Report Number: ICRR0024110

1. Project Data

Project ID P158958	**Project Name** OECS AGRICOM	
Country OECS Countries	**Practice Area(Lead)** Agriculture and Food	
L/C/TF Number(s) IBRD-87580,IDA-60630,IDA-60640	**Closing Date (Original)** 31-May-2023	**Total Project Cost (USD)** 4,055,279.76
Bank Approval Date 25-May-2017	**Closing Date (Actual)** 31-Aug-2023	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	8,300,000.00	0.00
Revised Commitment	4,055,279.76	0.00
Actual	4,055,279.76	0.00

Prepared by	Reviewed by	ICR Review Coordinator	Group
Shashidhara Laxman Kolavalli	Vibecke Dixon	Avjeet Singh	IEGSD (Unit 4)

2. Project Objectives and Components

a. Objectives

The objective of the Project is to enhance access to markets and sales for competitively selected farmers and fishers, as well as their allied aggregators and agro-processors, in Grenada and St. Vincent and the Grenadines (SVG).

For the purpose of this review, the objective is parsed into two:

Objective 1: to enhance access to markets and sales for competitively selected farmers and fishers (FFs), in Grenada and St. Vincent and the Grenadines.

Objective 2: to enhance access to markets and sales for farmers and fishers' allied aggregators and agro-processors (AAs), in Grenada and St. Vincent and the Grenadines.

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

Support for Preparation of Business Plans [**Appraised: US$0.78M** (Grenada IBRD: US$0.38M; SVG IDA: US$0.4M); **Actual: US$0.67M** (Grenada IBRD: US$0.4M; SVG IDA: US$0.28M)]

Provision of goods, consulting and non-consulting services, Training and Operating Costs in support of implementing pre-investment activities, including:

a. development and implementation of a communication and information dissemination strategy to raise awareness of the Project and its activities;
b. organization of networking events, including business roundtables and local workshops for supporting the formation of strategic alliances between aggregators and agro-processors ("AAs"), farmers and fishers ("FFs"), buyers, and lenders;
c. provision of Training to AAs, FFs and buyers to identify business opportunities, and translate them into viable business proposals;
d. implementation after countrywide call for interested parties to present business proposals;
e. evaluation of business proposals, and selection of those proposals to be developed into business plans;
f. provision of technical assistance for the preparation of sustainable and competitive business plans;
g. evaluation and selection of final business plans, and the preparation of Subproject Agreements for those selected plans; and
h. analysis of the qualifications of input suppliers eligible to participate in the voucher program under Component 2 of the Project.

Implementation of Business Plans [**Appraised: US$6.73M** (Grenada IDA: US$2.20M, IBRD US$0.22M; SVG IDA: US$2.95M, beneficiaries: US$0.72M); **Actual: US$2.1M** (Grenada IDA: US$2.1M]

a. Implementation of matching grant and voucher program, including the provision of (i) Training for capacity building to AAs and FFs receiving matching grant ("Matching Grants") and vouchers ("Vouchers"), respectively, and (ii) support in supervising the implementation of the selected business plans.

b. Provision of Matching Grants to eligible AAs and Vouchers to eligible FFs, which are allied with the respective AAs, for the purpose of implementing the business plans selected under Component 1 (g) of the Project, and co-financing investments under said plans, including:

(i) for the selected AAs: (A) equipment, infrastructure and other related inputs, and (B) technical assistance and specialized Training related to their respective business plans; and

(ii) For selected FFs: (A) farming equipment, infrastructure and other related inputs, and (B) fishing equipment, infrastructure and related inputs.

c. Provision of (i) technical assistance and training on procurement to AAs receiving Matching Grants and (ii) specialized training, in relation to the implementation of the relevant business plans, to FFs receiving Vouchers.

General Agricultural Services and Enabling Environment [**Appraised: US$0.79M** (Grenada IBRD: US$0.54M; SVG IDA: US$0.25M); **Actual: US$0.21M** (Grenada IBRD: US$0.14M; SVG IDA: US$0.06M)]

Strengthening of the Recipient’s general agricultural public services through the provision of goods, works, consulting services, non-consulting services, training and Operating Costs to:

a. improve the quality and availability of key inputs required for the adoption of more productive technology (such as quality seeds, seedlings, and planting materials) for products supported under component 2 of the project;
b. organize, and facilitate participation in trade fairs and study tours;
c. strengthen agricultural public extension service providers’ knowledge and skills to effectively (i) support the selected AAs and FFs to adopt technology, implement their business plans under Component 2 of the Project, and (ii) communicate and disseminate information broadly across the agricultural sector;
d. carry out technical studies to improve competitiveness, including market studies and analysis of new potential value chains, enabling environment, competition reforms, agro-food logistics, and food safety requirements and quality standards (including legal framework) and related technical skills; and
e. carry out improvements to selected public infrastructure that are required for the promotion of adequate internal distribution of produce, reduction of post-harvest losses, establishment of modern food safety mechanisms, as well as cold storage at key exit points for perishable agricultural exports.

