



1. Project Data

Project ID
P161473

Project Name
Agriculture Competitiveness

Country
Lao People's Democratic Republic

Practice Area(Lead)
Agriculture and Food

L/C/TF Number(s)
IDA-62050

Closing Date (Original)
28-Jun-2024

Total Project Cost (USD)
21,509,358.29

Bank Approval Date
26-Apr-2018

Closing Date (Actual)
31-Mar-2025

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	25,000,000.00	0.00
Revised Commitment	23,497,436.00	0.00
Actual	21,509,358.29	0.00

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2. Project Objectives and Components

a. Objectives

As stated in the Project Appraisal Document (PAD) (para 24) and the Financing Agreement (page 5), the PDO aimed to increase the competitiveness of selected agricultural value chains in the project areas.

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



Yes

Did the Board approve the revised objectives/key associated outcome targets?

No

c. Will a split evaluation be undertaken?

No

d. Components

The project had four components.

Component A: Improved Agricultural Efficiency and Sustainability (cost at appraisal: US\$18.2 million, of which IDA US\$16.21 million; actual: US\$15.94 million, of which IDA US\$ 14.38 million).

This component aimed to boost agricultural productivity, promote sustainable and climate-resilient farming practices, and enhance women's nutrition. The project supported activities through five subcomponents.

Subcomponent A1: supported the adoption of high-quality, climate-resilient seed varieties through technical assistance and matching grants to Seed Multiplication Groups (SMGs)

Subcomponent A2: promoted Good Agricultural Practices via Farmer Production Groups, training, extension services, and matching grants

Subcomponent A3: supported improving irrigation infrastructure and water management by rehabilitating selected schemes and strengthening Water User Groups

Subcomponent A4: supported strengthening of agricultural and nutrition service delivery, including the provision of technical and material assistance

Component B: Enhanced Agricultural Commercialization (cost at appraisal: US\$7.2 million, of which IDA US\$4.8 million; actual: US\$3.78 million, of which IDA US\$2.41 million).

This component aimed to strengthen market integration and agribusiness development through three subcomponents.

Subcomponent B1: supported the establishment of Agricultural Value Chain Facility (AVCF), which provided technical assistance and matching grants to agribusinesses for business planning, upgrading processing and postharvest facilities, improving product quality, and linking with FPGs

Subcomponent B2: supported activities to link farmers to markets, including the provision of technical assistance

Subcomponent B3: supported activities to improve the enabling environment through policy studies led by the Ministry of Agriculture and Forestry (MAF) and the Ministry of Industry and Commerce (MOIC)

Component C: Project Management (cost at appraisal: US\$2.9 million, of which IDA US\$2.9 million; actual: US\$4.73 million, of which IDA US\$4.73 million).



This component supported (a) project management and (b) monitoring and evaluation (M&E).

Component D: Contingent Emergency Response (US\$0 million).

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project cost

The project was appraised to cost US\$25.00 million. Only US\$21.50 million was disbursed.

Financing

The project was financed with a US\$25 million IDA grant.

Borrower contribution

The borrower was expected to contribute US\$4.3 million (Borrowing agency; US\$0.5 million + Local sources of borrowing country: US\$3.8 million). The borrower contribution was only US\$0.89 million, all of it coming from local sources.

Dates

The project was approved on April 26, 2018, and became effective on June 25, 2018. The Mid-Term Review was organized on October 18, 2021. The project was expected to close on June 30, 2024, but it closed 9 months later on March 31, 2025.

Restructuring

The project underwent two restructurings:

March 26, 2023: To amend selected PDO indicators to better capture project impact and to reduce the end target for an intermediate results indicator (IRI).

July 10, 2024: To give the Lao PDR government enough time to refund the ineligible expenditures and settle all outstanding payments to project contractors. It entailed a nine-month extension from June 30, 2024 to March 31, 2025.

Revisions to RF

The PDO3 indicator was revised from 'Increase in milling efficiency of rice mills supported by the project' (Baseline: 0, End Target: 7-20 percent) to 'Rice mills supported by the project adopting improved operation and management practices.'

The target for an Intermediate Results Indicator (IRI), 'Area provided with new/improved irrigation or drainage services,' was revised down: from 15,000 ha to 8,000 ha

Split Rating



Although the target for area brought under improved irrigation was reduced, no other related targets were revised downward. This review will not apply a split rating.

