

IEG ICR Review

Independent Evaluation Group

1. Project Data:		Date Posted : 05/20/2014	
Country:	Mauritania		
Project ID:	P081368	Appraisal	Actual
Project Name :	Community-based Rural Development	Project Costs (US\$M):	58 53.1
L/C Number:	C3883	Loan/Credit (US\$M):	45 44.8
Sector Board :	Agriculture and Rural Development	Cofinancing (US\$M):	
Cofinanciers :		Board Approval Date :	04/20/2004
		Closing Date :	12/31/2010 12/31/2011
Sector(s):	General agriculture fishing and forestry sector (40%); Other social services (30%); Water supply (10%); Roads and highways (10%); General industry and trade sector (10%)		
Theme(s):	Land administration and management (25% - P); Rural services and infrastructure (25% - P); Rural non-farm income generation (24% - P); Participation and civic engagement (13% - S); Decentralization (13% - S)		
Prepared by :	Reviewed by :	ICR Review Coordinator :	Group :
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2. Project Objectives and Components:

a. Objectives:

The project development objective stated in the Project Appraisal Document (p.3) was: "to improve the living conditions of project-supported village communities in terms of sustainable income increase, access to basic socio-economic services, and improved natural resource management practices ."

Development Credit Agreement statement of project development objective was (p.17) : " to improve living conditions in selected village communities in the Borrower's territory through: (a) capacity building and (b) investments in economic, social and environmental activities carried out by these communities ."

As per IEG's current practice, this Review uses Development Credit Agreement version .

Community Based Watershed Management Project (P087670), which is designed as a partially blended Global Environment Facility (GEF) operation and as an extension of this project under a separate Grant Agreement became effective on January 26,2007 and closed on March 31, 2013. The Global Environment Facility Grant was US\$ 6 million. Its project development objective as stated in Trust Fund Grant Agreement (p.6) was: "to lessen the incidence of land degradation at the watershed level in targeted areas by assisting rural communities to generate benefits through community-driven investments addressing land degradation and promoting sustainable land management practices. " A separate ICR is to be issued on that project.

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

No

c. Components:

A. Capacity Building (appraisal estimate US\$ 9.6 million, actual US\$ 9.3 million)

This component aimed to strengthen organizational and managerial capacity of village communities to design and implement effective development plans, as well as increase technical capacity of providers of services to these communities. Through 4 sub-components, it supported 850 village development groups, members of rural commune councils, agricultural services staff that provided support to rural communities and rural micro-enterprises that supplied investment goods and maintenance services to the village development associations .

B. Investment Funds (appraisal estimate US\$ 30.5 million, actual US\$ 31.8 million)

This component aimed to fund implementation of village and communal development plans in order to improve social, environmental and economic conditions of poor people . Village Investment Fund aimed to provide capital to demand-driven projects of communities and Rural Communal Road Funds aimed to connect villages to the rural road system. Development Credit Agreement had a third sub-component that aimed to support rural micro-enterprises to acquire critical small-scale equipment to cover initial operating expenses . A Global Environment Facility project that was approved in 2007 complemented this component on natural resources management (see below).

C. Project Management and Monitoring and Evaluation (appraisal estimate US\$ 2.4 million, actual US\$ 2.7 million).

This component aimed to support the project implementation team to carry out project management, and monitoring and evaluation activities.

The Community-Based Watershed Management Project (0897670) approved in 2007 was designed to build on the community-based rural development structure initiated under the Community Based Rural Development project broadened the base and supplemented it with natural resources management emphasizing sustainable land management. The project had three components: (i) capacity building for Sustainable Land Management for the adoption and replication of innovative watershed and landscape management approaches; (ii) providing incentives for Sustainable Land Management practices (research and development, demonstration of new, innovative sustainable land management technologies at the watershed levels, income-generating activities, protection of grazing areas and plantations) and (iii) project management and Monitoring and Evaluation to support project coordination, monitoring and evaluation activities, and a communication strategy .

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

Project Costs :

Total costs estimated at appraisal was US\$ 57.3 million and the actual spending was US\$ 53.1 million.

Financing :

IDA funds estimated at appraisal was US\$ 45 million and out of which US\$ 44.8 was spent at project closing . Local communities was estimated to contribute US\$ 7.3 million at appraisal and actual contribution was US\$ 3.9 million.