Project Management, Monitoring and Evaluation [**Appraised: US$1.36M** (Grenada IBRD: US$0.66M; SVG IDA: US$0.7M); **Actual: US$1.12M** (Grenada IBRD: US$0.83M; SVG IDA: US$0.3M)]

Provision of goods, consulting services, non-consulting services, Training and Operating Costs to the PCU and PIU in support of Project coordination, management and implementation, monitoring and evaluation, fiduciary administration (including financial and technical audits), environmental and social safeguards compliance and citizens’ engagement.

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

Project costs

Appraised: US$8.3 million; Actual: US$4.055 million

Financing

Grenada: US$2.2 million IDA credit and US$1.8 million IBRD loan

SVG: US$4.3 million IDA credit

Borrower Contribution

Appraised US$1.36 million; Actual: US$0.76 million

Dates

The project was approved in May 2017 and became effective in September 2017. The Mid-Term Review (MTR) was conducted in March 2022. The project was scheduled to close at the end of May 2023, but it closed at the end of August 2023, i.e., it was extended for three months.

The project underwent two restructurings:

June 2021: Because of major implementation delays from the beginning and a request from GoSVG to use the undisbursed IDA resources to address the effects of the eruption of a volcano on the island, restructuring was done to partially cancel the credit. The changes included:

- Cancellation of the undisbursed amount of IDA credit to SVG
- Advancing the credit closing date for SVG from May 31, 2023, to June 30, 2021
- Revision of targets in the RF for the overall project
- Revision of disbursement estimates

May 2023: because of a request from GoG to complete some of the activities: distribution of remaining tranches, redemption of remaining vouchers by farmers, rehabilitation of two propagation centres, and the writing of a livestock policy.

Changes to Results Framework (RF)

Following the cancellation of remaining project activities in SVG, the RF was revised to include only the targets from the Grenada part of the project.

Split Rating: At restructuring, the PDO was not revised to exclude SVG even though the activities were dropped. The ICR notes that the project had been implemented partially in SVG (ICR, para 16). Even though the restructuring reduced the targets related to SVG, and the revised RF retained the original targets for Grenada, the PDO was not changed. Given that the PDO remained the same with focus on both Grenada and SVG, this review assesses the combined achievement of outcomes in both countries. A split evaluation based on the achievement pre- and post restructuring will not make a difference since the PDO was not revised and the project will need to be assessed against the achievements of outcomes for each country. As per OPCS policies, each country will be given equal weightage in the assessment of the outcome irrespective of the amount disbursed by country.

3. Relevance of Objectives

Rationale

Country Context

At Project appraisal in 2017, the small countries of the Organization of Eastern Caribbean States (OECS) experienced significant economic challenges, including low growth, high debt, and limited fiscal space (ICR, para 1). The region relied primarily on agricultural exports and tourism, which had been steady drivers of economic growth. Between 2010 and 2017, Grenada and Saint Vincent and the Grenadines (SVG) exhibited average Gross Domestic Product (GDP) growth rates of 3.4 percent and 1.8 percent, respectively, attributable largely to consistent expansion of the tourism sector. Grenada was renowned for its high-quality nutmeg and cacao. SVG experienced steady growth driven by its diverse export portfolio, including eddoes, taro, ginger, spices, and other commodities. Both countries were, however, net food importers, heavily reliant on imported agricultural products, particularly for the tourism sector, which accounted for a substantial portion of their food demand.

Prior studies of the Bank had identified that the main obstacles to enhance Grenada's agricultural sector were the local farmers' inability to supply the required quantity and quality of products to the market in a timely, consistent, and competitive manner (ICR, para 3) Most farms in Grenada and, also similarly, in SVG were small and lacked the necessary resources, equipment, infrastructure, and farm management skills making it challenging for them to become reliable suppliers. Large international hotel chains in the countries typically preferred to buy from traders in Miami to ensure guaranteed quantities and volume discounts, as sourcing large quantities locally from many small-scale farmers entailed higher uncertainty and costs.

Country strategy

The PDO aligned with strategies of the Government of Grenada's (GoG) National Agricultural Plan (NAP) 2015-2030 and the Government of SVG's (GoSVG) National Economic and Social Development Plan (NESDP) 2013-2025, both of which focused on enhancing the global competitiveness of their respective agricultural sectors (ICR, para 23). The NAP envisioned a globally competitive agricultural sector that contributed to economic growth while enhancing food and nutrition security, reducing poverty, and conserving the natural environment. It was particularly relevant to NAP's strategic focus on increasing the contribution of agriculture to economic growth and development, enhancing national food security, strengthening resilience to climate change, and investing in sector development. It was directly relevant SVG's NESDP's goal of re-engineering economic growth, particularly through 'revitalization of agriculture and fisheries sectors (strategic objective 1.2.)