3. Relevance of Objectives

Rationale

Country context

At the time of appraisal, the Lao People's Democratic Republic (PDR) was growing rapidly, with annual growth exceeding 7 percent, driven largely by natural resource-based sectors such as mining and hydropower. However, this growth was not inclusive, as it relied on intensive exploitation of natural resources—including mining, forestry, and hydroelectric power—while livelihoods remained predominantly rural and agrarian. Job creation was modest, and the poverty-reduction elasticity of growth was relatively low: for every 1 percent increase in GDP, poverty declined by only 0.4 percent, compared with about 1.2 percent in Cambodia and 1 percent in Vietnam. Moreover, economic growth and rising incomes did not translate into improved nutrition outcomes, with malnutrition remaining among the highest in Southeast Asia.

Agriculture was the cornerstone of the economy, employing about 64 percent of the workforce, but the country's low population density and mountainous topography made service delivery and logistics difficult. The sector faced persistent challenges, including low productivity due to limited access to quality inputs, inadequate support infrastructure, and weak market access (ICR, para. 2). Most farming households practiced subsistence agriculture—only about 30 percent produced for sale—with rice cultivated on more than 70 percent of the cropped area and emerging vegetable production for urban markets; maize was grown in mountainous provinces, often on steep slopes where cultivation was unsustainable. As a result, the country was unable to meet growing regional demand for high-quality rice and vegetables, and poor product quality and low post-harvest efficiency further constrained its competitiveness in the market.

Country Strategy

The PDO aligned with the government's priorities and strategies: the 8th National Socioeconomic Development Plan (NSED 2016-2020), the Agricultural Development Strategy (ADS) to 2025, Vision to 2030, the National Nutrition Strategy and Action Plan (2016-2020), and the Intended Nationally Determined Contribution submitted in September 2017, with the aim of transitioning the country from unsustainable traditional farming practices toward green, clean, and commercial agriculture. The PDO remained relevant: The PDO was highly relevant at appraisal and closing, aligning with the 9th NSED (2021-2025), the ADS to 2025 and Vision to 2023, as well as the National Nutritional Strategy and 2016-2020 action plan (NNSAP).

World Bank Strategy

The PDO aligned with the World Bank Group's (WBG) Country Partnership Framework (CPF) for 2017-2021, which focused on enhancing agricultural productivity and commercialization, expanding rural infrastructure and connectivity, and promoting job creation, particularly for the rural poor. The PDO remains



relevant to WBG's current CPF for 2023–2026, by contributing to CPF Objective 9 under Outcome 3 – promoting more productive and climate-smart agriculture and integrating small farmers into markets.

The level at which PDO is pitched

The PDO to increase the competitiveness of selected agricultural value chains was pitched at an outcome level, with its achievement contributing to Lao PDR's strategies to commercialize agriculture and improve household nutritional status.

Summary: Despite high economic growth, development was not inclusive, with widespread rural poverty and poor nutritional outcomes. Agriculture remained important but was largely subsistence-oriented, limiting farmers' ability to benefit from regional market opportunities. In this context, the PDO to increase the competitiveness of selected agricultural value chains was highly relevant to Lao PDR's strategy to commercialize agriculture and the World Bank's objectives of promoting climate-smart agriculture and greater market integration for farmers.

Rating

High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To increase the competitiveness of selected agricultural value chains in the project areas.

Rationale

Theory of Change (ToC)

Conceptualizing competitiveness of value chains as increased productivity and product quality, integration of farmers into markets, and improved efficiency of agribusinesses and post-harvest processes, the retrospectively articulated ToC in the ICR (para 6 and Figure 1) states that project activities/inputs, such as i) organizing farmers to collectively produce seeds and receive technical assistance, ii) encouraging them to adopt Good Agricultural Practices (GAP) including improved varieties and certified seeds, and iii) improving irrigation facilities would produce outputs such as farmer groups established, demonstrations organized and area provided with improved irrigation.

The outputs were expected to encourage farmers to adopt improved practices, increase yields, diversify production, and raise the number of crops annually.

Additionally, activities such as helping agribusinesses develop business plans to upgrade their operations, supporting their implementation through matching grants (MG) and encouraging productive alliances (PA)



between farmer groups and agricultural businesses, would produce outputs such as businesses supported and PAs developed.

The outputs were expected to enable businesses to improve their operations and purchase more raw materials from targeted farmers, including through contracts that reduced price uncertainty for farmers.

