Report Number: ICRR0022703

1. Project Data

Project ID	**Project Name**	
P152210	Andhra Pradesh Rural Inclusive Growth Pr	
Country	**Practice Area(Lead)**	
India	Agriculture and Food	
L/C/TF Number(s)	**Closing Date (Original)**	**Total Project Cost (USD)**
IDA-55760	30-Jun-2020	48,522,347.59
Bank Approval Date	**Closing Date (Actual)**	
19-Dec-2014	30-Jun-2020	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	75,000,000.00	0.00
Revised Commitment	48,522,347.59	0.00
Actual	48,522,347.59	0.00

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2. Project Objectives and Components

a. Objectives

As per the Financial Agreement (FA, 2015) and the Project Appraisal Development (PAD, 2014), the Project Development Objective (PDO) of the Andhra Pradesh Rural Inclusive Growth Project was ***“to enable selected poor households to enhance agricultural incomes and increase access to human development services and social entitlements”.***

For the purpose of this Review the PDO will be divided into three parts, and will be referred to in Section 4 of this Review as Objectives 1, 2 and 3 as follows:

Objective 1: Enable selected poor households to enhance agricultural incomes

Objective 2: Enable selected poor households to increase access to human development services

Objective 3: Enable selected poor households to increase access to social entitlements

The PAD stated that the “selected poor households” would include households that are geographically and socially excluded and have low-income levels. As per the ICR (Table 3, footnote), ‘Income’ was defined in terms of profit from the project’s crop/livestock interventions net of all expenses (representing change from baseline year to end-line year in nominal terms), and ‘income increase’ was defined as the increase in profits from selected value chain services.

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?

Yes

d. Components

To achieve the PDOs, the project was structured under five components.

Component 1: Value Chain Development (Appraisal cost: US$44 million, Actual cost: US$30.31 million)**.** This component aimed to increase the income of 250,000 small-scale and marginal farmers through productivity enhancement activities and improved market access. The component had two sub-components:

i. Rural Value Chains (RVC): Small-scale and marginal producers would be organized into value-chain focused farmer producer groups (FPGs) and farmer producer organizations (FPOs). They would receive extension and advisory services, access to improved inputs, infrastructure, finance etc. Activities would be implemented in alignment with existing Government schemes of various line departments.
ii. Rural Retail Chains (RRC): Rural producers and enterprises would be connected to rural consumers by aggregating demand, supporting supply linkages, and promoting quality of consumption. Traditional kirana stores (village marts) would be established as a network or association of rural retail outlets offering quality and nutritious goods and linked to locally processed home based agricultural and non-agricultural enterprises.

Component 2: Human Development (Appraisal cost: US$19 million; Actual cost: US$20.03 million)**.** This component would promote alignment with human development services provided by the line departments. It focused on stimulating demand at the community level for human development services while also promoting improved service delivery through existing public systems. The three sub-components were:

i. Stimulating demand for quality nutrition, health, sanitation, and pre-school education services: Activities would include community mobilization at the village level on nutrition, sanitation, health and pre-school education through financing of village Human Development (HD) and Water, Sanitation and Hygiene (WASH) plans; usage of communication materials for behavioral and social change; and development of community level monitoring tools.
ii. Strengthening service delivery: Activities would include strengthening the training capacity of Departments of Women and Child Development (DWCD) and Health and Family Welfare (DHM&FW) on community mobilization, early childhood education and growth monitoring, and by supporting the establishment of an IT-supported community monitoring systems; and
iii. Linkages with value chains: The activities will be linked to Component One on Value Chain Development. To improve nutritional outcomes in the community, nutrient rich snacks would be made available through nutri-shops and efforts will be made to create awareness on the benefits of these products.

Component 3: Access to Social Protection Services and Entitlements (Appraisal cost: US$13 million; Actual cost: US$1.98 million)**.** This component aimed to improve the coverage and service delivery of social protection services to the poorest households. The two key sub-components to be supported were:

i. Improved service delivery at the Gram Panchayat (GP) level: By closely coordinating with services and entitlements to be offered by line departments and to address the “last mile” service delivery, it will establish One Stop Shops (OSS) referred to as ‘Mana Sewa Centers’ managed by village level entrepreneurs (VLEs) with digital connectivity to improve the outreach and quality of access for select services (NREGA, social pensions, and Scheduled Caste/Scheduled Tribe (SC/ST) scholarships)).
ii. Pilots on Improved access to Specialized Services on Gender and Persons with Disabilities: It would pilot a program for improved access to specialized services for Persons with Disabilities and gender related services.

Component 4: Mission Support, ICT and Partnerships (Appraisal cost: US$20 million; Actual cost: US$7.68 million)**.** This component would support establishment of mission support units (MSU) created by the government of Andhra Pradesh in promoting agricultural income, quality education, healthcare, and nutrition, areas covered by the project. These entities will promote inter-departmental synergies and support effective planning and delivery of programs led by the line departments through real time feedback, analytics, and expertise. Investments would be made on IT platforms for project Management Information System (MIS), Decision Support Systems (DSS), Financial Management System (FMS), etc.

Component 5: Project Implementation Support (Appraisal cost: US$11 million; Actual cost: US$9.31 million)**.** This component aimed to finance staffing for project activities, consultancies, training, office equipment and related operational cost of implementing the project. It will establish a Monitoring, Evaluation and Learning (MEL) system, and would provide support related to financial management, procurement, and safeguards of the project.

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

Project costs: The project cost at approval was US$107 million (ICR, annex 3). The second restructuring (June 22 and 26, 2020), a few days short of the project's closing date (June 30,2020), US$23.5 million of the IDA credit was cancelled (ICR, paragraph 12). The ICR stated that the cancellation was due to unspent budget resources which resulted from the following factors: (i) changes in Government priorities led to partial/non implementation of key activities; (ii) less investments required in some project areas where there were other Government schemes/programs; (iii) project's revised policy to work with existing technical partners (e.g. NGOs, ICRISAT, Universities) instead of technical support agencies; and (iv) gains from exchange rate between US dollar and INR (13.2 percent). The actual project cost at completion was US$69.3 million (65 percent of appraised estimate).

Financing: Per the Financing Agreement (Nov. 16, 2015), IDA credit (Credit No. 55760) for US$75 million financed the project. As mentioned above, due to loan cancellation, the actual IDA financing from the Bank decreased to US$48.5 million.

Borrower Contribution: Borrower contribution during appraisal was estimated to be US$32 million. At project closing, it amounted to US$20.8 million.

Dates: The project was approved on December 19, 2014 and became effective on February 02, 2016. The Mid-term Review (MTR) was conducted on July 09, 2018. According to the ICR (paragraph 72), 'the delayed MTR review was because the client requested that it take place at least two years after the project started on-ground operations. The project effectively started implementation in June 2016." The project closed on June 30, 2020, without any change to the original closing date.

Restructurings: The project was restructured twice (March 2019 and June 2020). By the project's first restructuring, the project had disbursed US$34.22 million (70 percent of Bank financing). The first restructuring lowered the ambition of the project's objectives by adjusting the indicators to lower achievement levels. Therefore, this review will undertake a split rating. The details of the restructurings are as follows:

First Restructuring, March 2019

The decision for the first restructuring was based on the MTR mission of July 09, 2018 which noted that, though the project had made adequate physical progress across project components, it fell short in achieving impacts and as a result, outcome-level indicators could not be measured. The ICR stated that the project had 'evolved' from its original design with changes in project activities, and was confronted by limited implementation capacity (ICR, paragraph 11). The ICR did not provide additional details on the changes found at MTR on project activities.