Bank strategy

The PDO was consistent with the World Bank's FY2015-19 OECS Regional Partnership Strategy (RPS), which included objectives, such as enhancing agri-food sector competitiveness, modernizing public sectors, and strengthening resilience against climate change. The PDO continued to be relevant to three key dimensions of the World Bank's OECS RPS for FY22-25: (a) enhance resilience by supporting the adoption of CSA practices among FFs, AAs, and extension service workers; (b) Strengthen human capital, institutions, and inclusion by strengthening the capacity of both public and private stakeholders, with a particular emphasis on improving extension services. (c) Job creation and technology adoption by disseminating new farming technologies and business techniques, aiming to generate more employment opportunities to enhance the capabilities of market participants and expanding market opportunities (ICR, para 25).

The level at which PDO is pitched

The PDO was pitched at the intermediate outcome level of the results chain focusing on "enhanced access to markets and sales" rather than increased income or measures of food security. The PDO should have been revised to exclude SVG following the cancellation of the remaining project activities in SVG.

Summary: Both Grenada and SVG relied on tourism and agricultural exports to drive their growth. They were net food importers to meet the requirements of their tourism sectors. Farmers in both countries could not compete with imports by reliably meeting the needs of large local buyers. Strategic plans of both countries sought to make their agricultural and fishery sectors competitive. The World Bank's strategy to support the counties also sought to enhance the competitiveness of agri-food sectors. The PDO to increase access to market for FFs and of AAs, was substantially relevant to the priorities of the governments and the World Bank.

Rating
Substantial

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective
To enhance access to markets and sales for competitively selected farmers and fishers (FFs), in Grenada and St. Vincent and the Grenadines.

Rationale
Theory of Change

The theory of change presented by ICR (para 7) postulates that project inputs/activities, such as provision of vouchers for purchasing inputs and technical training – along with strengthening of extension services – would incentivize FFs to forge links with AAs, whose business plans would have been approved by the project, to supply their final products. It would lead to outcomes such as adoption of one or more technologies, thus increasing their labor productivity and increased average annual sales with improved ability to meet the quality, quantity, and timeliness requirements of their buyers. The key assumptions were that input support to FFs would help them increase production and their linking with AAs would give them greater access to market. The ToC does not identify any higher level objectives (i.e., does not state what kind of changes to people's lives these outcomes were expected to lead to), such as, for example, increased income or improved food security for the beneficiaries.

The results below are only for Grenada since the activities for St. Vincent and the Grenadines were cancelled, and the related results indicators/targets dropped.

Outputs

- 53 public extension workers trained, falling short of the target of 73
- 29 input suppliers participated in the voucher program, exceeding the target of 11

Intermediate outcomes

- 90 participating FFs and AAs adopted an improved agricultural technology promoted by the project, falling short of the target of 186
- Of them, 34 were female clients, falling short of the target of 47
- Of them, 15 were young, falling short of the target of 47
- 123% increase in labor productivity of participating FFs, exceeding the target of 10%
- 551 direct project beneficiaries, falling short of the target of 900
- Of whom, 28.3% were female, exceeding the target of 25%
- Of whom, 33.2% were young, exceeding the target of 25%

Outcomes

- 2.4 (on a 0 to 3 scale) Market Access Compliance Score achieved by FFs supplying products to their AAs, exceeding the target score of 2.2
- 82% increase in the average annual sales of FFs participating in strategic alliances under the project, exceeding the target of 20%

The evidence for assessing the efficacy comes from surveys conducted in 2021, 2022, and 2023. Although the project became effective in 2017, the first disbursements were made to FFs and AAs in 2021; therefore, the ICR regards 2021 as the base year (ICR, para 28). Following project closure in August 2023, a supplementary representative survey was conducted to understand the project outcomes.

Two indicators measure the achievement of the objective, apart from the number that benefit directly from the project: i) increase in the value of gross sales, ii) and a Market Access Compliance Score, which grades them on meeting the quantity, quality, and timeliness requirements or expectations of their buyers, i.e., AAs they are associated with in the case of FFs, and final buyers for AAs. The second indicator, which the ICR refers to as quality of sales (para 27), reflects the ability suppliers to satisfactorily meet the contractual requirements or expectations of buyers.

The FFs/AAs increased their sales to the AAs they had linked with by 82 percent annually – information on their total sales are not available. However, it was by a pool of FFs and AAs that was nearly one-half of the targeted. Information on individual groups reveal diverse outcomes (ICR, Annex 7.4). In the first year, only 4 out of the ten participating strategic alliances of FFs increased their sales by more than the target. In the endline for 2023, which is based on January to August data, 7 out of 8 strategic alliances had increased their sales – information was not available for two. Outlying performances, such as that of a fishery which increased its sales by more than twelve fold over two years, pull up the average for the alliances.

The 170 individual FFs (of the 206) who remained engaged until the end of the project scored 2.4 on market access compliance. Detailed analysis showed that they, however, continued to have problems making timely deliveries (ICR, para 31).

More than doubling of labor productivity of FFs – it was examined only for four value chains – suggests that the increase in sales can be attributed to improved production, attributable to project support to FFs through vouchers. However, there was no one-to-one relationship between increase in productivity and sales. For example, fishery experienced extraordinary growth in sales, but productivity increase in fishery was modest compared to changes in other value chains (ICR, Annex 7.5). Information on the sources of labor productivity improvement is ambiguous. The indicator for the number that adopted an improved technology includes both AAs and FFs; the project fell short in meeting the target.

