Report Number : ICRR13625

IEG **ICR Review**
Independent Evaluation Group

1. Project Data:		Date Posted : 08/15/2011		
PROJ ID :	P001194		Appraisal	Actual
Project Name :	Ci-ivc Pngter Rural Land Management	Project Costs (US$M):	71.50	29.45
Country:	Cote d'Ivoire	Loan/Credit (US$M):	41.00	29.45
Sector Board :		Cofinancing (US$M):		
Sector(s):	Central government administration (28%) Sub-national government administration (20%) Other social services (20%) General agriculture fishing and forestry sector (16%) Roads and highways (16%)			
Theme(s):	Other environment and natural resources management (25% - P) Personal and property rights (25% - P) Rural services and infrastructure (24% - P) Land administration and management (13% - S) Participation and civic engagement (13% - S)			
L/C Number:	CN022			
		Board Approval Date :		05/30/1997
Partners involved :		Closing Date :	06/30/2004	08/31/2010

Evaluator :	Panel Reviewer :	Group Manager :	Group :
Ridley Nelson	John R. Heath	IEG ICR Review 1	IEGPS1

2. Project Objectives and Components:

a. Objectives:

Objectives:
The original objective stated in the Staff Appraisal Report (SAR) was: “to help create the enabling conditions necessary for raising the standard of living of Cote d ’Ivoire’s rural population by empowering communities, stimulating local investment and facilitating sustainable management of natural resources and rural infrastructure .” This was backed by the specific objectives of : (a) facilitating land tenure security on over 2 million hectares of rural land by introducing legislation, instruments and procedures to help communities clarify land rights and increase land tenure security ; (b) strengthening local capacity to plan, make decisions, govern and manage affairs at the local

level; (c) support small-scale investments for sustainable natural resources management, sustainable agriculture, and infrastructure development that will be undertaken collaboratively by the government and local communities. (SAR p. 14)

The legal agreement was somewhat different in parts and read as follows: to assist the borrower in the development of an enabling environment aimed at raising the living standards of its rural population through: (a) improvement of the land tenure system applicable in the project areas; (b) strengthening the capacity of the people and institutions in these areas to plan, make decisions, govern and manage their affairs at the local level, and, (c) supporting small-scale investments for sustainable management of natural resources, agriculture and rural infrastructure.

This assessment evaluates against the SAR version as being largely the same but somewhat more specific in some aspects.

b.Were the project objectives/key associated outcome targets revised during implementation?

No

c. Components (or Key Conditions in the case of DPLs, as appropriate):

The original components were the following:

1. **Clarification of Land Tenure**. (Appraisal US$23.2 million; Actual not known). This included land surveying, mapping and land tenure clarification to certify land rights, facilitate conflict resolution, and help identify land management and development options.

2. **Enhancement of Local Management Capacity**. (Appraisal US $5.2 million; Actual not known). This was to assist communities to develop participatory local development plans.

3. **Local Investments**. (Appraisal US$19.4 million; Actual not known). This was for financing the improvement of community investment capacity and implementation of the local development plans.

4. **Support to Decentralization, and Coordination of the Environmental Mitigation Plan**. (Appraisal US $4.4 million; Actual not known)

Actual costs were not recorded by component and in the ICR are given by expenditure category only. The original project was to improve the quality of life for 1.3 million people living in 110 rural districts covering 660 villages. After the 2008 restructuring, with the same objectives, the project narrowed to cover 110 villages in eight departments. Five were in the government-controlled south and three in rebel-controlled territory. The project was restructured in 2008 but there was no change in PDO. Following the restructuring, Component 1 did not change but was applied to implementing a new 1998 land law. A component covering Enhancing Local Management Capacity and Financing of Local Investments combined the original Components 2 and 3. A component covering Supporting Project Coordination was the same as the original component but without an emphasis on local governance since the project continued to work with communities rather than local governments. A component was added entitled Boosting Rice Production. This addressed the 2008 food price crisis through the National Rice Program by the provision of input kits.

d. Comments on Project Cost, Financing, Borrower Contribution, and Dates:

Project Cost.
The project was a Sector Investment Credit. The final actual disbursed amount was US$29.45 million compared to the original commitment of US$41.00 million. The largest component, micro-projects, disbursed only about 30% of the original allocation while consultants and training expenditure was about 50% higher than the original allocation.

Financing.
There is an error in the ICR financing table p. 21, the original plan was US$41 million, actual was US$29.45 million.

Borrower Contribution.
The borrower contribution was zero.

Dates.
There was an approximately 1 year delay in effectiveness. A restructuring took place in mid-August 2008, some eight years after the Midterm Review. The project closed with approximately a 6 year delay against the original

planned schedule.

