



1. Project Data

Project ID P164445	Project Name Malawi-ASWAP SPII MDTF		
Country Malawi	Practice Area(Lead) Agriculture and Food		
L/C/TF Number(s) TF-A7166,TF-A7167,TF-B7497,TF-B753330	Closing Date (Original) 30-Jun-2023	Total Project Cost (USD) 68,152,324.12	
Bank Approval Date 07-Apr-2018	Closing Date (Actual) 30-Jun-2023		
	IBRD/IDA (USD)	Grants (USD)	
Original Commitment	68,172,000.00	68,172,000.00	
Revised Commitment	68,152,367.21	68,152,325.30	
Actual	68,152,324.12	68,152,324.12	
Prepared by Hassan Maher Amin Waly	Reviewed by Avjeet Singh	ICR Review Coordinator Avjeet Singh	Group IEGSD (Unit 4)

2. Project Objectives and Components

a. Objectives

The Project Development Objective (PDO) of the Second Agriculture Sector Wide Approach Support Project (ASWAp-SPII) as articulated in the Grant Agreement (page 6) was identical to the one stated in the Project Appraisal Document (paragraph 19) and aimed to:

"Improve the productivity of small-holder farmers and market access of selected commodities for small-holder farmers in Selected Districts of the Recipient's territory."



Parsing the PDO. The PDO will be parsed based on the following two Objectives:

1. To improve the productivity of small-holder farmers of selected commodities for small-holder farmers in Selected Districts of the Recipient's territory.
2. To improve market access of selected commodities for small-holder farmers in Selected Districts of the Recipient's territory.

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

Yes

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

Yes

Date of Board Approval

29-Sep-2020

c. Will a split evaluation be undertaken?

Yes

d. Components

The PDO was supported by the following four components:

1. Sustainable Agricultural Productivity and Diversification (appraisal cost: US\$17.21 million, actual cost: US\$27.60 million). This component aimed to address constraints related to improving agricultural productivity and diversification, with a primary focus on promoting resilience to climate-induced shocks in the sector that have prevented its productive potential. It included two sub-components as follows:

1.1. Promotion of Diversified Integrated Crop Production and Management Systems financed four activities. These included: (i) diversified seed systems activity, which supported micro and macro propagation and establishment of communal nurseries for mass production of clean banana planting materials, in response to the banana bunchy top virus (BBTV) disease; (ii) FISP by promoting access to improved inputs including high yielding maize varieties, other cereals and legume seeds; (iii) strengthening crop protection through the promotion of IPDM for pests and diseases control and reduction of post-harvest losses; and (iv) strengthening innovative agricultural extension and advisory services.

1.2. Promotion of Integrated Soil Fertility Management financed two activities. The first activity sought to increase the adoption of Climate-Smart Agriculture (CSA) technologies among small-holder farmers and promote their use to enhance resilience of agricultural systems to climate change shocks. The CSA practices supported included conservation agriculture with trees, agroforestry, fruit trees, compost manure and integrated sustainable land and water management practices. The second activity, was through the implementation of area specific fertilizer recommendations and other good agronomic practices based on soil testing/analysis, ensuring dissemination of the messages, and piloting the recommendations in specific districts through demonstrations and trials, and in line with findings from the soil maps.



2. Improvement of Roads Infrastructure for Market Access (appraisal cost: US\$30.64 million, actual cost: US\$28.1 million). This component aimed to improve road and bridge infrastructure to facilitate market access for farmers. It included two subcomponents as follows:

2.1. Improvement of rural unpaved roads. This included activities that supported the improvement of unpaved rural roads through labor-intensive rehabilitation and upgrading works using Low Volume Sealing Methods in 12 selected districts, and where the activities under Component 1 took place. Emphasis was placed on providing incomes and jobs to the local communities through rehabilitation works.

2.2 Implementation support to District Councils (DCs). This aimed to provide implementation support to the District Councils (DCs) to facilitate proper supervision and monitoring of the works. The activity provided the DCs with equipment, resources, and hands-on/practical skills to facilitate the implementation of the works and equip the DCs with an enabling environment for decentralization. Based on lessons learned from ASWAp-1 the activity was designed to enable the Road Fund Administration (RFA) maintain its role of making all payments related to the project and providing periodic technical audits to monitor quality and adherence to standards. In addition, this activity provided operational funds to the RFA, DCs, and consultants, as well as funded workshops and training requirements for contractors and supervision consultants to improve capacity.

3. Institutional Capacity Building for the Implementation of the National Agricultural Investment Plan (NAIP) (appraisal cost: US\$5.70 million, actual cost: US\$7.70 million). This component aimed to build the capacity of the MOAIWD to operationalize the NAIP2 by strengthening the Department of Planning Services (DAPS) to enhance strategic planning, monitoring, and evaluation functions at all levels. It included two sub-components as follows:

3.1. Institutional Capacity Building. This activity involved addressing the critical capacity gaps identified under the Core Function Analysis (CFA). The project activity entailed supporting the training officers at Master and Diploma levels at the national agricultural college, Bunda and Natural Resource College. It also entailed supporting the DAPS to (i) operationalize the NAIP processes through improved planning and alignment of the Ministry's budget to the NAIP Framework; (ii) supporting and strengthening coordination structures and dialogue among stakeholders through the NAIP Institutional Mechanisms; (iii) and facilitating capacity building in other key institutions linked to the project such as transport.

3.2. Strengthening Monitoring and Evaluation and Agricultural Statistics. This activity involved strengthening the capacity of the DAPS to enhance strategic planning, monitoring, and evaluation functions of the MoA at all levels. This process involved strengthening the M&E system through a web-based management information system to track progress of the NAIP indicators at various levels, (ii) support improvement of the methodology for the agricultural production estimates, (iii) the development of an agricultural statistics data bank; carry out food security monitoring and reporting; (v) rationalizing of district administration M&E requirements. In addition, the project activities were to place activities for the beneficiary communities to provide feedback through an independent service provider.

4. Project Coordination and Management (appraisal cost: US\$3.70 million, actual cost: US\$5.90 million). This component financed project management activities that were related to coordination and implementation of project activities. This included the hiring of the Project Facilitation Team (PFT) whose task was to coordinate the implementation and monitoring of the project as well as ensuring sound fiduciary management of project activities, compliance with environmental safeguards, and communication and reporting thereof. The component supported several studies, including a baseline survey, and two outcome surveys – Midterm review and endline. In addition to putting in place a citizen engagement and social accountability mechanism, including grievance redress mechanism. The project mainstreamed gender,



nutrition, climate smart agriculture (CSA) and mechanisms for building resilience throughout the project components. The project sought to narrow the gender gap in the areas of productivity and access to agricultural inputs and service.

Revised Components.

A sub-component on livestock production and productivity was added under component 1 through the AF to complement the productivity-enhancing CSA interventions of the project. This sub-component also aimed to diversify farmer's sources of income.