Overall, limited evidence links the outcomes to project activities. Although sales volumes nearly doubled annually, post-covid recovery from low levels could have contributed to it.

The theory of change postulated that incentivizing FF groups to link up with AAs by offering them vouchers to buy inputs and training them in good agricultural practices would enable them to increase their sales revenues and better meet the requirements of their buyers. While participating FFs were only nearly half the revised targeted numbers, they increased their average annual sales by more than the target. They were also able to meet the quality, quantity, timeliness requirements or expectations of their buyers. The improvement in labor productivity suggests that increased sales could be partially attributed to project activities to support production. The achievement for Grenada was Substantial with moderate shortcomings.

Moreover, there was no achievement for St. Vincent and the Grenadines since the activities were cancelled and results indicators dropped though SVG is still reflected in the objective. Thus, there was negligible achievement for SVG.

Overall, combining the two countries, the overall efficacy in achieving this objective is rated Modest.

Rating
Modest

OBJECTIVE 2
Objective
To enhance access to markets and sales for farmers and fishers' allied aggregators and agro-processors (AAs), in Grenada and St. Vincent and the Grenadines.

Rationale
Theory of Change

The theory of change further hypothesized that supporting AAs with viable business plans by giving them matching grants and incentivizing FFs to link up with them (as it was done to achieve objective 1) would help them achieve intermediate outcomes, such as adopting the recommended technologies and raising resources from local financial institutions, and the PDO objective of increasing their sales revenues and doing so meeting the quality, quality and timeliness required or expected by their buyers. The key assumptions were, i) AAs would be able to leverage matching grants to raise resources locally, ii) linking with FFs would give them improved supply of inputs, and iii) the investments in their enterprise would enable them to expand their operations to better meet the demands.

The results below are only for Grenada since the activities for St. Vincent and the Grenadines were cancelled, and the related results indicators/targets dropped.

Outputs

- 12 approved business proposals developed into an evaluated business plan, falling short of the target of 20
- 31 business proposals submitted and evaluated, exceeding the target of 29

Intermediate outcomes

- US$760,565 private capital mobilized, exceeding the target of US$530,000

Outcomes

- 2.6 (on a 0 to 3 scale) Market Access Compliance Score for sales from all participating AAs complying with buyers' specification, meeting the target score of 2.6
- 71% increase in the value of gross sales made by AAs participating in the project to their final buyers, exceeding the target of 20%

Less than targeted number of business proposals were developed into business plans that were supported by the project. The recipients of support, however, mobilized more capital than targeted.

There were ten AAs at the endline. Participating AAs increased their sales by more than 70 percent. They also met the market access compliance score. It was higher than the baseline score of 1.9, except in the case of condition of product delivered (ICR, para 37). Raw material availability had improved for them – raw material purchased from FFs increased by 160 percent. The outcome could be attributed to project activities. Out of 10, nine had upgraded their storage facilities.

The theory of change postulated that by supporting the business plans of AAs with grants and technical advice and incentivizing suppliers (FFs) to link with them, would enable AAs to leverage capital and make the necessary investments to increase sales revenues. The project supported a little more than one-half of the targeted number of business plans; the supported AAs, however, leveraged more private capital than targeted. The supported AAs increased their sales several times the target. Their sales met the requirements or expectations of their buyers. Project activities are likely to have contributed to the achievement of the objective. However, the project failed to support the targeted number of business plans in Grenada. For Grenada, the efficacy with which this objective has been achieved in is rated Substantial but with shortcomings.

Moreover, there was no achievement for St. Vincent and the Grenadines since the activities were cancelled and results indicators dropped though SVG is still reflected in the objective. Thus, there was negligible achievement for SVG.

Overall, combining the two countries, the overall efficacy in achieving this objective is rated Modest.

Rating
Modest

OVERALL EFFICACY

Rationale

The theory of change outlined that simultaneously, i) incentivizing FFs to link with AAs (sell their produce to) whose business plans have been approved, and ii) supporting the approved business plans of AAs with matching grants, would help both the FFs and AAs to increase their sales revenues and also better meet the quantity, quality and timeliness requirements of their buyers. While less than half of the revised targeted number participated, the participating FFs increased their revenues and more than met the delivery requirements expected of them. Labor productivity among them increased to suggest that their increased sales could be attributed to project activities.

The efficacy in the achievement of objective 1 of increasing the access of FFs in Grenada was rated substantial with shortcomings. AAs too increased the value of their sales and met quantity, quality and timeliness expected by their buyers, although only nearly half the of the revised targeted number of business plans were approved. There was no achievement for St. Vincent and the Grenadines (SVG) since the activities were cancelled and results indicators dropped though SVG is still reflected in the objective. Thus, there was negligible achievement for SVG. Overall, the efficacy in achieving first objective is rated Modest.

