with an overall disbursement rate of 89% and a substantial extension of the loan closing date suggest that the project was rather inefficient. Important delays were experienced throughout programme implementation due to weak implementation capacities of all partners involved and cumbersome administrative procedures (procurement and others). Cumbersome procurement procedures led, for example, to important delays in many FAD activities, such as studies (pre-feasibility study on sea weed farming, study on fish handling, preservation and marketing, M&E of the FAD fisheries) and the purchase of equipment (electronic, communication, FAD material and equipment).	2
Project Performance		3
<b>Partner Performance</b>		
IFAD	IFAD performance is not assessed in the PCR. IFAD seems, however, to be responsible for some design flaws. Several activities could not be implemented as appraised. In other cases, costs were underestimated. IFAD can also be made responsible for having overestimated the implementation capacity of national institutions involved and/or for not having foreseen appropriate capacity strengthening. In the micro-credit/micro-finance component, the PCR indicates that lessons from previous operations had not been taken into account and that errors had been repeated. It can be questioned why some of the issues were not addressed during the MTR. Instead, the project was extended for a total of 4.5 years, without any major action taken to address design flaws (too complex, inadequate activities) and implementation issues (weak implementation capacities, cumbersome administrative procedures).	3
Cooperating Institution	CI performance is not assessed. The PCR however mentions that the CI failed to correctly understand the local dynamics. The CI was also criticized for the lack of continuity in its support, both in terms of human resources and recommendations.	3
Government	A large range of Ministries and Government agencies was involved in the implementation of the sub-programmes. Staff capacities were altogether weak. A Joint Programme Implementation Unit (JPIU) was responsible for overall implementation and coordination. High staff turnover within the JPIU (4 Programme Coordinators) and the limited availability of its staff (full-time Government employees) has, however, affected a smooth implementation of the programme. Programme implementation was further affected by cumbersome procurement procedures, which resulted in implementation delays. Implementation of micro-projects under the microenterprise/microfinance component has faced implementation delays due to lengthy procedures for obtaining business permits and authorizations. Delays in the release of counterpart funds were also mentioned as an issue. Local Government staff at Rodrigues was found particularly weak (limited implementation capacities, lack of motivation, high turnover). The limited understanding and ownership by the Rodrigues Regional Assembly was mentioned as a further issue. Some of these weaknesses were already pointed out by the MTR which stated that: "Inadequate human capacity-building within the implementing agencies has affected programme implementation". With regard to the PCU/PMU-R it says: "The PCU...in place... is poorly staffed and without adequate training in project management aspects.[...]. Capacity of the PMU-Rodrigues continued to be far below the needs of the programme".[...]. Support in crucial areas of project administration and management is lacking". On the positive side, the Irrigation Authority (IA) was considered successful in the rehabilitation of existing irrigation schemes and the construction of new schemes, in the establishment of WUCSs and the training of staff. Financial management by IA was satisfactory.	3
NGO/Other	The information available is insufficient. It is only indicated that the performance of the contractor in charge of rehabilitating the irrigation infrastructure was weak.	n.a
Cofinancier(s)		n.a
<b>Combined Partner Performance</b>	No information available.	
