

## Yemen: Southern Governorates Rural Development Project

| Item                              | Assessment Remarks   | Rating |
|-----------------------------------|--|--------|
| <b>Country &amp; Project Name</b> | <b>Yemen - Southern Governorates Rural Development Project</b>   |        |
| Loan Number                       | 454-YE   |        |
| ID Number                         | 1061   |        |
| Board Date                        | September 1997   |        |
| Effectiveness Date                | July 1998  |        |
| Original Closing Date             | 30 June 2003   |        |
| Final Closing Date                | 31 December 2005   |        |
| Total Project Cost USD(M)         | USD 45.8 million   |        |
| IFAD loan USD (M)                 | USD 11.3 million   |        |
| Cofinanciers (if any)             | IDA (International Development Association) USD 24.7 million   |        |
| Implementing Agency               | Ministry of Agriculture and Water Resources  |        |
| Principal Components              | (i) Development of irrigated land; (ii) Promotion of off-farm enterprises; and (iii) Community development activities  |        |
|                                   |  |        |
| <b>Project Performance</b>        |  |        |
| Design                            | The project was designed under a participatory approach, whereby the target population, the communities and the relevant local and central government officials were extensively consulted. Thus, the needs of the target population and the development opportunities were identified jointly with the active participation of all the stakeholders. The result of the exercise was the identification of the three major components. Unfortunately, at design level, the political situation has not been taken into consideration, thus harnessing the suitability of the project. Moreover, the community development activities (training) proved to be ill suited within the ongoing economic situation. There were also some issues, areas and risks which the project design overlooked and underestimated; these contributed to delays in implementation, restructuring of components and lower achievement. Design did not give adequate attention to microfinance component.  | 3      |
| Implementation                    | The project was restructured three times. The restructuring affected mainly the land allocation, development and rehabilitation component of the project. The main cause for the continuous restructuring of this component was the difficulty in obtaining the land to be allocated for the poor beneficiaries, as many individuals as well as tribes emerged as the "owners" of the lands. The delay caused by the land problem, combined with the conceptual and implementation difficulties faced in the community development component, led to the dropping of the participatory approach, which in turn triggered a number of other changes. The project's operating area was stretched to over 50 districts and the target population to 500 000 people. Following the reallocation of funds, new areas of interventions were added (spate irrigation, erosion control, training of local councils, etc.), while the existing ones were also increased in magnitude and scope (feeder roads, water supply etc.). With the third restructuring, USD 450 000 were reallocated to support the government's effort to dispose of hazardous chemicals that were buried in abandoned farms and were becoming serious threats to the safety of the underground water and the health of the rural population. Social services turned to have more importance than economic infrastructures. The reason for this outcome is that the immediate and concrete benefits of the expansion of social services like water supply, schools and health, etc. were the most meaningful to the people. While this may be a failure in terms of complying with the project design, it does indicate that the interventions were demand-driven. | 4      |
| Relevance                         | The project's objectives were in line with the development objectives of the agriculture sector, which, as outlined in what is known as 'Aden Agenda', are to attain food security, alleviation of poverty and sustainable growth. These were also the pillars on which the project was founded. Thus, the project remained relevant from both the points of view of the national and sectoral policies and strategies. However, the design was found to be not very respondent to the ongoing political context.  | 3      |
| Effectiveness                     | It is difficult to measure effectiveness in terms of targets, due to the political issues occurred during the project and because of the changes taking place during project's implementation. The project was effective in having a poverty reduction impact, less so in meeting its original targets.  | 4      |
| Efficiency                        | Although the project was extended for 18 months, and there was a significant increase of the areas and activities to be supervised, the PMU managed to conduct and finalize its operation within the limits of the original budget provided for it. At the design stage, the overhead to direct benefit ratio was estimated to be USD 1 to USD 9. The actual achievement is direct benefit ratio of USD 1 USD 19. This is an indicator of the successes of the Unit in keeping overhead costs to the minimum possible levels. It also highlights the efficiency with which the project has been implemented. Water supply costs per beneficiary were estimated at \$24/per person; health services were lower than average cost provided by PMU; Road costs were half of what the Ministry of Public Work's unit costs.  | 5      |