The efficacy with which objective 2 is achieved in Grenada is rated Substantial also with shortcomings. The project failed to support the targeted number of business plans and benefit the targeted number. There was no achievement for St. Vincent and the Grenadines (SVG) since the activities were cancelled and results indicators dropped though SVG is still reflected in the objective. Thus, there was negligible achievement for SVG. Overall, the efficacy in achieving first objective is rated Modest.

The overall efficacy of achieving the two objectives is rated Modest. While for Grenada the objectives were substantially achieved with moderate shortcomings, there was negligible achievement for St. Vincent and the Grenadines (SVG).

Overall Efficacy Rating
Modest

Primary Reason
Low achievement

5. Efficiency

At appraisal, the analysis involved the development of 14 models encompassing various value chains, including fruits and vegetables, cocoa, nutmeg, poultry, fisheries, and flowers, both in SVG and Grenada. It was assumed that funding would be allocated to 26 subprojects, with 14 in SVG and 12 in Grenada. The financial analysis at appraisal showed a Financial Internal Rate of Return (FIRR) of 37.2 percent and a Financial Net Present Value (FNPV) of US$22.25 million at a 6 percent discount rate. The economic analysis showed that the expected Economic Internal Rate of Return (EIRR) after all project costs would be 15.9 percent and the Economic Net Present Value (ENPV) US$13.21 million (ICR, para 44).

The ex-post Economic and Financial Analysis (EFA) estimated the Project's economic and financial profitability based on the cash flows of 20 subprojects carried out in Grenada, including 10 FF models and AA models. The horizon of analysis was 20 years, with a discount rate of 6 percent. The ex-post EFA, unlike the one at appraisal, included externalities such as greenhouse gas (GHG) reduction and health benefits derived from cost savings associated with addressing morbidity and mortality, as well as improvements in productivity. The ex-post EFA used the same discount rate as the ex-ante EFA.

The *ex-post* EFA including nutrition and health benefits, and the value of carbon sequestration (with carbon prices at US$ 40 per tCO2eq sequestered) shows an ENPV of US$ 93.5 million with an estimated EIRR of 87 percent.

Many factors influenced efficiency of operations.

The SVG component was cancelled because of implementation delays and changed priorities of the government:

- There were implementation delays – in recruiting key PIU staff and contracting with FAO as technical providers – because of internal issues (ICR, para 20). The recruitment of project coordinator was delayed, a result of conflict between Ministry of Agriculture, Forestry, Fisheries, Rural Transformation, and Industry (MAFFRTL) and MFEPIT because of overlapping roles and responsibilities assigned to them. The GoSVG managed to hire a full-time project coordinator in August 2018, 11 months after project became effective. The remaining PIU staff were hired by March 2019, but during the three-and-a-half years of project implementation, the Project had a full-time project coordinator for only 11 months, with the remaining period relying on interim project coordinators.
- Following the eruption of the volcano La Soufrière in April 2021, which damaged crops, destroyed houses, and blocked roads, displacing thousands of people in the northern part of the island, the priorities of the government changed towards emergency response. The remaining IDA funds were cancelled without considering activation of CERC under the project, because the GoSVG requested a much larger sum totaling $45 million for emergency response; instead, the Bank team initiated a new project (ICR, para 20).
- While the volcanic eruption was the primary reason for the partial cancellation, it is important to note that the initial delays in project implementation due to the COVID-19 pandemic and extended onboarding process of FAO, partly caused by the internal coordination issues within the GoSVG, were significant contributing factors to SVG's withdrawal from the project (ICR, para 68).

Some design elements of the project delayed implementation:

- The project required a minimum 20 percent co-financing but most business plans were not able to meet the requirement – only 12 out of 31 business plans submitted in Grenada were approved. The banks required collateral of three times the value of amount requested as loan and did not accept land and buildings as collateral without ownership documents. Six out of the 12 Productive Alliance (PAs) opted to raise their funds internally, but took nearly 1.5 years to raise the necessary funds. Only 10 business plans received funding from the project, falling short of the initial target to support 20 business plans in Grenada – unused budget was reallocated to successful business plans.
- The banks required legal status as registered businesses to qualify for lending, which posed difficulties for associations or organized groups (ICR, para 62). The project provided technical support to the groups navigate the legal requirements to secure the funds.
- The size requirements imposed on business plans prevented the approval of as many business plans as the project had planned. The project required that productive alliances have 10 or more participating FFs to submit a business plan. This stipulation proved to be a barrier to include smaller productive alliances, which represented the majority in Grenada (ICR, para 63).

Some of the inputs demanded by FFs using the vouchers were not readily available from suppliers (ICR, para 64). Suppliers, who needed time to import the requested items, faced supply chain delays associated with COVID-19 restrictions. Many of them had to absorb the price differences in addition to experiencing delays in reimbursement from the PIU, mainly due to inconsistencies in invoice formats.