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

Project Cost. The total project cost was estimated at US\$55.00 million. The actual cost was US\$69.17 million. The increase was due to additional financing worth US\$13.17 million. The total cost at completion was US\$68.15 million (ICR, Data Sheet, page 2).

Financing. The project was financed through a Multi-Donor Trust Fund (MDTF) Grant worth US\$55.00 million. In September 2021, the project received additional financing (AF) worth US\$13.71 million. The total financing was 68.17 million. The actual amount disbursed was US\$68.15 million (ICR, Data Sheet, page 2).

Borrower Contribution. The Borrower was expected to provide US\$1.00million of counterpart funds. However, this did not materialize.

Dates. The project was approved on April 7, 2018, and became effective on April 25, 2018. The Mid-Term Review (MTR) was conducted on February 14, 2020, about one year and ten months after effectiveness. The PAD did not specify a date for the MTR. The project closed on June 30, 2023 which was three years and six months beyond its original closing date. The project was Restructured twice and received one additional financing as follows:

1. On December 14, 2019, when the amount disbursed was US\$37.01 million, in order to revise the Results Framework, change components and cost, extend the Loan Closing Date by 24 months from December 31, 2019 to December 31, 2021 to align it with the revised grant Administration Agreement closing date, and change the implementation schedule.
2. On September 29, 2020, when the amount disbursed was US\$43.01 million, in order to revise the Results Framework, change components and cost, and reallocate funds between disbursement categories.
3. Additional financing (US\$13.71 million) was approved on September 2021 to expand successful interventions under components 1 and 3.

A split rating will be applied because the PDO indicators' targets were revised as part of the second restructuring.



3. Relevance of Objectives

Rationale

Context at Appraisal. At appraisal, agriculture contributed 30% to the GDP and represented over 80% of national export earnings. Two-thirds of the workforce were employed in this sector, and small-scale farms accounted for 80% of producers. Small-scale farmers face significant challenges, including limited access to inputs, low mechanization, weak technical skills, inadequate extension services, insufficient financing, recurrent pest and disease outbreaks, minimal irrigation, and soil fertility depletion. Additionally, smallholder farmers faced ongoing challenges such as weak market connections and inadequate infrastructure. Poor rural road conditions and inefficient district road networks, often worsened during the rainy season, led to high transportation costs and reliance on middlemen, resulting in lower commodity prices. To address these challenges, Malawi implemented the Agriculture Sector Wide Approach Support Program (ASWAp-SP1) from 2010 to 2016. ASWAp-SP II aimed to capitalize on the achievements of ASWAp-SPI and continue fostering agricultural growth in Malawi, ensuring the sector thrives and contributes significantly to the country's overall development.

Previous Bank Experience. ASWAp-SP II benefited from the lessons learned from ASWAp-SP I as well as other projects and studies related to agriculture, water and land management in Malawi. Those included the Agriculture Commercialization Project (P158434), the Shire Valley Transformation Project (SVTP) (P158805), Rural Livelihoods and Agricultural Development Project (IRLADP - P048184) and Community Based Rural Land Development Project (CBRLDP -P075247). This project was also informed by lessons from the Global Gender-Based Violence Task Force Report. The World Bank also has extensive experience supporting agriculture/infrastructure projects in Africa and other regions of the world. Overall, the World Bank was on a strong foundation to guide the implementation of ASWAp-SP II.

Consistency with Bank Strategies. At appraisal, the PAD (paragraph 17) noted that the Bank was in the process of preparing a Systematic Country Diagnostic (SCD) for Malawi. The challenges evidenced in the agricultural sector were strongly associated with key binding constraints to achieving the WBG twin goals of ending extreme poverty and promoting shared prosperity. At completion, the PDO was in line with the Bank's Country Partnership Framework for Malawi (CPF, FY2021-FY2025). The project was expected to contribute to the CPF's objectives related to agricultural productivity, job creation, livelihood promotion, and climate adaptation through integrated CSA practices.

Consistency with Government Strategies/Priorities. At appraisal, the PDO was in line with Malawi's National Agriculture Policy (NAP). Specifically, the NAP outcomes related to: increased agricultural production, productivity, diversification, and marketed surplus; increased access by producers and consumers to well-functioning markets; and increased engagement by women, youth, and vulnerable groups in agricultural policy, processes, and Programs. The PDO was also in line with Malawi Growth and Development Strategy (MDGS III) whose overall objective was to move the country to a productive, competitive and resilient nation through sustainable agriculture and economic growth, energy, industrial and infrastructure development while addressing water, climate change and environmental management and population challenges.

At completion, the PDO continued to be in line with Malawi's MW 2063 strategy which replaced MDGS III. The PDO was also in line with the National Agriculture Investment Plan (NAIP) which was the framework guiding investment in Malawi's agricultural sector. NAIP policy foundations were mainly the Malawi Growth and Development Strategy (MGDS), the National Agricultural Policy (NAP), the CAADP Compact and the



Malabo Declaration. The project's emphasis on gender responsiveness in agricultural and rural development further emphasized its alignment with the NAIP's key results areas.

Summary of Relevance of Objectives Assessment. The PDO statement was clear, focused and pitched at an adequate level of ambition relative to the Bank's experience and the envisioned targets of the operation. At completion, the PDO continued to be in line with the Bank strategies and the Government priorities as noted above. Furthermore, enhancing agricultural productivity and building resilience in the face of climate change will continue to be crucial for Malawi, given its vulnerability to climate events.

Therefore, Relevance of Objectives is rated High.

Rating

High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To improve the productivity of small-holder farmers of selected commodities for small-holder farmers in selected districts of the Recipient's territory.

Rationale

Theory of Change (ToC). To achieve the stated objective, the project supported the following activities:

1. The project supported promoting diversified and integrated crop production and management systems; seed multiplication and screening; development of clean planting materials of selected crops (cassava, banana, sweet potatoes). These activities aimed to address limited access to quality inputs, and recurrent pest and disease outbreaks and lack of knowledge to address them.
2. Promote integrated soil fertility management, climate smart agriculture technologies, and area-specific fertilizer application recommendations. These activities aimed to improve knowledge about soil management needs, improve overall crop management, and improve resilience against climate shocks.
3. Institutional capacity building and implementation support, and strengthening M&E and agricultural statistics. This aimed to address weak national institutions, low technical labor skills, weak extension service, and weak M&E system.

The outputs of the above-mentioned activities included: amount of seeds produced, banana suckers delivered, clean planting material delivered, farmers adopting integrated soil management and CSA applications, and number of staff trained.



The expected intermediate outcomes were: farmers reached with agricultural assets and services, area planted with clean plant materials, area under CSA, and farmers reached through livestock pass on program.

The expected outcomes were: improved crop productivity and diversification, and improved soil health.

Anticipated long-term impacts included: increase in diversified food production and food security, increased resilience to climate change, and improved livelihoods for smallholder farmers.

