

Mozambique: Niassa Agricultural Development Project

Item	Assessment Remarks	Rating
Country & Project Name	Mozambique – Niassa Agricultural Development Project	
Loan Number	359-MZ	
ID Number	359	
Board Date	April 1994	
Effectiveness Date	October 1994	
Original Closing Date	June 2003	
Final Closing Date	June 2006	
Total Project Cost USD(M)	USD 20.1 M	
IFAD loan USD (M)	USD 12.413 M	
Cofinanciers (if any)	OPEC (Organization of the Petroleum Exporting Countries) USD 4.115 M - GOM USD 3.61 M	
Implementing Agency	<u>Lead agencies:</u> National Directorate for the Promotion of Rural Development (DNPDR), under the Ministry of Planning and Development (MPD) and Provincial Steering Committee.	
Principal Components	The development objective of the project is increasing agricultural production, level of income, food security and quality of life of 48,000 (then 30,000) poor farming families in Lichinga and Sanga Districts. Components: i) agricultural production; ii) improved market access through road rehabilitation; iii) social infrastructure.	
Project Performance		
Design	Project objectives, as well as project components were well balanced. This is not the case for budget allocation, which required two reallocations throughout implementation. The need for social development and for the project to deliver infrastructure in the area were underestimated. The project consisted of a number of parallel streams with little direct linkages. Estimated ERR was 15,7%.	3
Implementation	The project was affected by unacceptable delays in the introduction of appropriate management and implementation systems and procedures, which have negatively affected performance. Until the mid-term review/ MTR, project management was overly centralised and this negatively affected implementation progress. From 2000 onwards, project management was increasingly decentralised. Until 2001, project coordination was carried out from Maputo and transfers to Project management were ad-hoc. Balances in the provincial accounts were often unacceptably low; the financial situation improved after 2001. Funds were reallocated across categories due to under-estimated costs of social infrastructures at design. Comparison of expenditure allocations between appraisal and completion indicates a shift during the life of the project from investment in economic development (agriculture and roads) to investment in social infrastructures and services (health facilities, schools and water), showing the ability of the project to respond to community needs. Failure of the project to establish an effective M&E system has led to the impossibility to provide quantitative data regarding the projects implemented or the costs involved.	3
Relevance	The project was formulated shortly after peace agreement of 1992; its objectives were, then, highly relevant, as well as in the early years of project implementation. The project approach, through its three components, was also very relevant.	4
Effectiveness	Assessment of project effectiveness can only draw from anecdotal evidence. According to direct observation by the extension services, there has been adoption of various technologies that have been promoted under the project, resulting in increased yields, improved food security and incomes. An indicator of improved food security is the observed increase in traded volumes of key crops (maize, beans, potatoes) which suggests that a growing surplus is available for sale (although much lower than expected at design). An indicator that incomes have improved is that there are clear signs of increased household assets, best illustrated by a major increase of the number of bicycles in the project area, and also of improvements of rural dwellings. Farmers also report increased incomes from newly introduced cash crops such as cabbage, paprika and tobacco. A number of household have obtained income directly from the project by being employed as manual labourers for road construction, including 25% women according to GOM policy. The environmental impact of the project as a whole is deemed to be moderately positive. According to this information therefore, the project has partly achieved its development objective.	4
Efficiency	Information on expenditure by specific activity and output of the project is not available, which makes it difficult to assess how efficient resources have been converted into project results. Based on various bits of expenditure we can say that although cost per beneficiary was modest for Agricultural Support and very efficient for wells construction/rehabilitation, it was high for roads construction and rehabilitation and trade (loan recovery ongoing). From this evidence we can say that the project was partly inefficient in transforming resources into outputs.	3