Some institutional issues contributed to inefficiencies:

- Despite being fully funded by the Project, key members, including the Project Manager, were concurrently engaged in various tasks within the Ministry. The small team, comprising a Project Manager, an Admin Officer, and an M&E Officer, found it challenging to handle the tasks, such as preparation and reimbursement of vouchers and M&E, along with their work for the ministry.
- The Project Steering Committee (PSC) did not operate as intended (ICR, para 65). The plan required the committee to meet semi-annually. However, the formation of the PSC experienced delays in both countries, and the meetings did not occur as frequently as planned (ICR, para 65).
- Restructuring to extend the project by three months did not help in completing the project because FAO had ended its involvement in the project by then (ICR, para 61) Several planned training sessions had to be cancelled.

The pandemic disrupted the delivery of technical training. FAO technical officers, based in Jamaica, were unable to deliver training and TA support due to travel restrictions in 2020.

Economic returns from the Grenada component of the project, which received 85 percent of the disbursement, were higher than projected. For SVG, no activities were implemented and had to be cancelled. Significant delays combined with a natural disaster resulted in administrative/operational shortcomings. The overall efficiency is rated substantial, but marginally so..

Efficiency Rating

Substantial

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	✓	15.90	0 ☐ Not Applicable
ICR Estimate	✓	85.00	0 ☐ Not Applicable

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

6. Outcome

The PDO to increase access of FFs and AAs to markets was substantially relevant to the priorities of the governments and that of the World Bank. The efficacy achievement of the objective was rated Modest. While the efficacy was rated as substantial with moderate shortcomings for Grenada, there was a negligible achievement for St. Vincent and the Grenadines since those activities were canceled. Even though the related results indicators/targets dropped, the PDO was not revised. Given that the PDO encompassed two countries, both are given equal weightage irrespective of the disbursement amount. Economic returns in Grenada were higher than projected, though there were overall implementation delays despite the reduced scope of work. The efficiency was rated substantial, but marginally so.

The overall outcome is rated as Moderately Unsatisfactory.

a. Outcome Rating

Moderately Unsatisfactory

7. Risk to Development Outcome

The ICR notes several risks to maintaining the project's outcomes (ICR, para 85).

Financial Risk

The Project enhanced production and distribution capacity by supporting investments such as in storage facilities, irrigation systems, and vehicles. Whether the enterprises will continue to be profitable to support the maintenance of these facilities, which have an expected lifespan of around 20 years, is a concern.

Institutional Risk

The Project's support motivated the parties to the productive alliances to collaborate with each other. With the project's conclusion, there's a risk that the benefits from collaboration may not be high enough to sustain the alliances.

Government commitment/resources Risk

The Project provided FFs and AAs with training and agricultural inputs to encourage them to adopt improved practices, including climate-smart agriculture. However, budget constraints faced by the government may threaten continued provision of training and inputs, although the training provided to extension service officers has the potential to extend the project’s impact beyond its immediate beneficiaries.

8. Assessment of Bank Performance

a. Quality-at-Entry

The project was designed to meet objectives relevant to the countries; strengthening agriculture's competitiveness offered an opportunity to substitute for imports. The project was strategic in aiming to make FFs and AAs more competitive by supporting their investments.

The project included activities that could be expected to lead to the achievement of the project objective.

The Project's strategic framework was based on insights gained from the World Bank's prior experience (ICR, para 80). Previous Advisory Services and Analytics (ASAs) had identified the potential to improve the OECS’s agricultural competitiveness by linking small farmers and SMEs to the market; the Bank leveraged its experience of successfully introducing a matching-grant mechanism and collaborating with existing PAs through a pilot project: the Grenada Small Farmers Vulnerability Reduction Project.

However, there were shortcomings. There was an oversight in clarifying institutional responsibilities and implementation arrangements among the ministries of SVG, which led to delays, partly contributing to the partial cancellation of the project. The Project also failed to anticipate and prepare for co-financing challenges that participants faced in Grenada, which led to considerable implementation delays (ICR, paras 65 and 66).

The M&E was sound and comprehensive, which allowed for systematic tracking and measurement of project outputs and outcomes. However, including a baseline survey could have provided a stronger basis for attributing project outcomes to project activities (ICR, para 57).

The project design was strategically relevant, with appropriate activities that could lead to the desired outcomes. However, there were moderate shortcomings in clarifying institutional arrangements and anticipating difficulties with raising resources locally. Thus, the quality at entry is rated Moderately Satisfactory.

Quality-at-Entry Rating
Moderately Satisfactory

b. Quality of supervision

According to the ICR (para 81) the Bank provided consistent support, addressing issues as they arose. Biannual missions and coordination meetings were conducted on a regular basis, 11 in all. The Bank team monitored the Project's progress, often incorporating field visits to assess progress.

The fiduciary staff played a pivotal role in guiding project team on financial reporting and navigating World Bank Group's procurement protocols. Simultaneously, the Environmental and Social Safeguards (E&S) team ensured compliance with the World Bank's E&S guidelines (ICR, para 81).

The World Bank technical team was instrumental in building the capacity of PIU (ICR, para 82). The supervision and support of the World Bank technical team, in partnership with FAO colleagues, improved M&E capabilities of the PIU. The World Bank also organized a knowledge-exchange study tour to Honduras in August 2018 to provide the PIU with first-hand experience of a successful PA model.