The achievement of the stated objective was underpinned by the following four key assumptions: 1. Smallholder farmers will adopt at least two or more CSA technologies, utilize improved seed varieties, and adopt clean planting materials, 2. Yields will increase due to the implementation of CSA practices and the use of clean planting materials, 3. Upgraded roads will be maintained and passable during the rainy season, facilitating smallholders' access to input and output markets, and 4. Extension staff will receive capacity building training and transfer knowledge to farmers.

Overall, the ToC reflected relevant activities that were directly connected to the outputs, intermediate outcomes and outcomes in plausible causal chains. Also, the critical assumptions were logical and realistic.

Outputs/Intermediate Results

- 270,602 farmers including 143,288 females were reached with agricultural assets or services substantially achieving the original target of 300,000, and exceeding the original target for females of 120,000.
- 27,645 hectares (ha) were under climate smart agriculture exceeding the revised target of 18,000, baseline was none. CSA practices included included: permanent soil cover, minimum tillage, fertilizer tree species, compost manure, intercropping, land and soil conservation technologies , and integrated homestead farming.
- 194 staff received training which substantially achieved the original target of 220.
- 90% of beneficiaries were satisfied with services provided by the project exceeding the original target of 80%.

Outcomes

- By project completion, the direct project beneficiaries achieved an overall 35.5% yield increase for selected agricultural commodities (maize, groundnuts, sweet potatoes, and bananas) exceeding the original target of 30%. Maize yield increase was 31% exceeding the target of 20%, and banana yield increase was 116% significantly exceeding the target of 40%. These two crops accounted for over 70% of the project planted area (ICR, paragraph 40). Groundnuts yield increase was 33% substantially achieving the target of 35%, and sweet potatoes yield increase was 17% which was below the target of 30%. The ICR (figures 2 &3) showed that, on average, project farms outperformed non-project farms located in the same districts for maize and groundnuts. No information was provided on banana and sweet potato.
- Also, 257,385 farmers including 138,293 females were adopting an improved agricultural technology exceeding the original overall target of 150,000, and the original target for females of 60,000. The data reported in the ICR (paragraph 41 and figure 4) indicated that technology adopters consistently achieved higher yields than non-adopters, which indicated the effectiveness of the selected interventions on crop performance.



- The project results were negatively impacted by climate shocks as Malawi faced two major natural disasters: a drought in 2022 and Cyclone Freddy in 2023, affecting nine out of the twelve project districts (ICR, paragraph 50). To assess the effect of the project on farm climate change resilience, yield growth was compared between disaster-affected districts versus non-affected ones. In districts affected by disasters, maize yield increased by 38% from 2018 to 2023 on project farms, while it decreased by 6% on other farms in their respective districts. Groundnut yields followed a similar pattern: they increased on average by 29% yield for project farms in affected districts but decreased by 4% on other farms in their respective districts.

Summary of Efficacy Assessment. To improve the productivity of smallholder farmers, the project focused on select crops (maize, groundnuts, sweet potatoes, and bananas) and introduced interventions such as climate-smart technologies, enhanced seed varieties, and clean planting materials. The project also supported technology adoption through a comprehensive approach that included farmer field schools (FFS), collaboration with lead farmers, improved seed access, post-harvest handling programs, and community-based training initiatives, such as deploying plant doctors. The project exceeded its targets for the two PDO outcome indicators as noted above. Also, most targets for the intermediate results indicators were fully achieved or exceeded. However, comparison between project and non-project areas were only provide for maize and ground nuts.

Overall, and based on the reported results, it is plausible that the project contributed to improving the productivity of small-holder farmers of selected commodities for small-holder farmers in selected districts of the Recipient's territory. Therefore, the efficacy with which this objective was achieved is rated Substantial.

Rating

Substantial

OBJECTIVE 1 REVISION 1

Revised Objective

To improve the productivity of small-holder farmers of selected commodities for small-holder farmers in selected districts of the Recipient's territory.

Revised Rationale

Theory of Change (ToC). The PDO was not changed and the same ToC and underlying assumptions applies. The PDO outcome targets were revised down. Also several new intermediate results indicators were added and a livestock activity was also added under component 1.

To achieve the stated objective, the project supported the following activities:

1. The project supported promoting diversified and integrated crop production and management systems; seed multiplication and screening; development of clean planting materials of selected crops (cassava, banana, sweet potatoes). These activities aimed to address limited access to quality inputs, and recurrent pest and disease outbreaks and lack of knowledge to address them.



2. Promote integrated soil fertility management; climate smart agriculture technologies; and area specific fertilizer application recommendations. These activities aimed to improve knowledge about soil management needs, improve overall crop management, and improve resilience against climate shocks.
3. Promote livestock production. This would diversify smallholders' income and improve resilience to climate vulnerability.
4. Institutional capacity building and implementation support and strengthen M&E and agricultural statistics. This aimed to address weak nation institutions, low technical labor skills, weak extension service, and weak M&E system.

The outputs of the above-mentioned activities included: amount of seeds produced, banana suckers delivered, clean planting material delivered, farmers adopting integrated soil management and CSA applications, livestock groups formed and trained, number of staff trained, M&E system for NAIP in place, and joint sector reporting system for NAIP in place.

The expected intermediate outcomes were: farmers reached with agricultural assets and services, area planted with clean plant materials, area under CSA, and farmers reached through livestock pass on system.

The expected outcomes were: improved crop productivity and diversification, improved soil health, and increased livestock production.

Anticipated long-term impacts included: increase in diversified food production and food security, increased resilience to climate change, and improved livelihoods for smallholder farmers.

The achievement of the stated objective was underpinned by the following five key assumptions: 1. Smallholder farmers will adopt at least two or more CSA technologies, utilize improved seed varieties, and adopt clean planting materials, 2. Yields will increase due to the implementation of CSA practices and the use of clean planting materials, 3. Smallholder farmers will participate in the pass on system for crops and/or livestock, 4. Upgraded roads will be maintained and passable during the rainy season, facilitating smallholders' access to input and output markets, and 5. Extension staff will receive capacity building training and transfer knowledge to farmers.

Overall, the ToC reflected relevant activities that were directly connected to the outputs, intermediate outcomes and outcomes in plausible causal chains. Also, the critical assumptions were logical and realistic.

Outputs/Intermediate Results

- 270,602 farmers including 143,288 females were reached with agricultural assets or services substantially exceeding the revised target of 180,000, and exceeding the revised target for females of 72,000.
- 27,645 hectares (ha) were under climate smart agriculture exceeding the revised target of 18,000, baseline was none. CSA practices included: permanent soil cover, minimum tillage, fertilizer tree species, compost manure, intercropping, land and soil conservation technologies, and integrated homestead farming.
- 4,456 ha were planted with clean planting materials and improved varieties exceeding the revised target of 2,300, baseline was none. This included the area planted with clean banana materials



- (2840.91 ha), fortified sweet potato (975 ha), and cassava (341 ha) for both primary and secondary beneficiaries, who have received planting materials from the first beneficiaries in a pass-on modality.
- 5 new recommended fertilizer blends were cleared by MoA and released on the market fully achieving the revised target of 5.
 - 181 farmer groups were established and trained with market approach slightly exceeding the revised target of 180. Members received animals in total: 11,250 goats; 1200 pigs and 50 dairy cows.
 - 317 metric ton of early generation legume seeds were produced by progressive farmers through the use of the Department of research irrigation infrastructure supported by the project (no target provided).
 - 194 staff received training which substantially achieved the revised target of 220.
 - 12 National Agriculture Management Information System (NAMIS) modules rolled out to project districts fully achieving the revised target of 12.
 - 90% of beneficiaries were satisfied with services provided by the project exceeding the revised target of 80%.