Item	Assessment Remarks	Rating
Country & Project Name	Mozambique – Niassa Agricultural Development Project	
Partner Performance		
IFAD	IFAD's main role in the project has been the preparation of a well-balanced, appropriate project design, which presented some errors and internal inconsistencies. IFAD timely disbursed project funds, although processing of Withdrawal Application was not always as quick as the project would have wished. IFAD has been very flexible in relation to necessary amendments to the project design and loan agreement, reallocation of funds and extension of project period. Interaction with IFAD mostly through regional workshops. Visits to Lichinga by IFAD have been very few. IFAD should have taken a stronger stance on M&E implementation, and should have acted earlier to change an inadequate CI during the four first years of project implementation.	3
Cooperating Institution	World Bank (CI 1995-1998) was very inflexible with a focus on loan administration, procurement and conditions for loan agreement and allowed an unworkable centralised management situation to continue. The project does not have available supervision reports of this period. UNOPS (CI since 1999) provided good assistance through regular supervision mission, with a comprehensive assessment of progress and issues, close dialogue with project management and key implementing partners, and generally with appropriate recommendations. UNOPS should have taken a stronger stance on M&E implementation. [Rating refers to overall performance by both institutions]	3
Government	Until the MTR, project management was overly centralised and this negatively affected implementation progress. From 2000 onwards, project management was decentralised and the focus at national level has been for functions such as liaison with ministries, government contribution, etc. Until 2003, government contribution was either lacking or too low and project activities were pre-financed with IFAD loan.	3
NGO/Other	Civil works contractors and NGOs were the main service providers of the project. As regards contractors for civil works, although most needed much project support to be able to undertake the necessary work, their works were of acceptable quality. Implementation of water points was contracted to local NGOs (Estamos and Proagra that replaced Concern Universal) with coordination by international NGO (Water Aid). The performance of Concern was unsatisfactory. The other two NGOs delivered good quality works and contributed to enhance participation of beneficiaries and to strengthen the capacity of local NGOs to implement water programmes.	4
Cofinancier(s)	The role of OPEC has essentially been limited to the timely disbursement of project funds for road rehabilitation, which it performed well.	5
Combined Partner Performance	Overall partner performance could have been improved if IFAD and CI had taken a more active role throughout project implementation. Concert and WB's performance was low. UNOPS performed well but could have done better. GOM performance was maybe unavoidably low due to the difficult situation it faced following the end of the conflict; indeed, performance improved over time as it started to recover	3
Rural Poverty Impact		
Physical Assets	Improved social infrastructure has had a positive impact on beneficiaries' livelihoods. Community initiatives contributed to the improvement of rural dwellings. There has been a major increase of the number of bicycles in the project area. The Project also affected access to technologies and equipment. Under the project, physical achievements are as follows: i) 150 km of national roads were rehabilitated, against a target of 280 km (54% achievement); ii) 195 km of secondary roads have been rehabilitated, against a target of 173 km (113% achievement); iii) 126 km of tertiary roads have been rehabilitated, which were not foreseen in project design. Moreover, 17 health centres were rehabilitated, 253 water points built or rehabilitated, and 37 school buildings improved. This had a very positive impact on beneficiaries' livelihood.	5
Financial Assets	The rural trade component failed to secure repayment of loans by traders and establishing a revolving fund. The Project contributed to improve financial resources generated through farm activities and employment produced by project activities.	3
Food Security	Adoption of improved technologies positively affected food availability and, through increased traded volumes, food access.	4
Environment	The environmental impact of the project as a whole is deemed to be moderately positive. The issue of deforestation was addressed through pine and fruit tree planting. Research and extension started to reverse the trend of declining soil fertility. Road reconstruction contributed to diminish shifting cultivation practices. Road improvement itself has resulted in considerable improvement of badly eroded sections of secondary and tertiary roads, as well as the repair of eroded riverbanks at a number of bridges.	4