One key shortcoming that affected the outcome was the failure to revise the PDO even though the activities for St. Vincent and the Grenadines were cancelled. The project dropped the indicators/related targets but the PDO continued to be the same.

Summary: The project was relevant and designed to achieve the objectives. However, the shortcomings at entry, in failing to clarify institutional responsibilities and anticipate difficulties, contributed to substantial delays that could not be overcome. The overall Bank performance is rated Moderately Satisfactory.

Quality of Supervision Rating

Moderately Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The M&E captured the dynamics of change postulated in the theory of change beginning with project activities/outputs and intermediate outcomes to the development objectives (ICR, para 69). The outcome indicators were appropriate to measure the achievement of the objectives and were clear and measurable. They measured achievement of the PDOs in terms of increase in sales and the ability to meet the quantity, quality and timeliness requirements of the buyers.

Seven intermediate outcomes informed on project outputs and intermediate outcomes. It would have been useful to have identified other relevant intermediate outcome indicators to capture how project activities contributed to improved capabilities of FFs to achieve greater access to markets. For example, on the vouchers, to gain greater insights into how they may have contributed to increased labor productivity.

A baseline survey could also have helped to show attribution of project outcomes (ICR, para 69).

b. M&E Implementation

The ICR notes that data collection was comprehensive and included extensive information, although there was need to collect some additional information at project closure (ICR, para 70). Extending the project closure by three months offered an opportunity to collect additional sales data for 2023, and a consultant was hired to complement the 2023 data.

Data collection, however, faced some challenges (ICR, para 70). Limited resources, such as lack of vehicles, hindered monitoring because the plan required the PIU to communicate with all the beneficiaries. Timely data collection was not achieved, resulting in the need to collect additional information at the end of the project as noted above.

Technical support to M&E became necessary in the early stages of project implementation. The M&E specialist was not clear about the data required and the methodology for calculating the indicators; the Bank responded by updating the M&E manual to clarify methodologies for collecting data for all the key indicators.

As noted earlier, even though the activities for St. Vincent and the Grenadines. were cancelled, the PDO still reflected it.

c. M&E Utilization

The utilization of the Results Framework facilitated effective monitoring and assessment of the project's progress and outcomes, allowing for informed decision-making and timely adaptations throughout the project lifecycle, although the reports were occasionally delayed (ICR, para 71). The project benefited from the six-monthly progress reports, which served as a comprehensive record of various stages of the project's lifecycle and valuable information for deriving lessons. The project, however, needed to proactively maintain additional information to facilitate implementation; for example, an inventory of inputs for which vouchers have been approved for FFs, to communicate to input suppliers for them to effectively manage their supplies.

The M&E design adequately captured the dynamics inherent in the theory of change and was suitable for tracking progress, although one or more intermediate indicators could have led to a better understanding of how project activities contributed to improved access for FFs. Information collection was comprehensive although it was hampered by limited resources and lack of clarity in the early stages on how information was to be collected. The system supported informed decision making, although there is no evidence of major M&E led program changes. Also, the PDO should have been revised with the cancellation of activities in St. Vincent and the Grenadines, and this hindered the achievement of the outcome rating.

Overall, the M&E quality is rated substantial.

M&E Quality Rating
Substantial

10. Other Issues

a. Safeguards
At project appraisal, the project was classified as Category B, due to minor to moderate potential negative impacts from agricultural production, food processing, aquaculture, livestock rearing, and related activities. The project triggered safeguards related to **Environmental Assessment** (OP 4.01), **Natural Habitats** (OP/BP 4.04) as a precaution, **Pest Management** (OP 4.09) due to necessary pesticide use, and Physical **Cultural Resources** (OP 4.11) to protect cultural sites. Although the Bank's OP on **Involuntary Resettlement** (OP 4.12) was initially applied to the project, it was later determined that any projects requiring land acquisition would not be eligible for financing and would be part of the exclusion list for subproject selection.

The Environmental, Social, and Fiduciary compliance frameworks were established to be applied across Grenada and SVG from the outset and were implemented in both countries up to the first restructuring. While the majority of project activities took place in Grenada, leading to compliance ratings primarily reflecting implementation in Grenada, issues related to SVG's compliance were also addressed in this section as necessary.

To address environmental and social concerns, an Environmental and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF) were prepared for the Project, with consultations and workshops conducted, and stakeholder feedback incorporated. Key training sessions were conducted for aggregators, farmers and fishers, and extension officers, focusing on E&S risks and the Grievance Redress Mechanism.

The PIU faced challenges in E&S monitoring of subprojects, sharing E&S risk management documents mandated under OP 4.01, and including E&S and GRM reporting in the annual and quarterly progress reports.

Therefore, the Project maintained safeguards ratings of Moderately Satisfactory, primarily due to the MS rating of OP/BP 4.01, while OP/BP 4.04, OP/BP 4.09, OP/BP 4.11, and OP/BP 4.12 were rated as S for most of its lifespan. When the E&S issues were addressed related to OP 4.01, the E&S rating was upgraded to Satisfactory.