Changes in Indicators and Expected Outcomes:

At the first restructuring, the PDO was not revised, however, there were significant changes made to PDO indicators, sub-indicators, and targets. Project funds were also reallocated across components (ICR, Annex 6a-c, Restructuring paper 2019). Key changes were as follows (ICR, Annex 6a; MTR Aide Memoire, Annex 1):

- The target of the original PDO 1 sub-indicator 1 (incremental income increases of the target HHs) was reduced from 50 percent to 30 percent.

- The definition of the original PDO 1 sub-indicator 2 (percentage of producers benefiting are from the poorest and SC/ST households) was revised by eliminating the reference to the ‘poorest’. The new indicator was “Percentage of the producers benefitting are SC/ST or small/marginal farmer households)
- The original PDO 2 indicator (250,000 poor HHs obtain improved human development status) was revised to “250,000 targeted HHs have received services related to health, nutrition and sanitation”.
- The original PDO 2 sub-indicator 1 (Percentage increase in pregnant and lactating women who practice core child nutrition and health care behaviors) was eliminated.
- The original PDO 2 sub-indicator 2 (Percentage increase in use of HD services - Integrated Child Development Services (ICDS), health and sanitation services by households) was revised to “Number of targeted HHs that have received Human Development Investment Funds (HDIF) for WASH and H&H activities”
- The original PDO 3 indicator ("Where One Stop Shop has been established, percentage of eligible households with access to at least three entitlements programs or key services") was revised to “Where One Stop Shop has been established, number of beneficiaries accessing One Stop Shop (OSS) services”. The definition of "services" was revised to “beneficiaries accessing at least one of the following OSSs: Mee-Seva, Banking, Streenidhi".
- The original target of PDO 3 indicator was reduced from 500,000 to 100,000 beneficiaries.
- Three of the four Intermediate Indicators for Component 1 were either revised or dropped. The original indicator ("percentage increase in productivity from improved practices among target farmers") was revised to “percentage of targeted farmers that have received at least 5 value chain services”.
- Three of the four Intermediate Indicators for Component 2 were dropped. An example of a dropped indicator was “percentage of villages in the target Mandals that have prepared and are implementing Village HD/WASH plans”. Three new indicators were ("number of HHs that received HDIF funds for WASH, H&N activities", "number of Village Organizations (Vos) trained", and "number of targeted HHs that received backyard poultry interventions") were added.
- Component 3 intermediate indicator 1 ("percentage of enrolled beneficiaries in targeted gram panchayats who receive payments on time for key entitlements (NREGA, Social pensions, Insurance") was eliminated.
- The target for Component 3’s intermediate indicator ("number of targeted Panchayats that have operationalized one OSS services for safety nets and entitlements") was reduced from 1,000 to 700 OSSs established.

Changes in Components/Sub-components:

- Component 1 – At project entry, the Sub-component 1.2’s (Rural Retail Chains) emphasis was on improving the quality of consumption and nutrition by supporting traditional village marts (Kirana stores). At restructuring, the project focused on building their capacity as aggregators. For this the Department of Commerce and Industry became the implementing agency.
- Component 2 – This component was substantially revised with an addition of two new sub-components: (*i) Augmenting Human Development Services*: Support maternal, infant and child nutrition, hygiene and sanitation practices, and pre-school children; and (ii) *Strengthening Implementation and Monitoring Systems for Improved Maternal Health*: Procure essential health monitoring equipment for improving the quality of antenatal check-ups by Auxiliary Nurse Midwife (ANM) workers, and strengthen nutrition, health awareness and delivery of basic health services by

organizing village health and nutrition days. These additional sub-components would be implemented by DWCD and DHM&FW respectively (Restructuring Paper, March 2019, Section 1-C).

- Components 3 – A new part was added to Sub-component 3.1 on improved service delivery at the Gram Panchayat (GP) level to design and establish Integrated Digital Service Delivery Centers, to be implemented by Department of Tribal Welfare (DTW).
- Component 4 – Under Sub-component 4.2 on Information and Communication Technologies (ICT), a new activity was added to provide technical assistance for establishing an integrated ICT platform for the development of digitally enhanced smart villages on a pilot basis. This activity (g) will be implemented by Department of Panchayat Raj and Rural Development (DPR&RD).

Second Restructuring, June 2020

The second restructuring cancelled an unused balance of US$23.5 million of the IDA credit in late June 2020 preceding the closing date of June 30, 2020 by only a few days.

3. Relevance of Objectives

Rationale

Country and sector context. India's achievement towards poverty reduction and economic growth has been commendable. Between 2005 and 2010, India's share of global GDP increased from 1.8 to 2.7 percent, and 53 million people were lifted out of poverty (CPF 2013). Despite this success, at project appraisal, about 400 million people (mostly rural) were still living on less than $1.25/day in PPP terms and the country had high inequality (Gini coefficient of 0.34 in 2012). In line with the country's success at the national level, Andhra Pradesh (AP) achieved significant economic growth (GDP rate of 11.6 percent vis-a-vis national average of 6.7 percent) and poverty reduction. However, inequalities existed amongst its population with high poverty ratio within the scheduled tribes (ST), schedules castes (SC), and Muslim communities (23 percent) in comparison to the rest of the population (12 percent). In AP, the SC and ST households who were primarily engaged in agriculture had limited access to extension services, good quality inputs like improved seeds, marketing services and institutional credit. Similarly, on human development, most health and nutrition indicators were worse for SCs and STs than in other states.

Government strategy. At the time of appraisal, the Government of AP had adopted a mission-based approach focusing on inclusive growth and poverty alleviation (PAD, paragraph 10). The government had launched seven missions: Primary Sector, Social Empowerment, Industry Sector, Infrastructure, Urban Development, Service Sector, and Knowledge and Skill Development, and each mission had a Governing Body chaired by the Chief Minister and led by one of the Secretaries of the departments. These missions were intended to enhance inter-departmental synergy, enable an effective planning and delivery mechanism, and improve departmental capacity. This project was closely aligned with two of the missions: The Social Empowerment Mission focused on quality education, healthcare and nutrition for all, and the Primary Sector Mission aimed to improve agricultural incomes. Additionally, the Government had enacted an enabling legislation titled "The Andhra Pradesh Scheduled Castes Sub-Plan and Tribal Sub-Plan (Planning, Allocation and Utilization of Financial Resources) Act". The primary aim of this legislation was to promote equity among SCs and STs, by allocating financial resources for improvements in SC's and ST's economic, educational, and human development outcomes.

At project closing, the priorities of the Government of India (GoI) and the Government of AP remained relevant to the project. According to the ICR (paragraph 19), the priorities applicable to the project were on: (a) promotion of agricultural transformation and the doubling of farmers' income by 2022 (Component 1); (b) the expansion of nutrition, health, skills, and education service delivery (Component 2); and (c) the promotion of balanced and inclusive growth nationwide (Components 1, 2 and 3). Furthermore, the GoI had launched a new Central Sector Scheme named "Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs)" with committed resources of INR. 6865 crores (US$931.6 million) to form and promote 10,000 new FPOs in the country (ICR, paragraph 19) – equivalent to US$93,160 per FPO.

Bank strategy. The project is well-aligned with the Bank strategy. Its objectives would contribute to the achievement of two focus areas of Transformation and Inclusion included in the World Bank's FY13–17 Country Partnership Strategy (CPS) for India (PAD, paragraph 13). On Transformation, the project supported small-scale and marginal farmers through productivity enhancement services and linking them to markets. On inclusion, activities to increase access to services such as health, nutrition, water and sanitation, and social safety net were implemented with a focus in marginal and poorer areas of the State. At the project's closing, the objectives were also well aligned with the current Country Partnership Framework (FY18-22) for India on areas of 'Resource Efficient Growth' and 'Investing in Human Capital'. Under 'Resource Efficient Growth', the ICR (paragraph 20) stated that the project contributed towards the CPF's objective to 'Promote more resource-efficient, inclusive and diversified growth in the rural sector by enhancing agricultural productivity and ensuring inclusiveness by targeting women, poor, and tribal communities. Under 'Investing in Human Capital', the project contributed to CPF's objective to 'improve access to rural water supply and sanitation services' and 'improve the quality of health care delivery, financing, and access to quality health care' by enhancing access to health, nutrition, and sanitation services.