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| <b>Partner Performance</b>          |   |          |
| IFAD                                | IFAD is responsible for some issues, areas and risks which at design level were overlooked and underestimated, thus contributing to delays in implementation, restructuring of components and lower achievement. On the other hand, IFAD was also flexible and able to quickly restructure the project. IFAD performed well in terms of supervision, identification of problems and providing solutions.  | 4        |
| Cooperating Institution             | As CI, IDA was diligent and efficient. The Bank fielded a supervisory mission to the project area every six months, with members of the mission including the project coordinator and the relevant experts from IDA and sometimes the govt. IDA performed a very satisfactory job in identifying and anticipating bottlenecks and providing solutions. As a result, the restructuring and reallocations of funds were approved and implemented very swiftly.  | 6        |
| Government                          | During implementation, the Government failed to provide lands to settle in those farmers that had been dispossessed by the land denationalization policy. This led to the restructuring of the component, with the target being reduced to about 12% of its original value. This was a failure for the crucial component of the project. The Government did not play an active role in the supervision and follow up of implementation. While this was the result of administrative inefficiencies at policy level, the borrower was very supportive of the project. On the other hand, the PMU managed to conduct and finalize its operation within the limits of the original budget and maintained an overhead to direct benefit ratio superior to that estimated at the design stage. Despite problems, PMU was efficient in delivering services to the target population. The task of providing credit was entrusted to the Social Fund for Development (SFD) which was in no way obligated to the project and did not show commitment to its goals. | 3        |
| NGO/Other                           | NA  | NA       |
| Cofinancier(s)                      | As cofinancier, IDA is deemed responsible for some design and implementation-level problems. However, it was also flexible and able to quickly restructure the project.   | 4        |
| <b>Combined Partner Performance</b> | <b><i>All partners share role in poor M&amp;E and lack of new targets after the restructuring phase. Government's weakness in providing land proved to be major project deficiency. The performance of IFAD and its cooperating institution, IDA, in terms of supervision, identification of problems and in providing solutions, disbursement, etc. was highly satisfactory.</i></b>   | <b>4</b> |
| <b>Rural Poverty Impact</b>         |   |          |
| Physical Assets                     | The project financed 79 water supply points in 37 districts, benefiting 150 people. The land crisis led to the continuous restructuring of the component until it was finally sized-down to establishing only 236 farmers in 20 farm units on 1 160 feddans, equivalent to 12% of the original design target. Parts of the funds of this component were reallocated to rural economic and environmental infrastructure, such as spate irrigation, erosion control and rural road. On the whole, the rural development works taken-up in lieu of the failed part of the land component were relevant in terms of poverty alleviation and within the prospect for a rapid growth of the region's economy. Physical infrastructure included sub-projects in: water supply, roads, schools, health units, sewage, electricity women centers. 70km or rural roads built.   | 4        |
| Financial Assets                    | The economies associated with infrastructure have led to cost reductions, increases in the productivity of labour and hence to increases in production and income. The actual impact on employment was not satisfactory. The institution responsible to provide the trainees with access to credit withdrew from its responsibility. Both from the point of view of employment creation and income growth, the achievements of the off-farm development component were below the target. Credit from CACB did not materialize. From the little that is known not more than 25% of the trainees or about 835 persons are believed to have succeeded in either establishing their own enterprise or in getting employed.  | 2        |
| Food Security                       | Not discussed but should have been.   | NR       |
| Environment                         | Activities carried out were awareness campaigns in schools in 25 communities. No discussion on environmental impacts of infrastructure, fisheries, agriculture, or environmental issues resulting from land tenure problems. The third restructuring reallocated USD 450 000 to support the government's effort to dispose of hazardous chemicals that were buried in abandoned farms and were becoming serious threats to the safety of the underground water and the health of the rural population (no discussion at all on this)  | 3        |
| Human Assets                        | The expansion of health, educational and water supply facilities has led to improvements in the social conditions of the communities. The project has also to some extent contributed to the easing of the tension between tribes. The social impact of the activities implemented to establish, organize and equip women centres and also the training of their members was also very satisfactory. Most benefits come from availability of safe and reliable sources of water. Women and female children's workload were lessened, and thus extra time was used for family care, handicraft, employment, etc. Lessened instance of water borne diseases. Provision of health services improved immunizations benefitting women and children through lower infant mortality rates (no indicators provided).  | 5        |