<b>Rural Poverty Impact</b>		
Household Income and Net Assets	RDP's impact on incomes and assets is assessed as partly satisfactory. It is estimated that the strongest impact could be reached under the IAD component. The rehabilitation of existing irrigation schemes has enabled planters to increase their incomes and hence, their housing conditions. About	4

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	60-80% has reported that the quality of their products has improved. In the fisheries sector, a supervision mission conducted in 2007 has concluded that the programme had positively impacted on the livelihoods of the fishermen with 56% mentioning better housing conditions and 22% a more regular income. It also appears that 54% could increase their savings and that another 54% had bought new engines for their fishing boats. Unfortunately, there are no data confirming that this trend could be maintained throughout the implementation period. Positive results were also achieved under the community development component but the scope is hard to assess and probably quite low. The PCR states that 191 micro-projects were approved and funded in 2000-08, based on a needs assessment (social infrastructure, capacity building, equipment and income generating projects). Implementation was satisfactory and the projects have contributed to improving the livelihoods of the populations. The main obstacles towards further expansion of the activities were limited human capacities at the different levels, difficulty in mobilizing the beneficiary's contribution (20%) and slow administrative procedures. The programme was least successful providing access to micro-finance/micro-credit. The boat line credit did not materialize since fishermen could access cheaper credits from the Development Bank of Mauritius. Under the micro-enterprise development component, 535 projects were funded as at 2003. More than half of the credit beneficiaries had experienced an increase in their incomes and around 35% had more than doubled their incomes. Most operations were however not sustainable and credit beneficiaries faced loan repayment problems (less than half of the projects still operational 3 years later). The main reasons were: lack of appropriate skills amongst beneficiaries and support staff, feasibility studies omitted, marketing constraints and administrative bottlenecks for the setting up of small businesses and finally, the widespread habit to sell on credit. As a result, the financial backflow into the revolving fund was insufficient to keep the fund going. The activity was discontinued at MTR (2004).	
Food Security	Not assessed. No information or data available.	n.a.
Ag. Productivity	The programme aimed at improving farm productivity and increasing crop yields through agricultural intensification, crop diversification and the introduction of water saving technologies. Some of the initial targets could be surpassed: 196 ha of newly irrigated land were developed (against a target of 150 ha) and 645 ha were rehabilitated (against a target of 250 ha). The yields of all major crops could be increased, interline cropping was introduced and agricultural production in general could be diversified away from sugar cane to food crops, vegetables and fruits. Diversification efforts were however not sufficient to reduce farmer's dependence on sugar cane and sugar cane prices. The rehabilitation of irrigated schemes led to yield increases in the range of 10-70% (60-70% for sugar cane). Planters have reported that the quality of their produce has improved, leading to higher incomes and hence to improved business conditions. Finally, the construction of new irrigated schemes has allowed previously abandoned land to be brought back under cultivation. With regard to fisheries development, 150 FADs were purchased between 2000 and 2008. At MTR, good progress was made in FAD deployment (target for Mauritius reached at MTR). Training of beneficiaries has allowed the daily catch per fishermen to be increased from an average 20 kg to 26 kg in 2004 (42 kg during the peak season). The albacore tuna, which was practically not caught in the past, represented 83% of the catches (no mention of the year). In Rodrigues, beneficiaries have been trained in different areas (animal husbandry; crop production) and a large variety of equipment was purchased but not all of it was used. The PCR seems to mention that the weak capacities of PMU-R and Government staff did not allow implementation of small agricultural development initiatives.	4
<b>Agricultural Productivity and Food Security</b>		4
Natural Resources and Environment	The PCR provides little information about RDP's impact on natural resources and the environment. The impact of irrigated agricultural on the environment is not assessed but is assumed to be positive since surfaces, previously abandoned, are now being cultivated. IAD is the programme most successful component. Under the fisheries component, two activities aiming at reducing the pressure on fishing resources in the lagoon proved unsuccessful. In the first case, the programme offered a compensation plan for fishermen to relinquish large nets and gills. Unfortunately, this compensation plan was not attractive enough and only 3 large nets and 2 gills (out of 32 and 19 respectively) were relinquished by few fishermen whose businesses were not successful. All others kept their fishing habits. As a result, the compensation plan was discontinued at MTR. The second activity aimed at reducing octopus fishing in Rodrigues by relocating fisherwomen into seaweed farming. The pre-feasibility study took however too long to be completed and the pilot phase were not implemented as the project was initially due to close in 2006. The activity was not further pursued, despite the extension of the loan closing date.	3