Item	Assessment Remarks	Rating
Country & Project Name	Mozambique – Niassa Agricultural Development Project	
Human Assets	The NADP has made an important contribution to human assets. Better health services are available from rehabilitated health centres (17). Enhanced human health resulted from availability of clean water (a total of 253 water points have been constructed or rehabilitated which are supplying an estimated 76,000 people or 19,000 households). Better primary education through improved school buildings (37) and increased number of teachers resulted in increased enrolment of children.	5
Soc. Cap. & Emp.	The project has been weak in the area of strengthening social capital and empowerment, organising rural people and creating capacity to plan and implement their own projects and facilities. Relatively little was achieved in working through farmers' associations, partly because these are a much weaker feature in the project area than the design anticipated. Still, much more could have been done.	2
Ag. Productivity	Access to improved extension services and technologies has resulted in changing cropping patterns. New technologies and varieties have resulted in incremental yields and production and a growing surplus for sale. However, this is at a much lower scale than the production increases anticipated in the project design.	3
Inst. & Serv.	Capacity building efforts implemented by the project at district level has enabled the government to better respond to the needs of rural communities, to deliver better services and to identify priority needs and plan development in a more participatory manner.	4
Markets	Through road rehabilitation, local trade and market access have improved. The bargaining position of rural people in buying consumer goods and selling produce has also improved. Expected benefits from local traders did not materialise because of setbacks encountered in this sub-component.	4
Project Impact	<i>The project certainly had a positive impact on the livelihoods of stakeholders in the project area, as well as on the governmental institutions and NGOs involved. In spite of the fact that more could have been achieved, project impact should not be underestimated.</i>	4
Overarching Factors		
Innovation	The project has to some extent spearheaded at different levels the decentralization in Niassa Province that would later become government policy for the entire country. Other innovations introduced by the project are: Consultation process at district level between district staff and beneficiaries to define micro-projects. For road reconstruction, use of the equipment purchased by the project by contractors that lack equipment to rehabilitate secondary roads. Distribution of road equipment to district administrations for maintenance. Capacity building for local contractors through local NGOs, using appropriate technologies and with extensive community involvement. Introduction of innovative technologies under the Agricultural Support Services component. The implementation approaches used to establish water points include a number of innovations.	5
Replicability and Scaling-up	Extension services delivered to large farmer groups (15-25 members) could be replicated in other provinces. Community development initiatives could be undertaken by local NGOs and contractors with backstopping of international NGO.	4
Innovation, Replicability and Scaling-up	<i>The project was highly innovative and anticipated the need for decentralisation which would be eventually undertaken by the GOM. Greater replication chances derive at present from the fact that the decentralisation process has ended and has been internalised.</i>	4
Sustainability and Ownership	Sustainability of the activities financed under the different components varies considerably. As regards, the Agricultural Support Services component, sustainability will depend on funding received under the Agricultural Sector Programme (ProAgri), although project impact has been immediately and negatively affected by a post-project reduction in the effectiveness of the extension service. The sustainability of the rehabilitated roads is considered to be reasonable; the same can be said about the social infrastructures. Chances of sustainability for operation and maintenance of wells are considered to be good, since specialised teams have been trained.	3
Targeting	Poverty targeting was primarily achieved by selecting two districts in the most isolated and under-developed part of the country. Project districts were chosen based on the potential for agricultural development, capacity to absorb refugees and general lack of assistance. The entire population of largely subsistence farmers in the districts of Lichinga and Sanga was defined as the target group. Initially, it comprised 48,000 households but was subsequently redefined as 30,000 households. The 'inclusive approach' to targeting is regarded by the PCR as an appropriate choice.	4
Gender	The Project did not employ a gender targeting strategy except under labour intensive road construction where the government requirement of employing 25% of women was followed. Nevertheless, benefits have been delivered to women especially through the establishment of a network of safe water points in the villages (of which they are the primary beneficiaries), relatively close to people's homes, and through improved health facilities. A number of DDF project have also directly benefited women, for example the training of midwives, and training in income generating activities such as crochet and tailoring.	3

Item	Assessment Remarks	Rating
Country & Project Name	Mozambique – Niassa Agricultural Development Project	
Overall Performance	The project was relevant and timely in addressing the country's needs soon after the end of the conflict. Its approach and strategy were also relevant in spite of some design shortcomings. The project was innovative in many regards, and had a rather strong impact in the human assets of project beneficiaries. Project activities developed according to stakeholders' expressed needs, showing flexibility, which was a key to project success. In spite of the fact that more could have been done by some project components, overall performance is positively moderate.	4
PCR Quality		
Scope	The stakeholder workshop was still to be undertaken at the time of PCR drafting. The PCR was finalised in September 2006 but does not follow the new PCR guidelines. PCR is fairly comprehensive of all necessary elements.	4
Quality	Description, analysis and conclusions are convincing and well presented, so contributing to project assessment. Availability of more quantitative data would have enhanced further PRC quality.	4
Lessons	Lessons are drawn clearly, although more throughout the text rather than in the specific lessons section. They can be useful for future IFAD operations in Mozambique and some can also be applied to other post-conflict scenarios.	4