During project implementation, the ICR (paragraph 12) stated that due to changed priorities of the national Government, several project activities across components to be executed by line departments (i.e., Health and Family Welfare Department, Tribal Welfare Department) were not implemented. In addition, the AP government revised its mission-based approach (Borrower Completion Report, Section 8.1), which led to a significant budget reduction in Component 4 though there were no details provided in the ICR about the impact of this revised approach on program delivery.

In summary, the project's objectives were highly relevant to both Government and World Bank strategies. However, there were difficulties in measuring some of the original PDO indicators. In addition, as stated above, changes in Government priorities reduced the scope of this project because some planned project activities were to be implemented instead by line departments. Thus, the Relevance of this project's objective to Government and World Bank strategies in India is rated Substantial.

Rating

Substantial

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To enable selected poor households to enhance agricultural incomes.

Rationale

Theory of Change**.** Figure 1 in the ICR provided a retrospective Theory of Change (ToC) for the project. To achieve Objective 1 the project would work with small-scale and marginal producers who already had some productive assets by organizing them into FPGs and FPOs, and by supporting them to engage in key value chains (i.e., red gram, milk, poultry, fisheries, turmeric, cashew, and coffee). Their productivity would be enhanced through services like technology, credit, extension, and marketing. Another key project intervention was to support in establishing kirana stores (village marts) and help them form associations to link rural producers to rural consumers.

Outputs

The ICR did not provide details on specific activities undertaken by the project until the first restructuring occurred. However, the Aide Memoire of the Mid-Term Review (MTR) mission (Annex 4) did list results at the MTR, which showed progress mainly related to physical targets of the project.

To meet the original objective to enable selected poor households to enhance agricultural incomes, at project end, the ICR (Annex 6f) stated that the project mobilized households (HHs) into FPGs and provided them with training on institutional development, financial management and technical (production, processing practices). By project closing, 303,178 FPGs and 168 FPOs were established. Exposure visits (29 locations) and demonstration sites (592) on production, pests, nutrient management etc. were organized. FPOs (149,232) were provided with inputs (seed, farm kit, fertilizers, pesticides, and farm implements). Income generation activities (poultry, small ruminants) for producers (130,911) were supported and nearly 4,000 FPGs were linked to Banks. Further, the project facilitated market linkages between producers (105,336) and national/international buyers.

Outcomes

At the MTR, progress on outcome indicators was not reported. As per the ICR (paragraph 11), "Outcome-level indicators could not be adequately assessed and analyzed due to a gap in outcome-level data, hence limiting the MTR mission to fully assess the status of the project toward the achievement of the PDO". The project achieved several outputs, but the inability for the MTR to measure outcomes attributable to these outputs reflected a weakness in the project's M&E.

At project closing, the original outcome indicators for this objective and the extent to which were achieved, were:

- Percentage incremental agricultural income increase of the target households *[Target:50; Actual: 36.7 (End-line Survey)]*
- Percentage of producers benefitting from the project that were from the poorest and SC/ST households *[Target: 70; Actual: no data]*

In summary, despite the achievements of outputs, one of the original outcome indicators for Objective 1 (percentage incremental agricultural income increase of the target households) was not achieved. For the second original outcome indicator (percentage of producers benefitting from the project that were from the poorest and SC/ST households), the indicator was revised (see Section on Objective 1, Revision 1) and there was no evidence provided on whether this was achieved at project closing. Thus, the efficacy with which Objective 1 was achieved is rated Modest.

Rating
Modest

OBJECTIVE 1 REVISION 1
Revised Objective
To enable selected poor households to enhance agricultural incomes.

The original objective did not change, but there were substantial changes to the PDO indicators and targets following the restructuring which reduced the level of ambition of the original objective. The key indicator changes (see ICR, Annex 6a) were:

- The target of the original PDO 1 Sub-indicator 1 (incremental income increases of the target HHs) was reduced from 50 percent to 30 percent.
- The definition of the original PDO 1 Sub-indicator 2 (percentage of the producers benefiting are from the poorest and SC/ST households) was revised by eliminating the reference to the ‘poorest’. The new indicator was “percentage of the producers benefitting are SC/ST or small/marginal farmer households.
- PDO 1 Sub-indicator 3 (percentage of the producers benefiting are women) was added.
- Two intermediate indicators were eliminated, one retained, one revised to “percentage of targeted farmers that have received at least 5 value chain services”, and two added (i.e. number of targeted farmers that that have access to productive assets and services through convergence, number of village level marts strengthened as rural retail enterprises).

Revised Rationale
Theory of Change: Based on the recommendation of the MTR, the Results Framework (RF) was revised during the project’s first restructuring in March 2019. The Restructuring Paper (Section 1) stated that project implementation had evolved from the original design and there were variations in implementation approaches and structures followed by the project. Despite the change in the RF, the project’s ToC did not change.

Outputs

At project closing, the outputs achieved under the revised indicators were as follows: (i) convergence of services (on seed, fertilizer, micro-irrigation, livestock, marketing, post-harvest management infrastructure) provided by line departments benefited 283,309 producers (target: 125,000); (ii) against the target of 40 percent, 51 percent (75 percent per the end-line survey) of target producers received at least five value chain services related to purchase of inputs, livestock asset/services, financial assistance, marketing etc. and (iii) 4,644 marts were registered and strengthened through capacity building activities (target: 5000).

Outcomes

To assess outcomes of Objective 1 Revision 1, the ICR stated that multiple sources of information were used: project's M&E system, mission documents, studies undertaken by external agencies, third party reports and an end-line survey (ICR, paragraph 23).

On the revised PDO indicators, the results were as follows:

- Percent incremental income increases of the target households [*Target: 30; Actual: 36.7 (End line survey)]*
- Percent of producers benefiting from the project that are SC/ST or small/marginal farmers [*Target: 70; Actual; 88 (MIS), 87.1 (End-line Survey)]*
- Percent of the producers benefiting from the project are women *[Target: 25; Actual: 19 (MIS), 15.1 (End-line Survey)]*

Increase in incremental agriculture income: At closing, the project achieved the revised target (30 percent) for this indicator (36.7 percent). In measuring this indicator, a baseline survey had been administered before the project activities were implemented. An end-line survey was planned to target the same producers but due to the lockdown resulting from COVID-19, the methodology was revised with a 'treatment control approach'. Simultaneously, a sample of non-project producers were selected as a comparison group. The methodology of the end-line survey was found by the ICR to be robust though the statement in the ICR (Annex 6d) indicating that significant pretreatment differences were observed between control and treatment farmers' incomes was not explained. As evidence, the ICR (paragraph 24) stated that "the use of the treatment and control group ensured that the achievement of indicator 1 of outcome 1 is attributable to the project". The document (paragraph 28) further mentioned that "the incremental income increase achieved by the project resulted from the project-induced increased adoption of the productivity enhancement interventions and cost reduction technologies (150,778 farmers project beneficiaries adopted productivity enhancement, interventions in 2019/20, and 93,895 adopted cost reduction technologies on around 270 thousand acres of land)". These details were useful but not sufficient in attributing project activities to outcomes. However, attribution was clarified by the End-line survey document (Section 3.1) which stated that "In Table 3.2 we present the difference in the percent increase in profits between farmers in the treatment group and their counterparts in the control group. We find (Table 3.2) that the net percent increase in the total profits between the treatment and control groups was approximately 7 percentage points, 10.6 percentage points for all crops, and 8.2 percentage points for focus crop profits". This statement confirms and provides the evidence that project activities were attributable to achieving the outcome on increased income.