The PDO indicators, change in agricultural land productivity, increase in the share of farm produce sold, and improved operations in the value chain, captured the essence of competitiveness, but only partially. Cost competitiveness relative to imports, for example, is not captured.

There were some key assumptions in the ToC: farmers would act collectively and adopt the recommended technologies, the technologies would result in higher productivity and quality; the Agribusinesses (ABs) would be able to upgrade their operations to demand more raw materials; and, more importantly, the farmers would be able to supply raw material of the required quality at viable prices.

Outputs

The activities organized farmers into seed multiplication groups (SMGs) and farmer production groups (FPGs), through which training and matching grants were delivered. Greenhouses supplied to some groups enabled year-round vegetable farming. Support for developing productive alliances and organizing farmers into groups facilitated collective production and contract farming with ABs, which offered a market for increased production and reduced price risks. The project fostered partnerships between farmers and 45 ABs, including 21 rice mills.

The indicators were as follows:

Farmer organization and support

- 22,723 farmers adopted improved agricultural technology, exceeding the target of 12,500 (of them, 10,194 were female, exceeding the target of 5,000; and 12,529 were male, exceeding the target of 7,500)
- 26,805 farmers were reached with agricultural assets or services, exceeding the target of 25,000 (of them, 12,529 were female, exceeding the target of 10,000)
- 28,944 Targeted farmers enrolled as members of the farmer groups, exceeding the 20,000 (of them, 13,880 were females, exceeding the target of 7,000)
- 7,142 hectares Area provided with new/improved irrigation or drainage services, falling just short of the target of 8,000 hectares
- Minimum Dietary Diversity Score for women benefitting of nutrition education under the Project increased by 69.3 percent, exceeding the target of 10 percent
- 20,577 Women received nutritional training and awareness raising in the project areas, exceeding the target of 7,000

Support to agribusinesses

- 45 targeted agribusinesses established productive partnerships with farmers in the project areas, exceeding the target of 25



- The proportion of raw materials sourced by targeted agribusinesses directly from farmers in the project area increased by 166 percent, exceeding the target of 30 percent

Outcomes

Changes in productivity, the share of production marketed by producers, and the number of rice mills adopting improved operational and management practices measured the outcome.

The indicators were as follows:

- The agricultural land productivity of targeted farmers increased by 59.90 percent (change in real agricultural value added per hectare estimated as a nominal agricultural value-added adjusted for inflation and weighted by farmland areas allocated to crops supported by the project), exceeding the target of 20 percent
- Sales of farm produce as a share of production among targeted farmers supported by the project increased by 165 percent (from 3.7 to 9.83 tons per household), exceeding the target of 25 percent (the increase in sales in female-headed households was 229 percent (from 3.17 to 10.43 tons/household), exceeding the target of 25 percent
- 21 rice mills supported by the adopted improved operation and management practices (reduced time delays after harvest, enhanced drying methods, lower moisture content in stored grains, improved storage techniques, advanced milling methods, better rice mill management, and increased milling recovery rates), exceeding the target of 20
- 98 percent of the targeted farmers were satisfied with the services provided by the project, exceeding the target of 70 percent

Land productivity increased dramatically by nearly 60 percent. The productivity measured as revenue per ha masks the contribution of changes in crop yields, prices, crop changes, and the number of crops raised in a year or cropping intensity. Rice yields increased by about 40 percent from 3.5 to 4.9 tons per hectare (ICR Annex 9). Prices also appear to have changed significantly (ICR, para 27). The ICR notes that rice productivity increased through the use of certified seeds of improved varieties, mechanization, and expanded dry-season irrigation (para 28), although project activities do not explicitly include any support for mechanization.

The information on the second indicator, on the share of production marketed, had some weaknesses. As defined, the indicator should measure change in the share of production marketed, but the indicator presented measures the percentage change in the quantity marketed, thus a share that exceeds 100. The quantity marketed, however, increased threefold over the project period. Such an increase does not seem possible without dramatic price increases, a significant shift toward higher-value crops such as vegetables, and higher cropping intensity. The ICR does not explain.

The project exceeded the targets for increasing land productivity, crop sales, as a share of production, and the number of rice mills adopting improved operational and management practices. The project outputs and intermediate outcomes suggest that the outcomes could be attributed to project activities. The project met the objective with substantial efficacy.