Human, Social Capital and Empowerment	Information about capacity building and empowerment is scattered across all 4 reports and scarce. It can be assumed that capacity building was altogether insufficient, given that the absence of adequate	3

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	human resources at all levels was repeatedly mentioned as a major implementation issue. In the case of irrigated agricultural development, capacities of the WUCSs (Water User Cooperative Societies) have been strengthened (technical, organizational and managerial capacities). It seems, however, that efforts have been only partly successful as O&M responsibilities could be effectively handed over to only 4 out of 8 WUCSs (irrigation management transfer agreements signed by 6 out of 8 WUCSs). On the positive side, it is mentioned that the use of the PIM approach for the construction of new irrigation schemes has helped increase the sense of ownership of WUCS members. FAD capacity building programme did not materialize. Some possible training venues (outside Mauritius) were explored but the objective was not further pursued. Training of fishermen by professional FAD fishermen did not materialize due to lack of incentives (the daily fee offered by the programme was lower than what they would have earned from fishing). Training of FAD fishermen in off-lagoon, off-shore fishing and FAD operation & maintenance - perceived as essential to move them out of the lagoon – encountered some difficulties, mainly because the fishermen were reluctant to join the training course when fishing conditions were favourable. As at end 2007, 453 fishermen had been trained on FAD fishery and 221 fishermen received general off-shore fishing courses (equivalent to 30% of all FAD fishermen). In the case of micro-enterprise/ micro-finance, training was inadequate (quasi inexistent). There is little information about capacity building for community development projects, except for the Rodrigues sub-component. 283 training workshops were organized which allowed 3488 people (1552 men & 1646 women) with little or no basic education to be trained in animal husbandry, land cultivation and other aspects of farming. The programme has also financed 86 community projects, which have contributed to the organization and empowerment of the beneficiaries.	
Inst. & Policies	The absence of capacity strengthening of public service staff was mentioned as a major shortcoming of the programme. Nevertheless, the Irrigation Authority (IA) and the Agricultural Research and Extension Unit (AREU) have both benefited from some training. 24 IA staff members have been trained and are now in a better position to serve their clients (small scale farmers) than before. Also, their research capacity has been strengthened with the purchase of vehicles and equipment. AREU staff was trained in technology transfer and market information in the non-sugar sector. Staff shortage and limited outreach capacity were addressed with the purchase of vehicles, equipment and training. Both IA and AREU have enriched their experience through the implementation of the programme. The programme's main contribution to institution building has been the creation of new Water User Cooperatives Societies and the successful transfer of O&M responsibilities to four of them. Some of them have started offering other services, such as the provision of inputs and the renting out of agricultural equipment, enabling them to generate additional resources. Other WUCS were engaged into commercial activities, such as selling their agricultural products to hotels. It is however difficult to assess how significant this impact is.	4
Markets	The PCR provides little information about markets. A market information system was established within the framework of the IAD component. It appears, however that too much attention was given to increasing agricultural production to the expense of markets. The PCR mentions that the absence of marketing outlets was identified as an issue in some irrigation schemes. Altogether, the need to create an enabling environment for the marketing and sale of agricultural products was not recognize. This might indicate that market aspects were not given sufficient attention during design.	3
<b>Project Impact</b>	The actual impact of the program is hard to assess given the absence of aggregate data. Also, none of the figures available relate reflect the situation at project completion. A rough guess is that overall rural poverty impact was modest. Poverty and food security are not specifically assessed in the PCR(s).	3
<b>Overarching Factors</b>		
Innovation	Not information available.	n.a.
Replicability and Scaling-up	Not information available. The PSR states that "The programme successful achievements have been scaled-up and included in the recently approved MARS programme." (rated 5). Apart from the implementation of new irrigated schemes, the project does not seem to have achieved any significant results worth being replicated. The indicator is not rated given the absence of reliable information.	n.a.
<b>Innovation, Replicability and Scaling-up</b>		n.a.