Inclusion: As per the data from the MIS and end-line survey, the project surpassed the target of 70% (Actual: 88%) for the second PDO indicator "Percentage of producers benefiting from the project that are SC/ST or small farmers". This indicator was revised from the original indicator "Percentage of producers benefitting from the project that were from poorest and SC/ST households" by eliminating the reference to the 'poorest'. The Restructuring Paper (Annex 1) noted that the rationale for the revision was "to simplify the 'inclusion' criteria as per project activities" which was not elaborated. The ICR defined project beneficiaries to be those that were "small and marginal farmers, SC/ST HHs, tenant farmers, shepherd communities, indigenous people etc. (Annex 6e). On the gender related indicator, the project did not meet its target of "25 percent of producers benefiting from the project are women" (Actual: 19% MIS; 15.1% end-line survey) though there were several gender related outputs (85 percent of village mart owners were women, 289 female Board of Directors and 7,615 women FPG leaders) that the project achieved (ICR, paragraph 43, Annex 6l).

In summary, the project achieved its revised PDO indicators 1 and 2. It did not meet its target for PDO Indicator 3 on gender. There was evidence that the project implemented activities focusing on women farmers, but it would have been helpful if key project output data had been disaggregated based on gender. The efficacy with which Objective 1, Revision 1 was achieved is rated Substantial.

Revised Rating

Substantial

OBJECTIVE 2

Objective

To enable selected poor households to increase access to human development services.

Rationale

Theory of Change**.** The project design focused on bringing behavioral changes at the household and community levels on health, nutrition & sanitation. The Results Chain in the PAD (Annex 2) emphasized the need for strong community mobilization at village levels in support of achieving alignment with other ongoing mother and child (health, nutrition, and sanitation) activities. Village human development (HD) and water supply, sanitation and hygiene (WASH) plans would be developed and financed. Use of communication materials for behavioral and social changes would be promoted, along with development of community level monitoring tools for generating demand for services. On the supply side, training capacity of Departments of Women and Child Development (DWCD) and Department of Health and Family Welfare (DHM&FW) on community mobilization, early childhood education and growth monitoring would be pursued.

Outputs

The ICR did not provide details on outputs achieved until the first restructuring of the project when the indicators and targets were revised. The outputs achieved until the MTR were included in the Aide Memoire of the MTR mission (Annex 4) and were close to targets. On the project's original intermediate outcomes, several were dropped due to lack of progress and therefore no achievement was reported. A few other indicators were revised, and their progress is reported under the next section Objective 2, Revision 1.

To improve nutritional outcomes, the project supported and established model kitchen gardens and households (HHs) were provided inputs for kitchen gardening and backyard poultry. On WASH, self-help group members were trained on hygiene products. Village Organizations (VOs) were mobilized, and Health Sub Committees were trained. At project closing, the ICR (Annex 6k) stated that 659,878 HH members received maternal, infant, and young child nutrition, hygiene, and sanitation messages during VO meetings. Pregnant women undergoing ante natal care (ANC) services during Nutrition and Healthy Day or at the healthy facility reached 31,273 project beneficiaries. Additional outputs related to loans for various health and nutrition activities were also achieved.

Outcomes

The original outcome indicators for this objective and the extent achieved at project closing were:

- Percentage increase in pregnant and lactating women who practice core child nutrition and health care behaviors *[Target: 20; Actual: 35.5 (End-line Survey]*
- Percentage increase in use of HD services (ICDS, health and sanitation services) by households *[Target: 30; Actual: 54.75 (End-line Survey]*

Per the end-line survey, targets for both the indicators were achieved. However, for both these outcomes, according to the ICR (paragraph 31 and 32), the survey documented only "one nutrition or health care behavior" and one "HD service" attributable to the project. In light of the large scale of the program, the minimal level of practice or behavioral change captured by the survey was found to be weak. This finding is also validated by the ICR (Annex 6d). Thus, this Review agrees with the ICR that the efficacy with which the original PDO Objective 2 was achieved was modest.

Rating
Modest

OBJECTIVE 2 REVISION 1

Revised Objective
To enable poor rural households to increase access to human development services.

The original objective did not change but there were substantial changes with the PDO indicators and targets following the first restructuring. This resulted into a reduced ambition of the objective. The key indicator changes were:

• The original PDO 2 Indicator (250,000 poor HHs obtain improved human development status) was revised to "250,000 targeted HHs have received services related to health, nutrition and sanitation". The original indicator's definition of 'improved human development status' was not clear.
• The original PDO 2 Sub-indicator 1 (percentage increase in pregnant and lactating women who practice core child nutrition and health care behaviors) was eliminated.
• The original PDO 2 Sub-indicator 2 (percentage increase in use of HD services-ICDS, health and sanitation services by households) was eliminated.
• Three out of the four intermediate indicators for Objective 2 were eliminated. An example of a dropped indicator was "percentage of villages in the target Mandals that have prepared and are implementing Village HD/WASH plans". Three new indicators were (number of HHs that received HDIF funds for WASH, H&N activities, number of Village Organizations (VOs) trained, number of targeted HHs that received backyard poultry interventions) were added.

Revised Rationale
<u>Theory of Change</u>. Following the MTR, project activities were strengthened with a targeted focus on maternal, infant and child nutrition, and hygiene and sanitation practices, as well as those that targeted activities for pregnant and lactating mothers, pre-school children etc. On the rationale for revisions, the ICR (paragraph 30) noted the following reasons: (i) a new HD strategy had been in place which warranted the need to revise the indicators; and (ii) client did not have the required technical capacity to work in the targeted

segments. This led to inclusion of line departments (e.g., Department of Women Development and Child Welfare (DWD&CW) and Department of Health, Medical and Family Welfare (DHM&FW)) as implementing agencies.

Outputs

To meet the objective to increase access to HD services, and in line with the revised indicators, the project achieved the following outputs (ICR, paragraph 33, annex 6k). Against the target of 150,000 HHs, 1.5 million HHs (1.1 million – End line Survey) received Human Development Investment Fund (HDIF) grants for WASH, Health and Nutrition which was a significant achievement. The project provided HDIF grants to VOs and other community institutions, that then loaned those funds to 1.5 million HHs for: (i) constructing Individual Sanitary Latrines (ISLs); (ii) preparing and selling nutritious food to village retail stores; (iii) setting up small enterprises to produce and sell hygiene products such as cleaning liquids; and (iv) village-level seed/nursery banks. The project's Backyard Poultry related interventions reached 134,108 HHs (target:166,000) and 20,324 VO Health Committee members were trained (target: 10,000).

Considering that the project's three intermediate outcome indicators were added at MTR, this high achievement within the remaining project period (15 months) post restructuring is noteworthy. The ICR did not provide details on factors that contributed to this success.

Outcomes

Compared to the original PDO indicator for Objective 2 (250,000 poor HHs obtain improved human development status), the revised indicator below made this objective measurable.

- Number of targeted HHs that have received access to services related to health, nutrition, and sanitation *[Target: 250,000; Actual: 246,975]*

On the evidence about the project's achievement in reaching its target, the ICR (Annex 6d) stated that there were no baseline data on human development indicators. Thus, the End-line Survey documented the respondents' pre-project and post-project practices. The ICR further noted that some of the pre-treatment practice adoption values were found to be higher than those measured in the National Family Health Survey-4 in 2015 which could be due to respondents' overestimation of practices. Nonetheless, at project closing, the PDO indicator was almost achieved, captured both by the project's MIS and the End-line Survey. The efficacy with which Objective 2, Revision 1 was achieved is therefore rated as Substantial.