Borrower Contribution :

Borrower contribution estimated at appraisal was as US\$ 5 million and the actual contribution at closing was US\$ 4.4 million.

Dates:

In August 2010, the original closing date of December 31, 2010 was extended 1 year to December 31, 2011 to compensate for the delays caused by political instability following the August 2008 coup. Community Based Watershed Project's effectiveness date was January 26, 2007 and initial closing date of September 30, 2011 was extended to March 31, 2013.

3. Relevance of Objectives & Design:

a. Relevance of Objectives:

High

The project objectives were relevant to the Country Assistance Strategy (FY08-FY11), Pillar 2, anchoring growth in the economic environment of the poor, particularly via growth of agricultural sector and with adequate infrastructure, and services in rural areas .

The project objectives were also highly relevant to the Government's 2001 Poverty Reduction Strategy, which emphasized that developing and diversifying the rural sector was key to reduce poverty . Key challenges included narrow and degraded natural resource base, limited transport infrastructure to access markets and services, limited supply of productive services, limited local ownership in public investments, limited access to investment and working capital. The project objectives were also highly relevant to the long term Rural Development Strategy that aimed to:

(i) facilitate the growth of the sector to ensure the country's food security; (ii) ensure an equitable access to the sector's resources; (iii) increase the supply and availability of public goods and services necessary for the sustainable development of the sector; and (iv) develop the managerial capacity for integrated and participatory rural development.

b. Relevance of Design:

Substantial

The overall results chain was relevant and logical. The project objective of improving living conditions of village communities through capacity building and investments by these communities was linked to project activities, i.e. component 1 aimed to provide the capacity building and component 2 aimed to provide the investment funds to communities for demand driven projects. The causal chain between funding and outcomes was also convincing, and the project funds were sufficient to carry out the planned activities.

4. Achievement of Objectives (Efficacy):

The project objective is: "to improve living conditions in selected village communities in the Borrower's territory through: (a) capacity building and (b) investments in economic, social and environmental activities carried out by these communities". Achievement is rated '**substantial**' only marginally considering the high returns of income generating sub-projects but noting the weaknesses in presenting concrete outcomes regarding other aspects of the "improved living conditions" objective.

Outputs:

- 2,521 community micro-projects were implemented, less than the target of 3000 projects (84 % achievement).
- 706 new Community Development Associations (CDAs) were created and endowed with legal status, exceeding the target of 700.
- Community Development Plans were developed for all 856 CDAs in the project.
- 3,068 people were trained on organizational and management procedures and community procurement. 1,706 people were trained on gender issues, environmental and social safeguards.
- 202 facilitators trained to support CDAs have organized into NGOs or consultants capable of conducting development planning process at local level.
- 30 veterinary assistants were trained to monitor animal health and provide primary care.
- Training on various themes provided for 429 executives of Departments of Agriculture, Livestock and Environment.
- Support in terms of extension agents, vehicles, office equipment and financial resources were provided to partners involved in the project including government institutions. This strengthened the response capacity of agricultural services but their support remained below expectations and needs.
- Operational capacity of 93 % of CDAs was satisfactory exceeding the 80 % targeted.
- Among Community Development Associations, 97 % manage and maintained their equipment satisfactorily, exceeding the target of 75 %.
- Municipal development Plans for targeted 10 municipalities were prepared.
- All 200 micro-enterprises targeted were created and training and start-up equipment was provided for them.
- Among micro-projects 94 % are satisfied with the services that they received exceeding the target of 75 % satisfied micro-projects.
- A strategy for access to rural roads is available.
- Civil works were executed in 55 sites to facilitate access to villages that were not connected to roads, this was less than the 60 planned sites.
- A special animal husbandry program was launched in 10 CDAs that aimed to improve village milk and poultry production benefiting 5,052 community members.
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Outcomes:

Project beneficiaries participated in two major surveys: a beneficiary survey in 2007 and a self assessment by Community Development Associations at the end of project. In addition an economic analysis survey was conducted at project completion (see Section 5). The outcomes reported by the ICR are based on these 3 surveys.