Outcomes

- By project completion, the direct project beneficiaries achieved a 35.5% yield increase for selected agricultural commodities (maize, cassava, groundnuts, sweet potatoes, soybeans and bananas) exceeding the original target of 30%. Maize yield increase was 31% exceeding the revised target of 20%, and banana yield increase was 116% significantly exceeding the revised target of 40%. These two crops accounted for over 70% of the project planted area (ICR, paragraph 40). Groundnuts yield increase was 33% substantially achieving the target of 35%, and sweet potatoes yield increase was 17% which was below the target of 30%. Soybean achieved a yield increase of 30% exceeding the revised target of 20%, and cassava achieved a yield increase of 20% fully achieving the revised target. The ICR (figures 2 &3) showed that on average, project farms outperformed non-project farms located in the same districts for maize and groundnuts. No information was provided on banana and sweet potato.
- Also, 257,385 farmers including 138,293 females were adopting an improved agricultural technology exceeding the revised overall target of 100,000, and the revised target for females of 40,000. The data reported in the ICR (paragraph 41 and figure 4) indicated that technology adopters consistently achieved higher yields than non-adopters, which points to the effectiveness of the selected interventions on crop performance.
- The project results were negatively impacted by climate shocks as Malawi faced two major natural disasters: a drought in 2022 and Cyclone Freddy in 2023, affecting nine out of the twelve project districts (ICR, paragraph 50). To assess the effect of the project on farm climate change resilience, yield growth was compared between disaster-affected districts versus non-affected ones. In districts affected by disasters, maize yield increased by 38% from 2018 to 2023 on project farms, while it decreased by 6% on other farms in their respective districts. Groundnut yields followed a similar pattern: they increased on average by 29% yield for project farms in affected districts but decreased by 4% on other farms in their respective districts.

Summary of Efficacy Assessment. To improve the productivity of smallholder farmers, the project focused on select crops (maize, groundnuts sweet potatoes, and bananas) and introduced interventions such as climate-smart technologies, enhanced seed varieties, and clean planting materials. The project also supported technology adoption through a comprehensive approach that included farmer field schools (FFS), collaboration with lead farmers, improved seed access, post-harvest handling programs, and community-



based training initiatives, such as deploying plant doctors. The project exceeded its revised targets for the two PDO outcome indicators as noted above. Also, most targets for the intermediate results indicators were fully achieved or exceeded. However, yield comparison between project and non-project areas were only provide for maize and ground nuts.

Overall, and based on the reported results, it is plausible that the project contributed to improving the productivity of small-holder farmers of selected commodities for small-holder farmers in selected districts of the Recipient's territory. The project also contributed to improving farm climate change resilience through promoting CSA practices. Therefore, the efficacy with which this objective was achieved is rated Substantial.

Revised Rating

Substantial

OBJECTIVE 2

Objective

To improve market access of selected commodities for small-holder farmers in Selected Districts of the Recipient's territory.

Rationale

Theory of Change (ToC). To achieve the stated objective the project supported the improvement of rural roads through rehabilitation and upgrading with the aim of improving market linkages. The expected output was the number of roads upgraded and rehabilitated. The intermediate outcome was achieving road improvement. The expected outcomes were: improved access to input and output markets; and market centers connected and increased traffic to markets. Anticipated long-term impact was improved livelihoods for smallholder farmers.

The achievement of the stated objective was underpinned by one critical assumption that upgraded roads will be maintained and passable during the rainy season, facilitating smallholders' access to input and output markets.

Overall, the ToC reflected relevant activities that were directly connected to the output, intermediate outcome and outcomes in a plausible causal chain. Also, the critical assumption was logical and realistic.

Outputs/Intermediate Results

- 1002 kilometers (km) of rural roads were rehabilitated substantially achieving the original target of 1,200 km.
- 76 km of roads were rehabilitated using low volume seal technology substantially achieving the original target of 84 km.
- 926 km of roads were rehabilitated using labor intensive methods substantially achieving the original target of 1,116 km.
- By project completion, motorized traffic volume on targeted rural roads increased by 125% significantly exceeding the original target of 50%.



Outcomes

- By project completion, 94 agricultural marketing centers were connected by upgraded and rehabilitated road substantially achieving the original target of 100. The ICR (paragraph 43) explained that "the project's scope was affected when the original length of the roads earmarked for improvement had to be shortened resulting in a partial upgrade of the roads." This change was due to a reallocation of funds to incorporate essential drainage structures, which were necessary for extended road durability but not initially included in the project budget."
- Despite the road improvements, travel costs increased and there was minimal improvements in travel times, especially during the rainy season. The ICR (paragraph 44) attributed these results to a number of challenges including heavy rains, macroeconomic issues (debt distress, slow GDP growth, high inflation, and increased cost of living), and the impact of COVID-19 pandemic.

Summary of Efficacy Assessment. The project aimed to improve market access through improving rural roads connecting market centers. The project substantially achieved its road rehabilitation target with 996 km of the planned 1,200 km of roads rehabilitated, achieving 83% of the project's envisioned target. The project also substantially achieved its PDO outcome target by connecting 94 market centers compared to a target of 100. While it is plausible to assume that road improvements and connecting market centers would result in improved market access, this was not directly measured by the project's M&E system. Therefore, the efficacy with which this objective was achieved is rated Substantial with moderate shortcomings due to lack of direct evidence on improved market access.

Rating

Substantial

OBJECTIVE 2 REVISION 1

Revised Objective

To improve market access of selected commodities for small-holder farmers in Selected Districts of the Recipient's territory.

Revised Rationale

Theory of Change (ToC). The PDO was not changed. However, three intermediate outcome indicators (IRIs) had their targets slightly revised down. The same ToC under original Objective 2 applies.

Outputs/Intermediate Results

- 1002 kilometers (km) of rural roads were rehabilitated substantially achieving the revised target of 1,194.5 km.
- 76 km of roads were rehabilitated using low volume seal technology slightly exceeding the revised target of 75 km.
- 926 km of roads were rehabilitated using labor intensive methods substantially achieving the revised target of 1,119.50 km.



- By project completion, motorized traffic volume on targeted rural roads increased by 125% significantly exceeding the original target of 50% (target was not changed).