Revised Rating
Substantial

OBJECTIVE 3
Objective
To enable selected poor households to access social entitlements.

Rationale

Theory of Change: The project aimed to improve the coverage and service delivery of social protection services to the poorest HHs, protecting them from risks and vulnerabilities (PAD, Annex 2). Building on existing initiatives of the Government of Andhra Pradesh, it would provide training and capacity building, including technical and equipment (laptop, printer, basic office furniture, biometric reader etc.) support to Village Level Entrepreneurs (VLEs) to establish and manage One Stop Shops (OSSs) which provided access to social protection services and entitlements. One such service is the “Mana Sewa Centers” run by women entrepreneurs in villages (ICR, para10). By using innovative technology, these OSSs would enhance outreach and quality of select social protection and banking services in rural areas with a focus on ST and SC communities. Pilot activities would be planned on improved access to specialized services for persons with disabilities and gender related services.

Outputs

As per the Aide Memoire of the MTR, there were limited achievements in establishing OSSs offering social protection related services. Up until the MTR, 133 OSSs were established against the target of 1,000.There were 112 OSSs that offered ‘Mee Seva’ services. Mee Seva means 'At your service' which was an initiative to provide a single entry portal for a range of Government services (i.e., Pension, Birth/Death Certificate, Insurance etc. services). Some of the OSSs (33) provided banking services. Neither the ICR nor the MTR Aide Memoire provided explanation for this limited achievement.

At project closing, the original intermediate outcome (Number of targeted Panchayats that have operationalized one stop shop services for safety nets and entitlements) was not achieved (Original Target:1,000; Actual: 649). The other indicator (percentage of enrolled beneficiaries in targeted gram panchayats who receive payments on time for key entitlements-NREGA, Social pensions, Insurance) was dropped and progress on this indicator was not reported.

Outcomes

The original outcome indicators for this objective and the extent achieved at project closing were:

- 500,000 poor households have enhanced access to systems that deliver improved information, enrollment and payment for social protection and entitlement programs *[Actual: 216,492 (MIS); 204,217 (End-line Survey)]*
- Where one stop shops have been established, percentage of eligible households with access to at least three entitlement programs or key services *[Target:80%; Actual:46%]*

At project closing, the two original indicators and their targets were only partially met. Therefore the efficacy with which the original PDO Objective 3 was achieved is rated as Modest.

Rating
Modest

OBJECTIVE 3 REVISION 1

Revised Objective
To enable selected poor households to access social entitlements.

The original objective did not change but there were revisions of the PDO indicator and targets following the first restructuring. As a result, the ambition of the objective was also reduced. The key indicator changes were:

• The original PDO 3 indicator (500,000 poor HHs have enhanced access to systems that deliver improved information, enrollment and payment for social protection and entitlement programs) was revised to "Where a One-Stop Shop has been established, 100,000 beneficiaries accessing OSS services". The definition of 'services' was also revised to "beneficiaries accessing at least one of the following services: Mee-Seva, Banking, Streenidhi".
• The original PDO 3 Sub-indicator (Where One Stop Shop has been established, percentage of eligible households with access to at least three entitlements programs or key services) was eliminated.
• The target for the original intermediate outcome indicator (number of targeted panchayats that have operationalized one stop shop services for safety nets and entitlements) was reduced from 1,000 to 700.
• The original intermediate outcome indicator (% of enrolled beneficiaries in targeted gram panchayats who receive payments on time for key entitlements (NREGA, Social pensions, Insurance) was eliminated.

Revised Rationale

Theory of Change. Following the MTR, the indicators and targets were revised and made less ambitious. The project renewed its focus to expand OSSs in tribal areas, through planned collaboration with the Department of Tribal Affairs (Restructuring Paper, section I.B). The OSSs were expected to facilitate improved access of services to the poor, particularly women and the disabled in marginal areas. According to the ICR (Annex, table 1.1), three types of services were given an emphasis by the project for the OSSs to be established: (i) Mee Sewa Services; (ii) Banking Services; and (iii) Customer Service Center Services. The services ranged from those that were related to pensions, insurance, applications for birth/death certificates, Aadhar (resident) cards, information on land titles, and opening Bank accounts.

Outputs

At closing, the project established 649 OSS centers in 13 districts across 150 Mandals. The project fell slightly short of achieving its revised target.

- Number of targeted Panchayats that have operationalized one stop shop services for safety and entitlements *[Target: 700; Actual: 649]*

Outcomes:

The following outcome was measured at project closing:

- Where OSSs have been established, the number of beneficiaries accessing OSS services *[Target: 100,000; Actual: 216,492 (MIS); 204,217 (End-line Survey)]*

The End-line Survey found that 204,217 beneficiaries were able to access various OSS services. The project surpassed the revised target of 100,000 beneficiaries. It is, however, important to clarify that the definition of "access to OSS services" changed to include awareness of government entitlements and schemes which OSSs informed beneficiaries about. According to the ICR (paragraph 35), "In the End-line Survey, most beneficiaries reported that OSS centers provided easier and more convenient access to services and had increased their awareness of government entitlements and schemes". Following the MTR, the project put emphasis on establishing OSSs in tribal areas. According to the Borrower Completion Report (paragraph 6.5), 293 Centers (45 percent of the total OSSs) were set up in tribal areas. In summary, the achievement towards meeting Objective 3 Revision 1 has been rated Substantial.

Revised Rating
Substantial

OVERALL EFFICACY

Rationale
On Objective 1, the project did not achieve its first outcome (Percentage incremental agricultural income increase of the target households), while there was no evidence provided for the second outcome (Percentage of producers benefitting from the project that were from poorest and SC/ST households) which was not measured at project closing. Likewise, for Objective 2 (Number of poor HHs obtain improved HD status) no evidence was provided on its achievement. For the other two outcome indicators under Objective 2, targets were surpassed but the end-line survey's scope was limited and deviated from the original objective. Finally, for Objective 3, targets were only partially met. Considering these outcomes, the efficacy of the degree to which the original objectives were achieved is rated "modest".

Overall Efficacy Rating
Modest

Primary Reason
Low achievement

OVERALL EFFICACY REVISION 1

Overall Efficacy Revision 1 Rationale
The efficacy of the objectives after the revisions of PDO indicators was Substantial. The basis for this rating was as follows. For Objective 1, the project achieved its revised PDO indicator 1 and 2. Though it did not meet its target for PDO Indicator 3 on gender, there was evidence that the project implemented numerous activities focusing on women farmers. For Objective 2, the revised PDO indicator was almost achieved, captured both by the project's MIS and the end-line survey. Further, there was substantial achievement related to HHs access to resources (e.g., the Human Development Investment Fund) for WASH, health, and nutrition activities within a short period (15 months) of project implementation post restructuring. For Objective 3, the revised target on number of beneficiaries accessing OSS services were met.

Overall, the efficacy with which the project's objectives were achieved as measured by the revised PDO indicators was Substantial.

Overall Efficacy Revision 1 Rating

Substantial

5. Efficiency

Ex Ante

At appraisal, the project did not estimate an Economic Rate of Return (ERR). For each of the three main components of Value Chain Development, Human Development and Access to entitlement, the project analyzed benefits separately. For Value Chain Development, the project identified input cost reduction, production gains, marketing, and value-added processing benefits along the value chain for key commodities to be selected by the farmers but an economic analysis was not done due to the demand-based nature of the project. This meant that any estimates of benefits would have been speculative. However, a financial analysis was carried out for major commodities using standard agriculture economic analysis at field level based on the income gains and component investment costs along the chain (PAD, Paragraph 49; ICR, Annex 4). For Human Development and Social Entitlement, the project did not estimate benefits in economic terms but qualitatively described the various benefits by referencing available literature and analysis from similar projects in India.