Rating
Substantial

OVERALL EFFICACY

Rationale

The ToC stated simultaneously assisting producers – by helping them adopt GAPs including newer varieties, organizing them to collectively enter into relationships with agribusiness and improving irrigation infrastructure – and agribusinesses by helping them develop and implement business plans to upgrade their operations and supporting alliances between them and producer groups would improve competitiveness along the selected value chains – increased land productivity, greater integration of farmers into markets, and improved operational and management practices in rice milling, the key downstream activity in Laos.

The project achieved the objective with substantial efficacy. Land productivity increased substantially through the adoption of improved practices, raising rice yields by about 40 percent. Farmers sold a larger share of their production – almost tripling the quantity they marketed per household – facilitated by alliances with businesses, primarily rice mills. Nearly the targeted number of rice mills also adopted operational and management practices that improved efficiency across the downstream value chains.

Overall Efficacy Rating

Substantial

5. Efficiency

Economic efficiency

Ex ante

The appraisal analysis estimated the project's direct benefits from increased crop production and enhanced business efficiency for processors and trading intermediaries across the paddy, horticulture, and maize value chains.

The analysis showed an Economic Internal Rate of Return (EIRR) of 26 percent and a Net Present Value (NPV) of US\$32.5 million, using a social discount rate of 12 percent over a 20-year period. With GHG benefits at lower bound of the 'social value of carbon, the EIRR jumped to 69 percent. The sensitivity analysis showed that the EIRR remained above 12 percent, even with 10 to 20 percent increases in costs and reduction in benefits and delayed benefits.

Ex post

Including the benefits from improved agricultural efficiency (activity 1) and enhanced agricultural commercialization (activity 2), the analysis estimated an EIRR of 29.8 percent with an NPV of US\$19,735



million. Including GHG benefits at lower values increased the EIRR to 80.8 percent. The sensitivity analysis showed that returns were sensitive to reductions in overall benefits; a 10 percent decrease in overall benefits reduced the EIRR to 7 percent.

Administrative efficiency

The project faced considerable delays due to slow procurement and significant delays in contract payments.

There were administrative inefficiencies. The financial lapses included US\$2.9 million in ineligible expenditures, which the government returned to the World Bank. Weak financial oversight at the centre led to financial misconduct.

The project was implemented at a cost significantly higher than planned, rising from US\$2.9 million to US\$4.82 million, a 66 percent increase. The share of management costs in total costs doubled, from 9.89 percent to 18.97 percent.

The estimated economic returns were higher than projected, but the project was delayed due to administrative lapses, including permitting ineligible expenditures, resulting in a significantly higher share of project costs going to management. The project was implemented with modest efficiency.

Efficiency Rating

Modest

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

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal	✓	26.00	0 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	29.80	0 <input type="checkbox"/> Not Applicable

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

6. Outcome

The PDO, aimed at increasing the competitiveness of selected agricultural value chains, was highly relevant to Lao PDR’s strategy to commercialize agriculture and to the World Bank’s strategy to support the country in promoting climate-smart agriculture and integrating its farmers into markets. The project achieved the objective with substantial efficacy, increasing agricultural productivity, the share of production marketed by farmers, and the number of rice mills adopting sound management practices. However, the project was implemented with only a modest efficiency. Although the estimated economic returns were higher than projected, there were administrative lapses that resulted in a delay and near doubling of the share of costs going into management.



a. Outcome Rating
Moderately Satisfactory

7. Risk to Development Outcome

The Government of Lao PDR has requested ongoing World Bank support to build on the project's achievements. However, risks related to climate, institutional coordination, and macroeconomic challenges threaten the outcomes achieved (ICR, para 30)

Climate. Lao PDR's agriculture is highly vulnerable to climate change due to its heavy reliance on rainfed systems, frequent exposure to floods and droughts, and the dominance of climate-sensitive crops such as rice. Limited irrigation, weak adaptive capacity among smallholders, and poor rural infrastructure further heighten risks to productivity, food security, and rural livelihoods.

Institutional coordination. The project achieved its outcomes through coordination among MAF, MOIC, provincial Agriculture and Forestry Offices (PAFOs), and Provincial Industry and Commerce Offices (PICOs). Project-led direction and capacity development, which sustained the coordination, may weaken over time.

Macroeconomics. Lao PDR has faced high inflation driven by currency depreciation, rising fuel prices, and external shocks, which have significantly increased the cost of imported inputs. These pressures may squeeze farm profitability and limit farmers' ability to adopt productivity-enhancing technologies.