Sustainability and Ownership	Sustainability is assessed only in the case of IAD development. Capacity strengthening of the IA is perceived as a critical element to ensure technical sustainability of the irrigated schemes and continued support to small farmers. Transfer of O&M responsibilities to WUCSs is effective in only 4 cases (out of 8). The other WUCSs are left with problems related to the collection fees, absence of dedicated staff, decreasing agricultural revenues, lack of funds, theft and vandalism. It can be concluded that a well-functioning WUCS is essential for the sustainability of the irrigation	3

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	infrastructure altogether. Also, early involvement of the beneficiaries in the planning and implementation of schemes has fostered their sense of responsibility and ownership. Technologies transferred to the beneficiaries are expected to be sustainable since they were implemented using participatory irrigation management. Diversification efforts seem to have been insufficient as shown by the structure of farmers' incomes, which still depend mainly on sugar cane. The PCR does not assess whether FAD deployment can be considered sustainable. Micro-enterprise and micro-finance activities were discontinued at MTR and community development activities did not always respond to the beneficiaries' needs, in particular in Rodrigues.	
Targeting	The project document highlights the fact that the target group in Mauritius is interspersed throughout the economy and only partially involved in primary activities such as agriculture. It also anticipates the need to develop specific targeting criteria to reach the poor. The PCR does not discuss the extent to which the programme was able – or not - to develop such targeting mechanisms. Given that the programme has suffered throughout from the absence of adequate human capacities to implement and promote the programme and its objectives, it can be assumed that the beneficiaries were not targeted using well-defined tools. In the case of Rodrigues, it is mentioned that the PCU-R failed to implement a proper targeting strategy and to conduct a participatory needs assessment incl. the prioritization of needs. As a result, some of the investments under the agricultural development sub-component did not respond to the needs and remained unused. Also, some community projects did not necessarily benefit the poor but the community in general. Other community projects did not respond to a felt need and remained unused or underused such as some community centers.	3
Gender	The PCR does not assess gender aspects. It only indicates that the loan programme, which was discontinued at MTR, benefited individual women and women's groups in particular. It allowed them to increase their incomes, gain in self-confidence and improve their interpersonal skills. A total of 385 micro-projects/small businesses were initiated by women, corresponding to 71% of all micro-projects (91% in Rodrigues).	4
<b>Overall Performance</b>	Overall performance is assessed less than average, based on the physical results achieved at different points in time (situation at completion not available) and estimated impacts of the programme.	<b>3</b>
Estimated number of beneficiaries		
<b>PCR Quality</b>		
Scope	The PCR consists of 4 separate draft reports (one for each component) prepared in 2009. They are very incomplete and do not follow the guidelines. As a result, many of the key indicators are either not analysed at all or not explicitly.	2
Quality	Since the PCR consists of a series of draft reports it lacks an overall analysis of results and impact. The quality of the four reports widely varies, with the report on the community development sub-component in Rodrigues being the weakest. Generally speaking, figures are missing and the level of analysis is very thin. The few figures available do not compare to any baseline data or to a situation without project. It is therefore difficult to evaluate the impact of the programme. There are no poverty data. The language is sometimes poor too and the text presents gaps.	2
Lessons	A section on overall lessons learned is not available, but for 3 of the 4 components, the reports highlight issues or practical aspects to take into account in similar future interventions. In the case of irrigated agricultural development, the report emphasizes the need for early beneficiary involvement during the design and implementation of related infrastructure. In the case of the community development sub-component in Rodrigues, the report point at important issues that need to be addressed in any future intervention such as: (i) lack of capacities and (financial) incentives for Government officers to follow this type of investments programmes; (ii) need to address capacity strengthening needs of Government staff / PCU staff to improve implementation performance; and (iii) need for coordination and harmonization of donor interventions. The report on micro-credit/micro-finance draws further practical, even if sometimes obvious, lessons.	4
Candour	These are incomplete draft reports. Their candour is not assessed.	n.a