Ex Post

At closing, an economic analysis was conducted on the Value Chain Development Component. Economic benefits from the other two components focusing on improved adoption of health, sanitation and hygiene practices, and improved access to OSS services were not measured. The EFA (ICR, Annex 4) for Component 1 was based on: (i) changes in income level of project beneficiaries from value chain activities that were captured by the end-line survey; (ii) MIS data on project coverage and outreach, and (iii) total economic project costs. The EIRR and NPV were calculated based on benefits primarily from the real income increases (measured by the end-line survey) of project beneficiaries projected over a 20-year period. Due to the limited sample of the end-line survey, a base-case scenario was defined which assumed that only 70 percent (210,977) of HHs supported through the project's investments in FPOs realized an increase in their income, amounting to an average increase of 90 percent of what had been measured by the impact evaluation (100 percent = INR 45,091 per year per HH). The calculation of the incremental income used as baseline income of beneficiaries was INR 34,342) per annum.

Economic and Financial Analysis: At baseline with 70 percent of beneficiaries experiencing income increases, the project's EIRR was 27.2 percent with an NPV of US$38.9 million at a 12 percent discount rate. Alternatively, if 100 percent beneficiaries experienced an incremental income, the project's EIRR amounted to 43 percent with an NPV of US$84.0 million. The various scenarios of a sensitivity analysis were also presented in Table 4.1 (ICR, Annex 4). For the Financial Analysis of Rural Value Chains (RVCs), data generated out of the farmer-support activities of the project that established FPOs was provided. The ICR stated that FPOs generated an aggregate turnover of INR 2,300 million (US$31.2 million) during the project (ICR, Annex 4). Further, District-level information on FPO loan amounts from financial institutions and their surplus reserve were provided (ICR, Appendix Table 3) and the project teams' view in exchange with IEG was that the surplus reserve was a good indicator for financial sustainability. For Rural Retail Chains (Mandal Nodal Stores), the project team provided year-wise sales data of the 4,624 stores established in 13 districts, which showed growth in turnover at an aggregate level. These data were interesting, but this review did not find them as useful indicators of financial sustainability or commercial viability.

On investments for Human Development, the ICR stated that financial analysis was undertaken on the utilization of the Human Development Investment Fund (HDIF) (Table 4, Appendix to Annex 4). On Social Protection and Entitlement, the ICR analyzed the financial sustainability of the OSSs to continue operating after project closure (Table 5, Appendix to Annex 5). This information's utility was limited as it was not quantified for deriving net benefits for the project. Finally, the ICR calculated the cost per beneficiary based on each of the components with comparison to the estimated cost at project appraisal, which was not a very useful measure as well.

Administrative Efficiency: The ICR (Annex 4, Section E) stated that "the project faced several challenging situations during implementation" which resulted into implementation delays. However, the project's closing date was not changed. In addition to the delays, the project's administrative cost of 13 percent (ICR, Annex 3) was quite high. This amount excluded the cost of Component 4 (Mission Support, ICT and Partnerships), which included a sub-component on ICT that supported project's M&E and if added, would have raised the overhead cost to 25 percent of total project costs. This raises questions about the project's operational efficiency. In IEG's exchange, the project team stated that the high administrative costs were due to "(a) the project also aimed 'institutional strengthening of SERP' and included many aspects to strengthen the human resources and operational systems (please refer PAD); (b) outreach in the most backward and remote areas targeted in the project could have increased project management costs (human resources, logistics, mobilization, knowledge management etc.)".

In conclusion, despite the project team's explanation, these costs in comparison to similar projects were extremely high. Nevertheless, the rate of return (EIRR at 27.2 percent) for the project was high. Therefore, the efficiency was rated as Substantial, but only marginally so. In future projects, efforts would have to be made to reduce these high costs.

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		0	0 ☐ Not Applicable
ICR Estimate	✓	27.20	0 ☐ Not Applicable

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

6. Outcome

The Outcome Rating is based on a split evaluation of the performance of the project's objective.

This review rated the project's relevance to be substantial, ratings for efficacy of the original objective as modest, but substantial following the revision of various indicators and targets at the project's restructuring, and substantial for efficiency.

1. *Substantial rating for Relevance of the PDO*: The project's objectives were relevant and highly aligned with both Government and World Bank strategies for India. However, they were very ambitious with complex multi-sectoral sub-objectives which required multiple institutions for delivery of project activities that resulted in considerable implementation challenges. Therefore, this review rates relevance of objectives as substantial.
2. *Modest and Substantial ratings for Efficacy*: With respect to the project's original objectives, the project did not achieve its targets. Following restructuring and revisions of PDO indicators and targets, the project achieved most targets (three out of five).
3. *Substantial Rating for Efficienc*y: The project had a high rate of return (EIRR at 27.2 percent). This review was concerned about the high administrative cost; therefore the efficiency was rated substantial, but only marginally so.

Based on the ratings for Relevance of Objectives, Efficacy, and Efficiency without and with restructuring, this review concludes that the project's overall outcome is rated "Moderately Satisfactory". Details on the derivation of this rating are provided in the table below.

Rating Dimensions	**Original Objectives without Restructuring**	**Original Objectives with Restructuring**
1. Relevance of Objectives	Substantial	
Efficacy (with same objectives, but revised indicators/targets)		
Objective 1: Enable selected poor households to enhance agricultural incomes	Modest	Substantial
Objective 2: Enable selected poor households to increase access to human development services	Modest	Substantial
Objective 3: Enable selected poor households to access social entitlements.	Modest	Substantial
2. Overall Efficacy	Modest	Substantial
3. Efficiency	Substantial	
Outcome Rating	Moderately Unsatisfactory	Satisfactory
Outcome Rating Value	3	5
Amount Disbursed	$34,223,173	$14,299,174
Disbursement (%)	70.5	29.5
Weight Value	2.12	1.48
Total Weights	3.6 (Rounded to 4.00)	
Overall Outcome Rating	Moderately Satisfactory	

a. Outcome Rating

Moderately Satisfactory

7. Risk to Development Outcome

The project faces a number of risks to development outcomes. Some of the significant ones are:

- One of the risks to development outcomes identified by the ICR (Paragraph 75) was on 'sustainability of project activities. The ICR has rated this risk as moderate based on: (i) high participation of farmers in value chain activities; and (ii) high adoption rates on HD interventions (drinking water, ANC services, nutrition etc.) by project beneficiaries.
- The other risk that the ICR pointed out was on 'sustainability of institutions/FPOs'. According to the ICR, "the FPOs and FPGs are deemed sustainable at project completion because: (i) 62 percent of them were graded A or B; (ii) the GoI is pushing for the setting up of 10,000 FPOs; and (iii) the FPOs and FPGs are anchored in the wider ecosystems of community institutions supported by APSERP; thus benefiting from the over a decade-long existence of highly inclusive, financially strong women's SHG federation platforms".
- One additional risk identified by this review is on the institutional capacity of APSERP. In the absence of Bank's technical support, the capacity of the implementing agency (APSERP) to continue to manage and implement a multi-sectoral project in close coordination with multiple organizations (line agencies, technical service providers, private sector, NGOs etc.) will continue to be a substantial risk to development outcomes.