3. Relevance of Objectives & Design:

Relevance of Objectives . Rated Substantial

The ICR argues (p. 13) that the objectives remain highly relevant and that conflict over land is one of the root causes of the current conflict and will continue to be until land titles clarify ownership . With tenure insecurity investment in land is reduced and associated shifting cultivation has devastated forests . The government's agricultural strategy includes a major focus on tenure security. Community empowerment remains important, particularly with local governments now in place. Under-served communities in the rebel zone are waiting for the benefits of a reunified country. However, consequent to the problems experienced with this project, there has been some reluctance by Bank management to further support land rights interventions .

Relevance of Design . Rated Modest

The ICR notes (p. 7) that project preparation was carried out over an extensive period of time . A major weakness in the design was the forcing together against government's better judgement of two separate projects, under two different ministries, one handling the Rural Land Plan program and the other a rural investment program . With respect to the investment program, up until 2004 the government was reluctant to transfer funds directly to communities for micro-projects. The Bank should not have proceeded with a CDD-type component against that fundamental handicap. The ICR finds that this merging of two projects was to have serious consequences on project implementation. Problems were exacerbated by the Ivorian conflict that started in September 2002.

4. Achievement of Objectives (Efficacy):

The extent to which the project helped create the enabling conditions necessary for raising the standard of living of Cote d'Ivoire's rural population . Rated Negligible .

On the impact of the project on the standard of living, this review agrees with the ICR (p. 15) that given the poor achievement of both the land tenure and the community investment components the impact on poverty is likely to have been minimal. In fact, over the implementation period, there were large increases in poverty in the country, particularly in the western and northern areas as a result of the conflict, so it seems probable that project beneficiaries actually experienced a deterioration in their standard of living, although due to exogenous circumstances.

The project had an exceptionally long implementation period of 13 years with two periods of suspension and, as noted in discussion with the project team, a general loss of borrower interest during the conflict period . The tortuous path of the project included a restructuring in 2008. This was an attempt at revival as the conflict appeared to abate and disbursements re-opened. At the restructuring the project development objectives remained the same . While there appear to have been no formal targets set by the Staff Appraisal Report, the intent was to cover 2,000,000 ha in five years under the land tenure security component. According to the ICR, the two main indicators set later that were established for the post-restructuring period were: (i) 60% of land title deeds requested and processed; and, (ii) 70% of micro-project investment plans for which counterpart funds were mobilized . In the case of land title deeds, none were requested and processed directly through the project but the project can be credited with contributing to the definition of the land policy and establishment of mechanisms for implementing the Rural Land Plan and sensitizing the population. The ICR also finds that (p.13) the project continued implementing the plan which helped to identify local and customary practices used in preparing and adopting legislation . The project completed the demarcation of *terroir* land (the land associated with a given village) in 122 out of 352 villages with a completion rate of 35% (as noted there was no appraisal target but this was only a step towards the individual adjudicated land rights intent).

The extent to which the project facilitated land tenure security on over 2 million hectares . Rated Negligible .

The project contributed to the establishment and strengthening of institutions for implementing the law in eight administrative departments but it never succeeded in getting beyond the point of demarcation of *terroirs* . Some institutional structure was established. 809 Village Rural Land Management Committees were established and operational and, above those, 21 Rural Land Management Committees and, at the top of the pyramid, the Rural Land Commission were established and operational. Training for the Ministry of Agriculture land service was completed and vehicles and computer equipment procured. However, no individual holding rights below the *terroir* level were ever adjudicated.

The extent to which the project empowered communities and strengthened local capacity to plan, make decisions,

govern and manage affairs at the local level . Rated Modest .
The ICR finds (p.14) that the results of the community development component were very modest . The borrower was not able to set in place legislation or regulations that clearly put communities at the forefront of development (p.15). While the project initiated a participatory approach, and helped many communities develop Local Development Plans, the expectations of these plans were rarely met due to the reluctance of government to transfer funds and later the suspension of disbursements along with generally slow implementation . Over the period of suspension, some 50 micro projects were supported with Swiss funds . However, nearly all of these were for health and education which raised questions about the application of the overall Community -Driven Development approach in which community plans called for a wider variety of priorities not simply social infrastructure . The project team noted that there had been many proposals for productive investments by communities and that the project design had encouraged productive infrastructure and income generating activities but, after restructuring, the focus on social infrastructure persisted. Apparently, project management found agreeing to social infrastructure made micro -projects easier to supervise than was perceived to be the case with productive investments . Out of 125 micro projects funded, only six were economic infrastructure and 15 income-generating activities. This was in contrast to one of the original intents of the project to finance sustainable natural resource management (see objective below).