8. Assessment of Bank Performance

a. Quality-at-Entry

The project met the strategic needs of Lao PDR to commercialize its agriculture, build resilience, and improve nutritional outcomes in rural areas. The project components could be expected to achieve the desired outcomes. They included support to farmers to diversify production and improve land productivity, and to agribusinesses to upgrade their operations and enter into alliances with producers to offer them a market for surpluses they would produce.

The design was based on lessons learnt from completed projects in the country. One of them was that encouraging farmers to use improved seeds needs to be accompanied with efforts to create demand for the surplus that would be produced. Also, that matching grants can be handled in provincial and agriculture and forestry offices.

The Department of Planning and Finance (DOPF) of the Ministry of Agriculture and Forestry (MAF) was assigned primary responsibility for implementing the project. provincial agricultural and forest offices (POFO) were responsible for implementation in their provinces.



The risk assessment identified the main FM risks as weak capacity and limited experience among the PIAs. All PIAs lack sufficiently qualified staff, systems, procedures, and experience implementing World Bank-financed projects, which will likely increase the risk of non-compliance. The mitigation measures focused on onboarding experienced staff, providing training, and engaging qualified auditors.

The design was appropriate for monitoring and assessing outcomes, although additional output indicators would have been beneficial, and one indicator required refinement.

The project was well designed, drawing on lessons learned and aligned with the country's strategic objectives, with appropriate implementation arrangements, risk assessment, and M&E design. However, mitigation measures could have been stronger. Overall, the quality at entry was satisfactory.

Quality-at-Entry Rating Satisfactory

b. Quality of supervision

The Bank team provided consistent support and supervision through 14 missions. With the TTL based in Viet Nam and the co-TTL based in Vientiane, the team effectively coordinated with the National Program Management Office (NAPO) (ICR, para 70).

The team resolved issues, guided project restructurings, supported the MTR, and addressed the financial management issues in a timely manner.

With satisfactory quality at entry, adequate supervision, timely restructurings, and effective resolution of emerging issues, overall performance was Satisfactory.

Quality of Supervision Rating Satisfactory

Overall Bank Performance Rating Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The M&E design was adequate for monitoring project outputs and assessing outcomes. The three measurable PDO indicators captured key dimensions of competitiveness—land productivity, farmers' market integration, and downstream efficiency in the rice value chain.

Ten IRIs tracked outputs and intermediate outcomes: five focused on outputs, such as the number of farmers reached with inputs and services, and five captured intermediate outcomes, such as the



establishment of productive partnerships between targeted businesses and farmers in project areas. The framework could have benefited from additional output-related indicators, particularly for support to businesses, as the links between specific project activities and intermediate outcomes are not always clear.

The design also required the appointment of at least one M&E specialist in each PIA and the conduct of an impact evaluation by an international consultant.

b. M&E Implementation

The National Project Management Office (NPMO) trained M&E consultants and technical staff at the provincial and district levels on standardized templates, indicator definitions, calculation methodologies, digital tools, and gender-sensitive monitoring approaches. District Agriculture and Forestry Offices (DAFOs) collected field data, which Provincial Agriculture and Forestry Offices (PAFOs) compiled and submitted to the NPMO. Despite initial challenges with staff learning curves and turnover, M&E capacity strengthened over time, resulting in more consistent and reliable data.

One PDO indicator was revised, and one IRI target was reduced. The PDO indicator for milling efficiency was revised because mills were already operating at high efficiency levels, and further gains would have required additional machinery investments. It was replaced with an indicator tracking the adoption of improved practices across post-harvest handling and management. During implementation, five dam-related irrigation schemes were dropped and replaced with simpler, smaller schemes to ensure completion within the remaining project period, reducing the IRI target.

Baseline studies and annual surveys supported systematic, credible reporting of project activities, outputs, and outcomes, strengthening the overall M&E system.

c. M&E Utilization

The project used M&E data to guide implementation, enabling timely monitoring and resolution of emerging issues. The information guided reallocation through project restructuring and supported reports to both the MAF and the World Bank.

Summary: The design was appropriate for monitoring and assessing outcomes, although additional output indicators would have been beneficial, and one indicator required refinement; these adjustments were made during implementation. The information generated by the M&E system informed decision-making, including restructurings and reporting, and overall M&E quality was Substantial.