Outcomes

- By project completion, 94 agricultural marketing centers were connected by upgraded and rehabilitated road substantially achieving the original target of 100. The ICR (paragraph 43) explained that "the project's scope was affected when the original length of the roads earmarked for improvement had to be shortened resulting in a partial upgrade of the roads." This change was due to a reallocation of funds to incorporate essential drainage structures, which were necessary for extended road durability but not initially included in the project budget."
- Despite the road improvements, travel costs increased and there was minimal improvements in travel times, especially during the rainy season. The ICR (paragraph 44) attributed these results to a number of challenges including heavy rains, macroeconomic issues (debt distress, slow GDP growth, high inflation, and increased cost of living), and the impact of COVID-19 pandemic.

Summary of Efficacy Assessment. The project aimed to improve market access through improving rural roads connecting market centers. The project substantially achieved its road rehabilitation target with 996 km of the revised 1,194.5 km of roads rehabilitated, achieving 83% of the project's envisioned target. The project also substantially achieved its PDO outcome target by connecting 94 market centers compared to a target of 100. While it is plausible to assume that road improvements and connecting market centers would result in improved market access, this was not directly measured by the project's M&E system. Therefore, the efficacy with which this objective was achieved is rated Substantial with moderate shortcomings due to lack of direct evidence on improved market access.

Revised Rating

Substantial

OVERALL EFFICACY

Rationale

Overall Efficacy is rated Substantial. The project contributed to improving the productivity of small-holder farmers of selected commodities for small-holder farmers in selected districts of the Recipient's territory. The project exceeded its two original outcome targets and most targets for the intermediate results indicators were fully achieved or exceeded. The project also contributed to improving market access and substantially achieved its outcome target and rehabilitated 83% of the target roads.

Overall Efficacy Rating

Substantial



OVERALL EFFICACY REVISION 1

Overall Efficacy Revision 1 Rationale

Overall Efficacy is rated Substantial. The project contributed to improving the productivity of small-holder farmers of selected commodities for small-holder farmers in selected districts of the Recipient's territory. The project also contributed to improving farm climate change resilience through promoting CSA practices. The project exceeded its two revised outcome targets and most targets for the intermediate results indicators were fully achieved or exceeded. Finally, the project contributed to improving market access and substantially achieved its outcome target (connecting 94 markets out of 100) and rehabilitated 83% of the targeted roads.

Overall Efficacy Revision 1 Rating

Substantial

5. Efficiency

Economic and Financial Analysis (EFA)

ex-ante

- The economic analysis at appraisal estimated the economic internal rate of return (EIRR) at 57% under a 25-year net benefit analysis using a 5% discount rate. The Economic NPV was US\$796 million and the benefit cost ratio was 14.8. The project's overall Financial NPV was US\$794.2 million with a Financial IRR of 55% and a benefit cost ratio of 14.1. The payback period was 5 years.
- A cash flow model was used to assess the ex-ante efficiency of the project investment. Annual cash flows were estimated as the difference between without-project and with-project net benefits for direct beneficiaries. All project interventions were considered necessary to obtain the target impact; therefore, the entire investment cost is included in this analysis. Incremental net benefits were estimated for 300,000 farmers targeted by the project to increase their production and productivity through provision of clean improved planting materials and adoption of good crop and land husbandry practices.
- The project's impact on Greenhouse Gas (GHG) emissions was estimated using the Ex-Ante Carbon-balance Tool (EX-ACT). The project interventions were expected to have a net-benefit on GHG emissions to the amount of 1.06 million tons of CO₂-eq over 25 years, which constitutes a discounted value of US\$17 million.
- Sensitivity analysis. The analysis found that project delays could reduce returns by 7-13%, increasing the number of targeted farmers by 17% could increase project returns by 17%, a 5% fall in crop prices was estimated to lead to 18% reduction in ENPV, project returns could fall by 21% if project implementation was unable to achieve more than 70% adoption rate, also if the farmers were unable to switch to higher value crops it was estimated that ENPV would fall by 25%.
- Overall, the PAD included a detailed EFA that justified the project investments.

ex-post

- The EFA at completion followed the same methodology at appraisal to ensure consistency and comparability. The overall EIRR for the original project+ AF was estimated at 36% with an estimated



ENPV of US\$435.00 million. The estimated ENPV for the project excluding additional financing was US\$329.00 million with an EIRR of 33%. The estimated ENPV for the additional financing alone was US\$106.00 million with an EIRR of 62% due to the shorter implementation period and focus on livestock investments.

- The ex-post analysis applied that same model at appraisal with the addition of the project's impact on post-harvest losses and improved road infrastructure.
- While the ex-post EIRR was lower than the one estimated at appraisal, the ICR (Annex 5) noted that "the ex-ante analysis in the PAD understated the baseline yields, overstated yield growth and change in cropping pattern for some crops."
- The project's overall Financial NPV was US\$93.00 million discounted at 15% over a 25-year period with a FIRR of 34% and a benefit cost ratio of 1.8.
- For the entire project, the social value of carbon from reduced GHG emissions constituted US\$71.00 million for 3.3 million t/CO₂-eq over a 25-year period with a shadow price of carbon of US\$38/t CO₂-eq. The social value of carbon ranges from US\$7.00 million to US\$144.00 million if alternative prices were used such as US\$5/t CO₂-eq and US\$77/t CO₂-eq, respectively.
- Estimates for representative farms indicated that the project interventions contributed to increasing annual farm income by 45% up to a 5-fold increase on farms with more livestock production. The increase ranged between US\$100-2,700 per farm per year or US\$20-540 per household member (assuming an average of 5 members per farm household).
- Sensitivity analysis. The following scenarios were tested: economic discount rate drops from 5 to 2%, no cropping/livestock pattern change, adoption rate by year 6 decreases from 82% to 70%, farm gate prices fall by 5%, and recurrent costs increase from 2% to 5%. For all tested scenarios, the EIRR ranged from a low of 27% to a high of 34% indicating that the project returns were substantial and robust under different scenarios.
- Implementation efficiency. The project closed three years and six months beyond its original closing date. Implementation of project activities were impacted by the protracted process of hiring and contracting (ICR, paragraph 78). Activities under component 2 experienced delays due to safeguard instruments, road rectification, and prolonged contractor procurement (ICR, paragraph 79). Also, during the first year the project experienced significant procurement delays which negatively impacted implementation. Finally, the project faced implementation delays due to COVID-19 restrictions. The available funding was fully disbursed at project closure. However, the cost of the project management component was 59% higher than the appraisal estimate (US\$3.70 million compared to US\$5.90 million).

Summary of Efficiency Assessment. While the ex-post EIRR at 36% which was lower than the ex-ante EIRR at 57%, it was significantly higher than the discount rate of 5% used for the economic analysis. The ex-ante analysis in the PAD understated the baseline yields, overstated yield growth and change in cropping pattern for some crops, which could have potentially resulted in an overestimated EIRR at appraisal. Overall, Efficiency is rated Substantial.