The extent to which the project supported small -scale investments that facilitated sustainable natural resources management, sustainable agriculture, and infrastructure development that would be undertaken collaboratively by the government and local communities . Rated Negligible .
There is no evidence that the project facilitated sustainable natural resource management . As noted above, very few productive investments were funded. At the time of restructuring, a rice production component was added but this failed to achieve an increase in production partly because two seasons went by before there was any distribution of inputs. Moreover training in the safe use of pesticides came too late and equipment for rice milling was not in place until mid-2009 so that only 43% of rice areas were covered and no production increases were achieved before the project closed.

In aggregate, with substantial weight given to the first objective stated above which was the anticipated outcome, Efficacy is rated Negligible.

5. Efficiency (not applicable to DPLs):

Rated Negligible . In the SAR, it was assumed that productive micro -projects would constitute nearly half the investments. It was on this basis that the appraisal report anticipated an ERR of 37.5% for the revenue-generating investments with an overall ERR of 23.7%, the latter somewhat sensitive to changed costs and benefits . However, the ICR notes that (p. 15), "the project did not directly produce land tenure security for any producer and almost all micro-projects were in the social sector ." For this reason, the ICR did not calculate a rate of return . However, social infrastructure may be beneficial in both social and economic returns through such impacts as the improved skills imparted by education and the improved application of skills and labor through better health, both of which have been found, in some projects, to offer adequate rates of return although often difficult to measure . However, no attempt was made to assess this either quantitatively or qualitatively . Also of relevance in assessing efficiency is the exceptionally long project period, implying, at least for the earlier portions of the expenditure, mostly of an overhead nature, a long lag between costs and benefits .

a. If available, enter the Economic Rate of Return (ERR)/Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation :

	Rate Available?	Point Value	Coverage/Scope*
Appraisal	Yes	23.7%	100%
ICR estimate	No		

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome:

While relevance of objectives was high, relevance of design was modest at best due mainly to the forcing together of two challenging projects. The project did not achieve any of its objectives and took an exceptional 13 years to complete, although the conflict had much to do with these delays . With no achievement of any individual holding rights, few productive investments and no evidence on the economic returns to social infrastructure, efficacy and efficiency were rated negligible.

a. Outcome Rating : Highly Unsatisfactory

7. Rationale for Risk to Development Outcome Rating:

Given the limited attainments in empowering communities, there is a high risk of limited further progress on land reform. This is partly due to lack of resources and the lack of legislation that supports communities as a key partner in development decisions at local levels.

a. Risk to Development Outcome Rating : High

8. Assessment of Bank Performance:

Quality at Entry .

While there was fairly intensive preparation over a three-year period largely following the lessons of experience to date on CDD-type projects, there were a number of significant weaknesses in quality at entry including : the complexity created by forcing together two separate projects; the failure to adequately define target indicators; and lack of sufficient attention to the challenging issue of ensuring ownership and coordination across three ministries.

Quality of Supervision .

Much of the problem with the project was due to the exogenous circumstance of the long period of conflict but it was exacerbated by the Bank's handling as well as the decline in government commitment. Supervision was hampered by the 2002 conflict followed in 2004 by suspension of all Bank disbursements until 2008. This left a six-year gap in supervision with the first mission returning in November 2009. As noted by the ICR (p.17), there were no field activities in place before this. There were only eight months between the first post-conflict mission and the completion mission. The task manager was changed four times although this would not be particularly abnormal over such a long project period. However, it led to a loss of continuity. Later, performance improved with the preparation of roadmaps in September 2008 and November 2009, the restructuring, and more intensive supervision. But at the point of restructuring, as suggested by one of the ICR lessons, a deeper assessment of the status of the project, the potential for recovery, and the level of borrower commitment should have been undertaken. The ICR reports (p. 17) that financial management was satisfactory with regular Bank contact with the project and reported good collaboration with the fiduciary team. However, safeguard supervision was weak with a lack of supporting documentation -- the ICR (p. 11) assessed the implementation of safeguards as moderately unsatisfactory. There was some guidance from the Bank's field-based environmental specialist.

a. Ensuring Quality -at-Entry: Moderately Unsatisfactory

b. Quality of Supervision : Moderately Unsatisfactory

c. Overall Bank Performance : Moderately Unsatisfactory

9. Assessment of Borrower Performance:

Government Performance .