8. Assessment of Bank Performance

a. Quality-at-Entry

The project was prepared in light of experiences from prior Bank-financed rural development projects in India. The ICR (paragraph 51) stated that the project was based on the Andhra Pradesh Rural Poverty Reduction Project (APRPRP) that developed the capacity of women's organizations. The project also drew lessons from other projects in India, Brazil and Mexico. As per the ICR (Paragraph 52) project preparation benefited from analytics, pilot projects and consultation with key stakeholders at the national and global level. The implementing agency (APSERP) had prior experience working with APRPRP and with SC and ST communities, which were important in the design phase of the project in selecting project Mandals for implementing activities. Considering the complexity of implementing a multi-sectoral project with linkages to local Government institutions and line departments for alignment on service delivery, at project appraisal, the overall risk for achieving PDO was rated as substantial. The other key risk identified at appraisal was the reduced capacity of APSERP due to the bifurcation of the State which occurred during the last stages of project preparation.

Despite a comprehensive analysis of risks (PAD, section V), and a preparation phase of nearly two years (Concept Note Review: February 2013; Board Approval: December 2014), there were several quality-at-entry weaknesses for the project. The project was ambitious and complex with multiple activities that were dependent on a strong capacity of the implementing agency (APSERP), including buy-in and commitment on the delivery of the programs from several line departments. To address this complexity, a careful assessment of the capacity of APSERP and its readiness to implement a multi-sectoral project would have been critical. This review's assessment was that APSERP was not ready. The scope of the new project was broader and more multi- sectoral than APSERP's experience requiring it to strengthen its own internal capacity by hiring subject matter specialists and key staff which took time during early implementation phase. Further, the Results Framework that was developed for the project had shortcomings (see discussion in the next section of this review) with ambitious targets and complex indicator definitions which were difficult to measure, resulting in the revision, amendment, or elimination of several indicators during restructuring (Annex 1, Restructuring Paper 2019). The inability of the MTR mission to adequately assess progress and outcomes of the project (MTR Aide Memoire, paragraph 3) and the variations it found In the project's implementation approaches and structures (MTR Aide Memoire, paragraph 6) demonstrated weaknesses of the project's M&E system and hence shortcomings in project preparation.

This review concluded that the project's Quality-at-Entry was Moderately Unsatisfactory.

Quality-at-Entry Rating

Moderately Unsatisfactory

b. Quality of supervision

During project implementation, the ICR (paragraph 70) stated that the Bank provided TA, organized technical consultations, and workshops (e.g., FPO Business Planning, FPO/FPG grading) for the project. Examples of TAs included: (i) Development of a Tribal Area Strategy for the State with a focus on WASH, health and nutrition, livelihoods, and institution building; (ii) Workshop on e-commerce solutions, particularly focusing on RRC's infrastructure; and (iii) Development of protocols for a launch of a dedicated Enterprise Promotion Fund (EPF) to facilitate enterprise development. In addition, the Bank had provided a resident consultant for the project since April 2018. Over the course of the project's life, the Bank undertook five implementation missions and as per the ICR (paragraph 71), the Bank team provided comprehensive reports with guidance and recommendations which were used for follow-up actions.

A key intervention and support provided for the project was at the MTR mission (July 2018) when major changes were made to the Results Framework and cost re-allocation amongst sub-components. The ICR noted (paragraph 73) that the delay in the MTR (which was held later in project implementation period than planned) was primarily because of a request from the client who preferred that it take place at least two years after the implementation of project activities in the field. There was subsequent delay of 8-9 months for the project restructuring to be approved (March 2019) due to delays on the client side, which left only 15 months before project closing to complete the activities.

Considering that the project was complex with multi-sectoral focus, the frequency of Bank implementation missions (total of 5) was far less than expected but there were apparently regular contacts between the Bank's New Delhi office and the project. Further, the effort from the Bank team at MTR to restructure the project and the periodic technical assistance provided in key areas referred to earlier were noteworthy.

Based on the above-mentioned assessment, this review rates the Quality of Supervision as Satisfactory.

Quality of Supervision Rating
Satisfactory

Overall Bank Performance Rating
Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

Results Framework: A Theory of Change (ToC) was not included in the PAD as it was not required at the time of project appraisal. However, for Component 1 (Rural Value Chains) and Component 2 (Human Development), the PAD (Annex 2) included separate Results Chains to show causal pathways. The RF developed at project appraisal included five PDO indicators and 15 intermediate outcome indicators (PAD. Annex 1). The PAD did not provide definitions of the selected indicators. The RF was ambitious and at the first project restructuring, several indicators were either revised, amended, or eliminated. The Restructuring Paper (Annex 1) provides the following reasons for the changes: (i) indicator definitions were either not clear, or they were complex and difficult to measure; (ii) client was unable to implement certain activities in some focus areas (i.e., maternal health, child nutrition) due to limited technical capacity; (iii) there was lack of sufficient community uptake and prioritization amongst several ongoing component activities. Original targets were also revised and made less ambitious.

M&E System: According to the PAD (paragraph 37, Annex 3), during implementation, the project would strengthen the overall monitoring and evaluation capacity of APSERP by investing in technological infrastructure and evaluation systems. APSERP already had an operational Management Information System (MIS) with data that were publicly available. The project would build on this system and improve it under Component 4. For evaluation, the project would prepare quick and rigorous studies, along with formal impact evaluations based on baseline, mid-term, and end-term surveys, which would help assess the overall impact of the project. Qualitative studies would be planned to supplement quantitative studies. To support this effort, an external agency would be hired to manage the Concurrent Evaluation Cell (CEC) for key monitoring and evaluation activities of the project.

The need for significant changes to the RF, with the revisions of the indicators and targets are a result of shortcomings in M&E design. To support APSERP in its M&E function, the hiring of an external agency was sound. However, the project's expectation for APSERP to undertake innovative and multiple M&E activities based on a State-of-the-Art IT platform (PAD, Annex 2) through technical support alone was premature.

b. M&E Implementation

In measuring its PDO, the project used data from its M&E system, studies undertaken by independent agencies and other third-party reports (ICR, paragraph 23). Quarterly reports were prepared which helped the project monitor its activities. These reports showed slow progress in the implementation of the project which improved following the MTR. The project's ICT-based MIS and digital data collection were also implemented after the MTR. In addition, a baseline study, and an end-line survey were undertaken.

To implement the M&E system, a Technical Support Agency (TSA) was hired in August 2015 to staff the CEC, which was fully operational in June 2016 (ICR, paragraph 64). The ICR does not elaborate further on the performance of this Cell. On studies commissioned during project implementation, the ICR (Annex 6i, paragraph 65) included key findings of the FPO Assessment of Organizational Maturity and Sustainability and referred to FPO Business Centers and Business scoping studies of selected commodity value chains. Other than these studies, the ICR did not provide any other references.

c. M&E Utilization

At the time of the MTR (Aide Memoire, paragraph 3), the project had completed a base line study and the MIS system was in place. However, the MTR was unable to measure the outcome level indicators for assessing achievements of PDO due to gaps in outcome level data. Since then, the ICR (paragraph 65) stated that the MIS system provided periodic reports (e.g., Quarterly Progress Report), including input-output assessment, process monitoring, thematic studies, and rapid appraisals (details of these studies were not referenced in the ICR). The project undertook implementation audits to support and guide teams based on challenges found in the field which were used to revise the project operational manual. The end-line survey that was administered at project closing provided critical evidence in assessing project outcomes and impact.

In summary, M&E is rated as Substantial. Despite the weakness in M&E design, the project's MIS was operational and various studies/reports were prepared for the project after the MTR. The project's effort, with strong support of an independent consulting institution to complete the End-line Survey during the challenging period of COVID-19 lockdown which provided the evidence on project outcomes was creditworthy.

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

The project was classified as Category B (partial assessment) under the World Bank safeguard policies. Five safeguard policies were triggered at appraisal: Environmental Assessment (OP/BP 4.01): Natural Habitats (OP/BP 4.04): Forests (OP/BP 4.36): Pest Management (OP/BP 4.09): and Indigenous Peoples (OP/BP 4.10). No new safeguard policies were triggered following the restructuring of the project.