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	✓	57.00	100.00 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	36.00	100.00 <input type="checkbox"/> Not Applicable

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

6. Outcome

Pre-Restructuring

Relevance of Objectives was rated High. Overall Efficacy was rated Substantial. The project contributed to improving the productivity of small-holder farmers of selected commodities for small-holder farmers in selected districts of the Recipient’s territory. The project exceeded its two original outcome targets and most targets for the intermediate results indicators were fully achieved or exceeded. The project also contributed to improving market access and substantially achieved its outcome target and rehabilitated 83% of the target roads. Efficiency was rated Substantial. The ex-post EIRR at 36% was significantly higher than the discount rate at 5%.

Based on the assigned ratings for the three Outcome criteria, Outcome is rated Satisfactory.

Post Restructuring

Relevance of Objectives was rated High. Overall Efficacy was rated Substantial. The project contributed to improving the productivity of small-holder farmers of selected commodities for small-holder farmers in selected districts of the Recipient’s territory. The project exceeded its two revised outcome targets and most targets for the intermediate results indicators were fully achieved or exceeded. The project also contributed to improving market access and substantially achieved its outcome target and rehabilitated 83% of the target roads. Efficiency was rated Substantial. The ex-post EIRR at 36% was significantly higher than the discount rate at 5%.

Based on the assigned ratings for the three Outcome criteria, Outcome is rated Satisfactory.

Split Rating

	Pre-Restructuring	Post Restructuring
Relevance of Objectives	High	High
Efficacy	Substantial	Substantial
Efficiency	Substantial	Substantial
Outcome Rating	Satisfactory	Satisfactory



Numerical value of outcome ratings	4	4
Disbursement	US\$43.01	US\$25.14
Share of disbursement	63%	37%
Weighted value of the outcome rating	0.63 X 4 = 2.52	0.37 X 4 = 1.48
Final outcome rating	(4) Satisfactory	(4) Satisfactory

Based on the split rating above, the weighted Outcome rating of the project is rated Satisfactory.

a. Outcome Rating
Satisfactory

7. Risk to Development Outcome

The following risks stated in the ICR (paragraph 105) could potentially impact the Development Outcome:

- 1. Government ownership/commitment risk.** The project has substantively achieved its goal of enhancing small-holder farmers' productivity and market access for selected commodities in specific districts of Malawi. The Government's commitment to these objectives remains robust.
- 2. Environmental risk.** Malawi's heightened vulnerability to climate change, ranking 163 out of 182 countries in the 2020 ND-GAIN Index, poses a significant threat. Increasing frequency and severity of climate-related disasters, such as droughts and floods, could undermine project gains, especially for vulnerable households at risk of falling into poverty. Continuous support is essential to adapt the agricultural sector and assist farmers in coping with natural hazards.
- 3. Technical risk.** The roads component introduces a substantial risk due to the susceptibility of low-volume seal roads to flood damage and wear from continuous use. Despite this, the government has proposed a sustainability strategy, including the establishment of maintenance clubs with funding from the RA, and committing to include all upgraded roads in annual maintenance activities. It is crucial for the treasury to allocate sufficient resources to support timely disbursement for road maintenance by the RAs.
- 4. Financial risk.** The sustainability of the project-funded CSA activities and outcomes is promising. Cost-effective and adaptable agricultural technologies, coupled with the integration of livestock into household farming, contribute to organic manure production and livelihood diversification. Project activities align with routine sector initiatives, and the Seed Revolving Fund from ASWAp-SP I continues to receive support. The livestock pass-on program, despite a delayed start, follows a robust system backed by local leaders, ensuring benefits for beneficiaries. Mitigation measures, such as tree planting, address potential environmental impacts, enhancing overall sustainability. However, resource availability for follow-up interventions in model villages, could potentially hinder continuous motivation and guidance for adopting improved agricultural practices. The sustainability of the Seed Revolving Fund under the DARS relies on ongoing attention to its business model implementation. Also, sustained success of NAMIS requires increased resources, strong leadership commitment, and expansion to the remaining 16 districts for greater usefulness.



5. Institutional risk. Operational sustainability is anticipated through the integration of extension workers and capacitated Lead Farmers into project processes. Revitalization of DAES and local committees promises ongoing project success. Local structures like VAC, ASP, and MVC are well-positioned to sustain project interventions. Registered farmer cooperatives connected to AGCOM ensure continuity through access to grants and cooperative services despite financial constraints at the District Council.

8. Assessment of Bank Performance

a. Quality-at-Entry

- **Strategic relevance and approach.** The Second Agriculture Sector Wide Approach Support Project (ASWAp SP II) was designed to contribute to the government's efforts in achieving sustainable agriculture and economic growth. The project was funded through a Multi-Donor Trust Fund (MDTF) administered by the World Bank. The PDO was in line with the Bank strategies and Government priorities (see Section 3 for details).
- **Technical, financial and economic aspects.** The project was the second phase of the Agriculture Sector Wide Approach Support program. The design reflected lessons and experiences learned under ASWAp SP I. Most notable were the need for quality data collection from national to village levels and the establishment of a Project Facilitation Team (PFT) with dedicated staff to overcome delays related to Government bureaucracies and limited capacity. The project design aimed to address important challenges faced by small-holder farmers to improve their agricultural productivity and diversification as a way of mitigating against climate change. The project design identified community needs through Participatory Rural Appraisal (PRA). Design featured a comprehensive approach that emphasized the promotion of improved technologies (including IPDM to tackle new pests and disease), supporting market access through road rehabilitation and capacity building of relevant institutions. However, design could have benefited from a more rigorous assessment of the road rehabilitation technical requirements to ensure feasibility within the project budget. Also, the design could have reflected a more realistic timeline for implementation of activities. The PAD included a detailed economic and financial analysis that justified the project investments. Overall, the project design reflected relevant activities to achieve the PDO.
- **Poverty, gender, and social development aspects.** While there was no direct evidence establishing a causal link between the project and poverty reduction, the project activities were expected to benefit the smallholder farmers. The project design prioritized gender mainstreaming, through focusing on women's involvement in adopting agricultural technology. The project design featured the model village approach which used participatory extension methods to integrate multi-sectoral interventions and ensure the inclusion of various gender categories in development programs.
- **Environmental and Fiduciary aspects.** The project design reflected adequate environmental aspects that identified the triggered safeguards and relevant measures to ensure compliance with Bank policies. The design also reflected adequate fiduciary arrangements that ensured compliance with the Bank's policies and procedures. However, procurement and financial management both faced challenges during the first two years of implementation.
- **Implementation arrangements.** Similar to ASWAp SPI, this project was implemented through the existing organizational structures of the responsible Government institutions in



Malawi. Implementation responsibility was with the line Ministries in charge of their respective sectors. Overall, implementation arrangements were cumbersome with multiple levels of management which was complicated by Government bureaucracies and limited capacity.

- **Risk assessment.** The project's overall risk rating at appraisal was Substantial. Eight risks were identified with four risks rated substantial: political and governance, macroeconomic, institutional capacity for implementation and sustainability, and fiduciary risk. While several risks were identified and relevant mitigation measures included, the risk related to limited institutional capacity proved to be more challenging and contributed to implementation delays. Also, the technical risk related to the reliability of low-volume seal roads against flood damage and wear from continuous use was not considered at appraisal.
- **M&E arrangements.** M&E reflected an adequate design with realistic implementation arrangements. However, the Result Framework suffered from weaknesses in terms of measuring project outcomes (see Section 9 a for details).