Even allowing for the conflict, there was weak performance. There was satisfactory ownership of the project by government during the preparation and appraisal stages and into early implementation. During implementation government financed the continuation of activities during the suspension of disbursements (apparently not treated as counterpart funding since counterpart funding is listed as zero). However, the ICR notes that the reluctance of the Ministry of Finance to agree to direct financing of communities until 2004 held back the largest component of the project. Government interest in the project waned during the conflict and even subsequent to the conflict. For example, after the project restructuring the national steering committee never met. There was also poor response from government on issues raised to them by the Bank.

Implementing Agency Performance .

As a result of the forced integration of two different projects and the roles of the different ministries, there were separate coordinators, local level managers and financial managers and separate reporting. The ICR reports (p.19) that the National Coordination Unit was never able to harmonize the two programs, therefore any potential synergies were lost. There were reported problems with communication and working conditions. There was lack of realism up to the end in proposals from implementing agency staff on action plans to recover lost ground.

a. Government Performance : Unsatisfactory

b. Implementing Agency Performance : Unsatisfactory

c. Overall Borrower Performance :Unsatisfactory

10. M&E Design, Implementation, & Utilization:

Design.
The performance indicators in the SAR (p. 66) had no target values attached to them. There was an attempt to retrofit a results framework at restructuring and some indicators were reviewed and amended during supervision missions. There was no incorporation of communities in any participatory monitoring approach although at that time the design of such approaches was uncommon.

Implementation.
The ICR offers limited evidence on implementation but it appears to have been weak.

Utilization.
The ICR also offers limited evidence on utilization but, again, there is no evidence that what limited monitoring data emerged was used to redirect the project and the borrower seems to have responded weakly to Bank suggestions for adjustments.

a. M&E Quality Rating : Modest

11. Other Issues (Safeguards, Fiduciary, Unintended Positive and Negative Impacts):

Safeguards.
At restructuring the Bank changed the environmental category from "A" to "B" due to "the benign effects predicted from project activities". The ICR (p. 11) assessed the implementation of safeguards as moderately unsatisfactory. There was no evidence that the environmental plan was applied and, because the contract between the project and the service provider for extension was not signed until March 2010, beneficiaries were not trained in the safe use of pesticides.

Fiduciary.
As noted earlier, the ICR reported that financial management was satisfactory. There was quite close contact between the Bank and borrower in this area.

Unintended Impacts.
One unintended impact suggested by the ICR (p. 16) is the legacy of project and government failure to deliver on promised land reform and investments after communities had prepared plans and raised community hopes. Such disappointments generally carry a legacy and are liable to make communities more wary of future engagements and promises.

12. Ratings:	ICR	IEG Review	Reason for Disagreement /Comments
Outcome:	Unsatisfactory	Highly Unsatisfactory	There were severe shortcomings in a number of areas. Relevance of objectives was high, but relevance of design was modest at best due mainly to the forcing together of two challenging projects. The project did not achieve any of its objectives and took an exceptional 13 years to complete, although the conflict had much to do with these delays. With no achievement of any individual holding rights, few productive investments and no evidence on the economic returns to social infrastructure, efficacy and efficiency were both rated negligible.
Risk to Development	Significant	High	The term used by the ICR is

Outcome:			Substantial. Given the limited attainments in empowering communities, there is a high risk of limited further progress on land reform.
Bank Performance :	Moderately Unsatisfactory	Moderately Unsatisfactory	
Borrower Performance :	Unsatisfactory	Unsatisfactory	
Quality of ICR :		Satisfactory	

NOTES:
- When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
- The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

13. Lessons:

The ICR offers five lessons; summarized here with somewhat adapted language are the three most important :

1. Institutional and organizational concerns expressed by government should be taken seriously, particularly with respect to project implementation complexity. In this case, at the design stage, the government had actually resisted the idea of merging the two projects and had the Bank accepted this the outcome would probably have been better.

2. There may be certain reforms that are so fundamental to project strategy that they cannot and should not be ignored. In this case the lack of initial agreement by the Ministry of Finance to authorize the transfer of funds directly to communities was fundamental for that part of the project. It took seven years to convince the government to authorize such transfers.

3. Restructuring requires a critical evaluation of the project, particularly with respect to the realism of achieving the goals in the time remaining and the current level of commitment. In this case, particularly given the loss of institutional memory, capacity, and questions about commitment, there was no serious assessment of whether the project could realistically be expected to achieve its goals in the two years remaining .

14. Assessment Recommended? ○ Yes ● No

15. Comments on Quality of ICR:

This is a generally strong ICR. It is entirely open about the problems the project faced and, notwithstanding the very limited evidence, draws several well identified and important lessons. Somewhat more could have been done for the economic analysis even if qualitative. There is an error in the financing table on the actual USD spent and the use of SDRs made tracing and comparing USD amounts difficult.

a.Quality of ICR Rating : Satisfactory