Environmental Safeguards. The PAD (paragraph 61) noted that the project had a low-medium environmental risk, nonetheless, an Environment Assessment (EA) was conducted to ensure that the activities of the project were environmentally sustainable. In addition, the project developed an Environmental Management Framework (EMF) which identified possible environmental impacts of interventions proposed under each of the components and proposed for mitigation measures. The ICR (Annex 6m) stated that APSERP had a dedicated officer supported by a young professional for implementation of the EMF guidelines. On safeguards compliance, a screening checklist was prepared, and no activities were found to have taken place within forests or natural habitats. Workshops for project staff at all levels on safeguard issues were held. IEC materials were prepared for increasing awareness on environment-friendly practices for all crops covered by the project. Regular training programs were organized for farmers on Integrated Pest Management, Integrated Nutrient Management, organic cultivation, non-pesticide management, safe handling and storage of chemicals etc.

Social Safeguards. The PAD (paragraph 60) stated that in light of the project's explicit focus in covering poorer and excluded Mandals with significant presence of STs and SCs, the Operational Policy (OP 4.10) on Indigenous Peoples was triggered. At project appraisal, a Social Management and Tribal Development plan (SM & TDP) was prepared based on the ASERP's wide experience of working with SCs and STs. The ICR (Annex 6m) noted that during project implementation, a beneficiary targeting strategy was developed that focused on women from SC and ST households and other vulnerable households. Poorest of the poor Mandals were selected based on composite deprivation criteria, including incidence of rural poverty, illiteracy, lack of irrigation, and other social infrastructure, as well as higher presence of SC and ST populations. Project interventions ensured outreach, coverage, and inclusion of tribal and scheduled caste households. The project set up 293 OSS centers in tribal communities and worked towards aligning with ST/SC programs of the Department of Social Welfare and Integrated Tribal Development Agency. A Grievance Redressal Mechanism was in place with an associated indicator "Percentage grievances related to project delivery are resolved within 3 months (baseline 0 end-line survey 70%)" that was added following the MTR. The ICR stated that no grievances were registered in the formal grievance system as they were addressed through the project's participatory processes.

b. Fiduciary Compliance

Financial Management: According to the ICR (paragraph 6m), implementing a community demand-driven project that worked with district and cluster-level based teams in remote areas with poor connectivity and limited administrative capacity posed challenges for the project in financial management and procurement processes. To address the challenges, the project implemented the Tally Financial Accounting Software at APSERP Head Office and at field-level offices. An additional software titled 'e-FMS' was used for recording demand, approval, and transfer of funds. Furthermore, on fund disbursed and used by FPGs and their members, the project developed a software called 'FPO Accounting System'.

Procurement: The project had prepared a Procurement Manual to ensure consistency and compliance with procurement procedures. Procurement Plans were prepared and updated on a timely basis. The ICR (Annex 6m) noted that procurement contracts were awarded as per World Bank procurement guidelines, and trainings were provided to enhance procurement related capacity of the implementing agency. At project closing, there were no pending contracts or procurement activities. As per the ISR (March 2020), procurement plans were aligned with the budget, however timeliness were generally not adhered to. The document further indicated that frequent changes in staffing had hampered progress on procurement.

c. Unintended impacts (Positive or Negative)

None

d. Other

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11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Satisfactory	
Bank Performance	Satisfactory	Moderately Satisfactory	Quality at Entry suffered from shortcomings such as complexity of design and implementation readiness.
Quality of M&E	Substantial	Substantial	
Quality of ICR	---	Substantial	

12. Lessons

The ICR presented several lessons learned. Most lessons listed were focused on issues specific to this project. However, the most significant lesson which had broader application is summarized below:

Multi-sectoral project with numerous project interventions dependent on several implementing agencies can be challenging to implement. One single project that promotes livelihood support to increasing farmers' income, along with improvements in human development outcomes and access to social protection was challenging to prepare and successfully implement. As was the case with this project, at MTR, the project had to be restructured and four additional line departments with the relevant technical capacity had to be brought in as implementing agencies, which put enormous responsibility for APSERP to manage the project and monitor progress. The ICR stated that “future projects aiming at promoting inclusive rural growth should avoid integrated approaches that have too numerous interventions from very different sectors to avoid the implementation challenges encountered in this project”.

IEG suggests that the following additional lessons :

Project restructuring should not be done too late in the project cycle, which leaves limited time for course corrections to be implemented. The project was approved on December 19, 2014. However, due to client request, the Mid-term Review (MTR) which proposed for the project’s first restructuring was conducted only in July 2018 (project restructuring approved in March 2019). The project had remaining 15 months until the closing date (June 30, 2020) to complete all the activities and achieve the revised set of indicators and targets which was challenging.

It is important for the project to develop a Results Framework with simple and measurable set of outcome indicators for monitoring and evaluation. In the case of this project, several indicators had to be eliminated after the MTR either because the definitions were not clear, or they were complex and hard to measure. As a result, it was difficult to measure progress at the MTR. At project closing, the simplified set of indicators helped the project to realistically measure its progress.

A careful assessment of the absorptive capacity of the implementing agency is required prior to scaling up interventions of a multi-sectoral project. In this project, the implementing agency (APSERP) had experience working with the Bank under an earlier project in financing women SHGs. This project was much broader with multiple objectives which required high capacity to implement the program, in close coordination with numerous line departments. During project preparation, a careful assessment of the absorptive capacity of the implementing agency should have been done.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The project was complex with multi-sectoral focus requiring strong alignment with various line departments of the Government to implement the various components and sub-components. Post MTR, the objectives remained the same but there were substantial changes to the project's expected outcomes and targets. Preparing the ICR was therefore a difficult task. Nevertheless, it provided useful information about the various structural changes in the project .

The ICR provided evidence based on the findings of the important End-line Survey as well as details of the Cross-Sectional Analysis of APRIGP FPOs (Annex 6i) though the analysis of attribution of outcomes to project activities was not always clear. The ICR did not, however, provide any references or analysis based on many thematic and sector studies that were done during project implementation. The ICR's M&E section could have been strengthened by providing details on the results of these additional studies (referenced in paragraph 65), and the functioning of its ICT-based MIS system. Furthermore, the ICR (paragraphs 53, 61) was generous to state that the original Results Framework (RF) at project entry was sound and practical, with most of the indicators well designed, which was not consistent with the actions the project took at its first restructuring which revised several indicators and targets.

In presenting results, the ICR reported and included a discussion on the achievement of the three PDOs. Some further balanced discussion on the achievement of outcomes and their relation to project activities would have been useful. For example, on one HD-related indicator (No. of HHs that received HDIF grant for water, sanitation and hygiene, Health and Nutrition), the project achieved 1,000 percent of its target. The ICR could have provided further explanation on factors that contributed to this high achievement within a short period post restructuring and its relation to HD outcomes, which may have been a useful lesson learned.

Apart from the justification for operational efficiency, the analysis of the project's economic efficiency was convincing after an exchange with the Bank project team to clarify some of the data used for the analysis..

Finally, the ICR could also have candidly reported on the shortcomings in the project design and implementation, such as design issues related to implementation delays during the early stages of the project. Further, Annex 2 of the document provided an arguably incomplete list of the project's preparation team.

In summary, this ICR provided useful information about the activities and achievements of a complex project. It followed the OPCS guideline and had a number of strengths including useful lessons. However, there were also several shortcomings in the document. Overall, the quality of the ICR is rated by this review as Substantial but only marginally so.

a. Quality of ICR Rating

Substantial