Overall environmental and social safeguards compliance was Satisfactory.

b. Fiduciary Compliance
Procurement

Procurement faced persistent delays, resulting in Moderately Unsatisfactory ratings throughout the project. Delays occurred in updating procurement activities and contracts in the Systematic Tracking of Exchanges in Procurement (STEP) system, along with bottlenecks in evaluation and approval of contracts. Even contracts that were awarded often remained unrecorded in STEP. The repeated postponement of the update of the Procurement Plan in STEP necessitated the recruitment of a procurement assistant. The contract with the FAO, the largest procurement activity of the project, suffered delays due to administrative issues related to the currency of purchase orders. Financial reports on the execution of the contract were not submitted by FAO nor requested by the GoG, limiting oversight of the FAO contract.

Financial Management

At the beginning of implementation, following the initial disbursements in early 2018, financial management in Grenada was undertaken by the project Coordination Unit (PCU). The PCU ensured the provision of reliable and timely financial information, while maintaining internal controls. In December 2018, the PCU was dissolved, and a Project Accounting Unit (PAU) was established in the Accountant General Department of the Ministry of Finance to take over financial management. This transition resulted in some challenges during 2019, including delays in the preparation and review of bank reconciliations, financial reporting, and finalization of the financial management procedures in the Project Operational Manual (POM). Another challenge was the difficulty in maintaining accurate and up-to-date cash forecasts for Project activities, resulting from poor communication between the implementing entity, procurement, and the PAU. Furthermore, PAU could not provide timely and accurate financial reports to the World Bank because of its weak review and approval processes. Increasing the number of staff and World Bank provided training, along with hands-on support, led to notable improvements in the financial management. Regardless, during the project's final year, an accounting system malfunction resulted in the loss of historical data, creating difficulties in submitting timely and accurate financial reports.

Difficulties were noted with timely submission of audit reports and explanations for internal control weaknesses to address them promptly. The Project lacked, on several occasions, a functioning project Steering Committee (PSC) for oversight. The Project’s audit for the initial 15 months of implementation was submitted with a delay of four and a half months. Additionally, the audit report for December 2022 was submitted three months late and had numerous findings concerning the questionable use of funds and compliance, but no ineligible expenditures were identified, and all audits had an unmodified and clean opinion.

Overall, assessments of financial management in ISRs during the Project varied between Moderately Satisfactory and Satisfactory, considering all relevant financial management elements. According to the final IFR, approximately US$3.41 million of Grenada's commitment has been disbursed out of US$4 million of the total Project budget allocated Grenada. The remaining unutilized amount of US$0.59 million has not yet been officially canceled by the GoG.

c. Unintended impacts (Positive or Negative)

---

d. Other

---

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Unsatisfactory	Shortcomings in achievement of the PDO given the negligible achievement in SVG.
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	
Quality of M&E	Substantial	Substantial	
Quality of ICR	---	Substantial	

12. Lessons

Three lessons articulated in the ICR are restated below with some modification by IEG.

Involving key stakeholders in the project design itself – thus leading to opportunities to understand how they are likely to respond to project components – can reduce delays in project implementation and improve the chances of project success (ICR, para 87). Aggregators and agro-processors faced difficulties in securing loans from banks, which required them to offer collateral and have legal status. Collaborating with financial institutions could have eased these difficulties by streamlining processes with suitable assistance to aggregators and agro-processors. Similarly, engaging input suppliers in the early stages could have prevented the supply issues that emerged when farmers and fishers went to them with the vouchers, they received to purchase inputs.

If project design entails several government institutions to coordinate their activities to implement a project, clarifying their role in the implementation arrangements can avoid delays starting the project (ICR, para 88) The initial delays experienced by the Project in Saint Vincent and the Grenadines was largely attributed to unclear leadership roles among the ministries. Additionally in Grenada, the project implementation unit's engagement in concurrent tasks within the Ministry diluted its focus and commitment, leading to Project delays.

One-size-fits-all approach to supporting productive alliances may limit project benefits (ICR, para 89). Productive alliances exhibited a wide range of needs. Emerging PAs needed support for basics, such as bylaw establishment, training for financial management training, and strategies to access markets, whereas more mature productive alliances could have benefitted from more advanced technical support for assessing infrastructure investments and market expansion. While the training provided to them helped them achieve the objectives, tailoring support aligned with their needs could have been more effective.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR offers a comprehensive overview of project activities and outcomes in considerable detail in several appendices. The analysis is sound, as it makes good use of available information to argue that the intended outcomes were achieved. It also clearly explains the conditions under which the partial cancellation took place. The writing is crisp and internally consistent. The lessons derived are based on specific experiences that shaped the project's outcomes.

The ICR could have been more outcome-oriented. It fell short in offering the bigger picture, although it notes that the outcomes provided a solid foundation for further growth and sustainability of agricultural endeavors (para 43). Also, the ICR assesses the outcome based on the amount disbursed in each country which is not consistent with OPCS policies.

Overall, the quality of ICR is rated Substantial.

a. **Quality of ICR Rating**
Substantial