Summary of Quality at Entry (QAE) Assessment. The project was strategically relevant. Design reflected relevant activities to achieve the stated objective. However, the technical design of road rehabilitation could have benefited from further assessment. Environmental aspects were adequate, but fiduciary experienced initial challenges. Implementation arrangements involved Government institutions, and the project was subject to delays that stemmed from Government bureaucracies and limited institutional capacity. Risk identification was thorough and reflected relevant mitigation measures. However, the technical risk related to the reliability of low-volume seal roads was overlooked. M&E arrangements were adequate, but the RF had shortcomings. Overall, Quality at Entry is rated Moderately Satisfactory due to moderate shortcomings pertaining to technical aspects, implementation arrangements, risk identification, and M&E arrangements.

Quality-at-Entry Rating Moderately Satisfactory

b. Quality of supervision

- The project was implemented under a challenging political environment and against a limited institutional capacity. The Bank conducted 10 supervision missions over the duration of the implementation period. The project-maintained leadership continuity, with the locally based TTL providing consistent support. Also, most team members were stationed in Malawi. This arrangement facilitated continuous implementation support and dialogue with the government.
- The Bank proactively addressed implementation issues, identified gaps, extended the project's closing date, revised indicators in the RF to facilitate improved attribution, and reallocated budgets across components to enhance successful activities. The Bank also scaled up project components that demonstrated effectiveness and introduced the livestock component to complement CSA activities.
- The Bank's strategic inclusion of result-based financing as a condition for AF fostered a focused approach to the client's monitoring of progress and implementation. This strategic decision contributed to the project's high success rate in meeting targets post-restructuring (ICR, paragraph 103).



- The Bank also supported the PFT through providing training in procurement requirements. This improved procurement performance consistently. Supervision also identified issues with road rehabilitation where drainage features were omitted at the design stage. This could potentially result in road destruction following rains.
- The client's ICRR flagged the slow disbursement of funds to implementing districts, which impeded progress. The report also identified the Bank's slow reporting on issues related to TORs for consultants and procedural issues, which contributed to delays in project supervision and implementation. Also, the Bank's oversight post-restructuring missed opportunities to establish causality, particularly concerning indicators related to market access.

Summary of Quality of Supervision Assessment. The World Bank team provided close and effective support throughout the project implementation. The Bank team guided the project implementation and addressed evolving internal and external challenges. However, the Bank team should have addressed M&E weakness pertaining to the road component which have provided better clarity with regards to the project's impact. Overall, Quality of Supervision is rated Satisfactory with minor shortcomings.

Based on the assigned ratings for QAE and Quality of Supervision, the overall Bank performance rating is Moderately Satisfactory due to moderate shortcomings pertaining to QAE and minor shortcomings pertaining the Quality of Supervision.

Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

- The PAD did not include a Theory of Change (ToC) since it was not yet required by the Bank at the time of appraisal. Nonetheless, the ICR included a ToC that reflected the relationship between the project activities, outputs, intermediate outcomes and PDO outcomes in a plausible causal chain. This Review reconstructed a ToC narrative for the two objectives based on the detailed project description in the PAD (Annex 2) in combination with the ToC reported in the ICR.
- The PDO was composed of two objectives (see Section 2), which were assessed based on the following four PDO outcome indicators: 1. Increased volume of production of selected agricultural commodities in targeted districts; 2. Number of agricultural marketing centers connected by rehabilitated roads; 3. Farmers reached with agricultural assets or services; and 4. Farmers reached with agricultural assets or service of which female. The four outcome indicators were relevant, measurable, and connected to the PDO. However, the project did not directly measure improved market access which questions attribution. Also, the units for PDO outcome indicator 1 was "volume" which would have been challenging to measure, this was later replaced by "yields" which provided better focus. Further, the original design measured district-level production increases using agriculture production estimates, which included both beneficiaries and non-



beneficiaries. This diluted project attribution and hindered comparisons between production and yields among non-beneficiaries. Finally, indicators 3 and 4 were pitched at an intermediate outcome level, and both were later dropped from the PDO level to intermediate outcome level.

- The original Results Framework (RF) reflected relevant intermediate results indicators to track the progress of the different project activities. Most IRIs were measurable, reflected reasonable targets, and were connected to the project activities. However, the indicator measuring the project contribution to CSA was difficult to measure and was later replaced. Also, the project's impact on institutional capacity was not tracked.
- Overall, M&E design had some weaknesses. The RF emphasized mostly outputs rather than outcomes and lacked a direct measurement of improved market access. There were also weaknesses with several indicators in the RF as noted above.

b. M&E Implementation

- The M&E system was established at various levels of project implementation. The project's monitoring framework and reporting format was in place to harmonize data collection at all levels and all M&E responsible officers were trained. However, high vacancy rates resulted in inconsistent flow of data from implementing agencies and low-quality data.
- A baseline survey was conducted in 2017, as well as two annual outcome surveys for 2019/20 and 2021/22. Also, an end of Project evaluation, an impact evaluation, one independent monitoring report and two Independent Verification Agents (IVAs) reports were conducted to collect data on yields, adoption of technologies, beneficiary satisfaction and impact (ICR, paragraph 85).
- The project-trained M&E desk officers collected M&E output data using a standardized reporting format. Participatory M&E data was collected by communities through their model village M&E committees.
- The integration of Performance Based Conditions as a Results Based Financing (RBF) after the additional financing approach enhanced monitoring and provided a robust framework for verifying the achievement of specific indicators. Five indicators were set under the PBC and prompted financial allocations upon successful attainment.
- Restructuring and revision of the RF. The second restructuring included revisions to the RF. These included the introduction of new indicators such as clean planting material and replacing soil organic matter with area under CSA. Also, indicators were shifted within the RF, with an intermediate result indicator (IRI) moving to the PDO level and a PDO-level indicator down to IRI. Additionally, the project's scale was adjusted, reducing beneficiaries from 300,000 to 180,000; adopters from 150,000 to 100,000, and lowering the yield expectation from an average of 30% to 20% for various crops.
- Overall, the M&E implementation generated sufficient data through various sources for validating the Theory of Change and attributing productivity outcomes and impacts to project interventions. However, improved market access was not fully captured.

c. M&E Utilization

- The findings and recommendations derived from M&E reports informed management to steer corrective actions and take timely decision-making actions (ICR, paragraph 85 & 86).



Those findings were also used for the preparation of the MTR reports and subsequently informed restructurings. Also, information and data from various surveys, quarterly and routine monitoring reports was used to update progress in the results framework of the project during supervision missions.

- The Independent Verification Agents (IVA) report was used to inform decision for disbursement. Further, all the M&E data generated was used to update the Economic and Financial Analysis during ICR preparations and end-of-project assessments.