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| Soc. Cap. & Emp.                                | Compared to a target of 25 community infrastructures, the project built 198 and served close to 500 000 people instead of 50-60 000. Participatory approach was dropped to speed up the process and training activities had minimal impact, no follow-up. Some community orgs are well organized and have the financial/technical capacity to ensure continuity. In most cases, however, institutional capacity at the community level is not well developed. Community orgs have not benefited from the capacity building program of the project.   | 3        |
| Ag. Productivity                                | The impact of the training on productivity of livestock is quite positive, as most of the trainees were themselves owners of animals. The paravets have made good use of their training to improve the health of their own livestock and those of their communities. The improved health service has led to reductions in mortality rates and also increases in the weights and yields of the animals. Failures in the credit component hampered the fisheries development activity of the project; training activities managed to reach about half of targets for fisheries. Most of these farms have not yet achieved the yield levels that would allow them to be viable. This was mainly due to lack of sufficient supply of inputs, which in turn was caused by the inadequacies of the credits provided to them.   | 4        |
| Inst. & Serv.                                   | The abandonment of the participatory approach left the project without a clear institutional mechanism to propose and accept community interventions. It is true that all the proposals were forwarded to the PMU, which tried its best to ascertain if the identified activities were indeed the top priorities of the communities. However, that the choices were not made on a participatory basis leave a lot room for doubts and suspicions.  | 2        |
| Markets   |  | NA       |
| <b>Project Impact</b>                           | <b><i>Despite the constraints associated with land allocation, development and rehabilitation the physical achievements of the project are relatively satisfactory. Most of all, very satisfactory achievements were made in building economic and social infrastructures. However, the failure of the project to monitor post-training performance has made impact assessments quite difficult.</i></b>   | <b>4</b> |
| <b>Overarching Factors</b>                      |  |          |
| Innovation                                      | One of the specific objectives of the project was to test innovations regarding involvements of beneficiaries in planning and implementation and a business approach to project management. The participatory approach was dropped and in terms of outputs, the PCR mentions some activities were endorsed by communities.   | 2        |
| Replicability and Scaling-up                    | Not discussed at all in the PCR  | NR       |
| <b>Innovation, Replicability and Scaling-up</b> |  | <b>2</b> |
| Sustainability and Ownership                    | The project was relevant to national policies and the government is committed to continuing with the components. All schools and health centers built by the project are now staffed and operated by the government. Government has also taken over some of the water projects. Some community orgs are organized and have the financial/technical capacity to ensure continuity. In most cases, however, institutional capacity at the community level is not well developed. Community orgs have not benefited from the capacity building program of the project.  | 3        |
| Targeting                                       | For the Community Support and Development Component, the abandonment of the grassroots participatory approach was paralleled by a shift of focus to districts instead of villages. This greatly affected the locus and the size of the area in which the component was executed and the way villages and activities were targeted and selected for intervention. The abandonment of the participatory approach also left the project without a clear institutional mechanism to propose and accept community intervention.   | 2        |
| Gender  | Women were given a 50% share in the design targets. Quota were assigned for women trainees. Overall, 2340 women have been trained. Highest impact for women was midwifery but women are also employed in other businesses and some established their own. One of the most laudable interventions has been the establishment and support for women's centres. The training of the paravets went as envisaged at the design stage, except the unexpectedly poor participation of women. While 413 completed the courses only 27 were women. The very low representation of women, despite the emphasis of the project, was due to the lack of interest on the part of the women to take part in the program. As a response to the partial failure to involve women in the first training, basic training in animal husbandry was delivered to female livestock owners instead. This program managed to train 270 female owners of livestock. They were able to give good care to their livestock which has resulted in the enhancement of the productivity of their animals. Most were also of great help to the communities in which they lived by way of giving training to their community members and also giving services. Women were still paid less than men. | 5        |

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| <b>Overall Performance</b> | On the whole while the short run economic impacts were not very satisfactory, the project has succeeded well in developing foundations for sustained growth of the region's economy. In a rural set-up, land development is one of the surest means of enhancing food security and also of alleviating poverty at household levels. The land development component was the back bone of the project. At the design stage, the lands to be developed were identified as government lands. However, in reality, neighbouring tribes were utilizing the lands for grazing and for crop production. It was these illegitimate groups that emerged as "owners" of the land when the PMU wanted to get possession of the land. The government failed to prevail over the disputes and hence could not deliver the lands; not even the state farm lands that unquestionably belonged to it. Thus, the critical assumption of the availability of land on which the component was based became the "killer" assumption. Both planning and implementation failure | <b>3</b> |
| <b>PCR Quality</b>         |  |          |
| Scope                      | The PCR covers the relevant impact domains but does not address other issues such as food security.  | 5        |
| Quality                    | Some significant issues were a bit unclear. The project was restructured and set new goals but it appears that achievements are still being measured against old targets (no new targets presented for restructuring aside from financial allocations). Lack of quantitative data but made use of available information.   | 3        |
| Lessons                    | Because the project was restructured, the lessons learned appear to be reinforcing the importance of existing approaches and components (i.e., flexibility, gender focus, etc.). Not new but appropriate for this type of situation.   | 5        |