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards



Environmental

As a Category B project, it triggered three environmental safeguard policies—Environmental Assessment (OP 4.01), Pest Management (OP 4.09), and Physical Cultural Resources (OP 4.11)—along with one legal policy, International Waterways (OP 7.50). The Dam Safety Policy (OP 4.37) was not triggered, as all dam-related irrigation schemes were excluded due to technical complexity and safety concerns.

During preparation, the project developed an Environmental and Social Management Framework to guide screening and mitigation. In line with the Framework, each subproject underwent environmental and social screening and impact assessment, with mitigation measures and the Environmental and Social Code of Practice properly implemented. Safeguards reports were included in project progress reports and submitted to the World Bank during each mission. As no major issues arose during implementation, the project remained fully compliant with the Bank’s environmental safeguards.

Social

The project triggered two World Bank social safeguard policies: Involuntary Resettlement (OP 4.12) and Indigenous Peoples (OP 4.10). The project prepared and applied a Resettlement Policy Framework and an Ethnic Minority Policy Framework in line with the Bank’s requirements. The project complied with both World Bank safeguards and relevant national regulations. However, delays in payments to farmers, contractors, and suppliers due to financial management issues led to some social concerns and grievances. These were resolved by the project’s closing date.

b. Fiduciary Compliance

Procurement

While the project experienced initial delays, particularly in upgrading irrigation schemes and postharvest facilities, it encountered no major procurement issues. Delays were mainly due to the high volume of small contracts and frequent staff turnover, which affected the timely completion of technical designs and safeguard documentation. Procurement activities mainly involved hiring consultants, procuring goods and works for farmer production groups (FPGs) and agribusinesses (ABs), and implementing small-scale irrigation rehabilitation, all in accordance with World Bank procurement procedures.

Financial Management.

From 2018 to late 2023, financial management was consistently rated “Satisfactory” during supervision missions. However, the rating was later downgraded to “Unsatisfactory” due to serious weaknesses in internal controls and non-compliance with financial procedures, which led to ineligible expenditures. The World Bank Office in Lao PDR reported the case to the Integrity Vice Presidency and requested a refund of \$2,902,050.66, which the Government fully reimbursed in March 2025, prior to project closure.

c. Unintended impacts (Positive or Negative)



d. Other

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Satisfactory	
Bank Performance	Satisfactory	Satisfactory	
Quality of M&E	Substantial	Substantial	
Quality of ICR	---	Substantial	

12. Lessons

Three of the five lessons identified by the ICR that are likely to be widely applicable are restated below.

Investing in improving productivity, linking farmers to agribusinesses, and helping businesses upgrade their operations can increase the likelihood of enhancing value chain competitiveness. Helping farmers improve yields by adopting Good Agricultural Practices, including newer varieties, along with upgrading irrigation infrastructure and linking farmers with rice mills that were encouraged to adopt improved operation and management practices, enabled farmers to increase rice productivity and produce surplus for the market.

Creating horizontal linkages among smallholders is often necessary to connect them with businesses and enable mutually beneficial relationships. The project fostered relationships between farmer groups and rice mills. The mills benefited from more secure and reliable supplies and volumes, and from reduced transaction costs associated with dealing with scattered smallholders.

Focusing risk mitigation on underlying institutional weaknesses can increase the likelihood of effective implementation risk management. At appraisal, it was noted that financial management risks were substantial because the implementing agencies lacked adequately qualified staff, systems, processes, and experience in implementing World Bank–financed projects. While the mitigation measures emphasized bringing in external expertise, this approach alone was insufficient to prevent implementation lapses.

13. Assessment Recommended?

No



14. Comments on Quality of ICR

The report meets the requirements and provides a comprehensive review of project design, implementation, and outcomes. It draws primarily on information generated through the M&E system and is reasonably candid in its assessments. Using a theory of change, it links project outputs to observed outcomes, and the writing is generally clear and accessible.

However, the report does not sufficiently interrogate the results to assess their credibility. Some reported achievements—such as a threefold increase in household sales (from 3.7 tons per household to 9.83 tons per household) (para 32)—would warrant an explanation and supporting evidence. In addition, there are inconsistencies in the figures presented, including discrepancies between Table 1 in the main text and the corresponding table in the annex.

Overall, the quality of ICR is substantial.

a. Quality of ICR Rating Substantial