Summary of M&E Quality Assessment. M&E design had moderate shortcomings that were mostly rectified during implementation. M&E implementation successfully generated sufficient data through various sources for validating the Theory of Change and attributing productivity outcomes and impacts to project interventions. However, improved market access was not fully captured. Utilization was demonstrated in using M&E data to inform project management and the ICR.

Therefore, M&E Quality is rated Substantial.

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

- **Environmental Category and Safeguards.** This project was classified as a “Category B” under OP/BP 4.01 with a partial assessment on the assumption that sub-projects may result in potential adverse environmental and social impacts that would be reversible, temporary in nature and scope, and could easily be mitigated. Four environmental and one social safeguard policies were triggered: Environmental Assessment (OP/BP 4.01), Natural Habitats (OP/BP 4.04), Pest Management (OP/BP 4.09), Physical Cultural Resources (OP/BP 4.11), and Involuntary Resettlement (OP/BP 4.12). In compliance with the Bank's safeguard policies, the borrower prepared an Environmental and Social Management Framework (ESMF), an Integrated Pest Management Plan (IPMP) and a Resettlement Policy Framework (RPF).
- **Compliance with Environmental and Social Safeguards.** While the ICR did not explicitly report that the project complied with the Bank's safeguard policies, it stated that "the safeguards rating at the close of the project was satisfactory for all triggered safeguards policies (paragraph 89)." For environmental compliance, the ICR (paragraph 90) reported that "despite capacity-building in the Environmental Affairs Department, delays occurred in Environmental and Social Management Plans (ESMP) preparation for model villages, road upgrades, livestock, and solar irrigation. This led to the suspension of works until document clearance, causing late commencement and implementation." For social safeguards, site-specific Resettlement Action Plans (RAPs) were developed and approved by the Bank during implementation. However, there were delays in RAPs and compensation, lack of monitoring, and reporting delays (ICR, paragraph 90). Also, a fatal accident and a sexual exploitation and abuse case, prompted a safeguards review.



b. Fiduciary Compliance

- **Financial Management (FM).** In the first two years of implementation, disbursements were slow due to delayed implementation of works contracts. FM performance subsequently improved and quarterly Interim Unaudited Financial Statements were timely submitted in the agreed format and content. Five independent unmodified (clean) audits were conducted, with few observed control and accountability issues. According to the ICR (paragraph 96) "the Project largely complied with the Bank's policies and procedures." At completion, FM performance was rated Satisfactory.
- **Procurement.** The project experienced significant procurement delays in its first year due to challenges in contracting, document solicitation, and evaluation procedures. Procurement challenges included inadequate capacity at the Roads Authority, leading to the inefficient use of a consultant for STEP data updates. Also, numerous small-value procurement packages increased transaction time and costs. Cost estimations were not aligned with project requirements, and there were procurement sequencing issues, such as engaging environmental and social consultants after contractor mobilization (ICR, paragraph 94). Procurement performance improved gradually as procurement specialists gained experience with the Bank procedures. At completion, procurement performance was rated Satisfactory.

c. Unintended impacts (Positive or Negative)

None.

d. Other

The ICR (paragraph 75) reported that "enhanced production, crop diversification and establishment of home gardens resulted in improved livelihood and food security outcomes among project beneficiaries enabling farmers to reserve more for household consumption. According to the impact study, 83.5% of the sampled project beneficiaries exhibited a higher HDDS compared to non beneficiaries (73.1%). This indicates that project beneficiaries are more likely to consume more than four food groups, surpassing the consumption patterns of non-beneficiaries. Moreover, findings reported in the outcome survey (March 2023) revealed that the FCS for project beneficiaries significantly exceeded the national average. The study indicates that a higher percentage of households achieved an acceptable FCS. Nationally, only 48.7% of households achieved an acceptable FCS, whereas in the ASWAp-SP II districts, it reached 81%. Notably, 14% of households fell into the borderline category."

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	
Bank Performance	Satisfactory	Moderately Satisfactory	QAE had moderate shortcomings.



Quality of M&E	Substantial	Substantial
Quality of ICR	---	Substantial

12. Lessons

The ICR included eight lessons. The following three are emphasized with some adaptation of language:

1. Projects that include infrastructure investments need a critical feasibility assessment of activities during the appraisal to ensure full implementation of the envisioned scope of activities within the project budget. The critical reassessment of the project's budget to include essential drainage systems underscored a shortcoming in the original project design scope. This resulted in a reduction in the planned scope of the road upgrades or rehabilitation in each district. To address these issues, there is a need to prioritize quality in infrastructure development. This entails focusing on constructing fewer roads with comprehensive drainage and bridge features to enhance durability and functionality. This approach optimizes resources and fosters resilient transportation networks for long-term value.

2. The design of M&E needs to cover both physical outputs and broader impacts of improved infrastructure to provide a comprehensive assessment of infrastructure activities. The project's performance indicators were narrowly focused on quantifiable physical outputs, such as the kilometers of roads upgraded or rehabilitated, and the number of market centers connected. This narrow focus diverted attention from measuring the project component's broader impact, such as improvements in commodity volumes traded.

3. To ensure timely implementation of activities, projects need to streamline the implementation and disbursement process to minimize delays. Delays could be minimized by streamlining review processes, establishing clear timelines for disbursement, and ensuring effective communication between implementing agencies and the Bank. The investment efficiency of this project could have been higher if delays in implementation and disbursement had been avoided/reduced. Delays meant that seeds and inputs were not available for time-sensitive farm activities such as planting and pest and disease management. Also, delays in the propagation of banana meant that increased demand for clean banana suckers could not be initially met. Disbursement delays of the AF increased the risk of crop losses. Technology adoption was slowed down due to a delay in hiring extension staff in some districts. The road components were delayed initially by slow contracting and later by insufficient quality control, such that work had to be redone.

13. Assessment Recommended?

No

14. Comments on Quality of ICR



- **Quality of Evidence.** The project's M&E used different sources to verify data. The ICR provided an adequate evidence base to support most of the achievements reported.
- **Quality of Analysis.** The ICR used the available evidence base and provided clear links between evidence and findings. However, the analysis of the PDO's "improved market access" element was undermined by the lack of relevant indicators to assess its achievement directly.
- **Internal Consistency.** Various parts of the ICR were internally consistent, logically linked and integrated.
- **Lessons.** Lessons reflected the project experience and were based on evidence and analysis.
- **Consistency with guidelines.** The ICR used the standard structure defined in the Guidelines and used available evidence to justify the assigned ratings.
- **Conciseness.** Overall, the ICR was well written, provided a clear and concise coverage of project activities to the extent possible, and candidly reported on most shortcomings. However, the ICR lacked an explicit statement on the compliance of the project with the Bank's safeguard policies.

Summary of the Quality of ICR Assessment. The ICR included an adequate assessment of outcomes. The lessons drawn by the ICR were relevant. Most sections were concise and reflected relevant evidence. Overall, the Quality of the ICR is rated Substantial with minor shortcomings.

a. Quality of ICR Rating
Substantial