The main outcome is brought by the income-generating sub-projects implemented by the Community Development Associations. Among these community micro-projects, 83.6 % displayed an internal rate of return of 13-63 % (exceeding the target of 'at least 75 % of income-generating sub-projects implemented by Community Development Associations have a financial rate of return above 10 %'). A total of 428,519 people in 823 villages benefited from

these projects. and 2,000 jobs were created through the micro-projects (ICR, p.20). Among the types of projects, fences to protect crops were the most popular investment accounting for 20 % of number of projects and 50 % of total spending; installation of boreholes for drinking water was the second popular micro -project accounting 20 % of total spending; other agricultural micro-projects such as grain mills, gardens and village shops were the third popular investment. The ICR reported that although most beneficiaries thought sustainability was assured, some felt that more capacity building was needed and additional funds needed to be created for operation and maintenance of projects.

In addition to income increase that the micro-projects brought (it was not reported how much), the ICR reported that all Community Development Associations noted an improvement in the quality of life : e.g. household expenses and travel time reduced with the installation of village grain mills and village shops (again no report on the size of this reduction); village shops also provided financial services by lending money or selling goods on credit; hygiene improved through better drinking water sources; introduction of new techniques in meat and poultry production contributed to healthy consumption of these products .

In addition the ICR reported that 80 % of Community Development Associations perceived a significant improvement in environmental sustainability because of project interventions . Among Community Development Associations, 98.80 % perceived a lasting improvement in the environment through project efforts . However, the project team stated that this outcome has been partially achieved through the GEF Community Based Watershed Project . For the GEF blend project, Community Based Watershed Project, the ICR did not present any outcome evidence . However, the project team stated that at the time of preparation of the ICR, the GEF project was still active, therefore the ICR did not present results for that project, but a separate ICR is going to be prepared for that project .

It is important to note that the ICR could have been more specific about the size of actual improvements brought about by the project in terms of increase in incomes, household expense reduction, and improved hygiene, etc . Also the ICR could have reported results from actual measurement of access to basic services that the project supported (drinking water, roads, etc). For example the project could have reported on the decrease in travel time as a result of road infrastructure investments . In addition the ICR was also silent on the lack of project support on extension activities that presented difficulties in project implementation vis -a-vie micro-project investments.

5. Efficiency:

Efficiency is rated **substantial** .

Similar to the PAD, the ICR did not provide a cost-benefit analysis for the entire project due to difficulty to quantify benefits for the capacity building activities . However an illustrative economic analysis of income generating activities was presented. A sample of 49 projects were selected in 4 regions representing main agro-ecological zones. In order to quantify profitability, review of data and literature was carried out and a questionnaire was developed and sessions with selected Community Development Associations as well as visits to micro -projects were organized. Based on the sample, agriculture field fences and vegetable gardens on average brought the highest rate of return (63.33 % and 52.66 % respectively); butcheries and village shops run by women on average also displayed high internal rate of returns (33.5 % and 21 % respectively); grazing reserves with acacia trees had higher internal rate of return than without acacia trees (15 % vs. 4 %); and internal rate of return for grain mills were negative . Sessions with beneficiary communities revealed that they were willing to continue maintenance and sustainability of their investments. The ICR does not provide any information on methodological differences between financial analyses in PAD and ICR; there are significant differences between ex -ante and ex-post internal rates of return, which are not analyzed in the ICR. In particular, PAD estimates for investments in mills were very high (>100%) whereas the ex-post estimate for grain mills is negative . Also, the IRR for village stores was forecast in the PAD at 60% whereas the estimated ex-post return is only 15.24%. Furthermore the ICR does not provide details of the assumptions .

The ICR does not mention any administrative or operational inefficiencies . The extension of project closing for 1 year was mainly to compensate for the delays caused by political instability following the August 2008 coup.

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

	Rate Available?	Point Value	Coverage/Scope*
Appraisal	No		

ICR estimate

No

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

6. Outcome:

Relevance of objectives is rated high and relevance of design is rated substantial . Efficacy is rated substantial only marginally considering the high returns of income generating sub-projects but noting the weaknesses in presenting concrete outcomes regarding other aspects of the "improved living conditions" objective. Efficiency is rated substantial based on ex-post Economic Rate of Return calculations . These ratings yield a satisfactory outcome rating.

a. Outcome Rating : Satisfactory

7. Rationale for Risk to Development Outcome Rating:

Institutional risk to development outcome is rated Moderate due to the fact that Community Development Associations may still need additional support to continue with the investments at the local level .

The economic risk to development outcome is significant : Although ICR rating for this risk is low, this review considers this risk to be higher . The ICR reports (p. 22) that according to the beneficiary survey results, some beneficiaries felt that more capacity building was needed and maintenance funds needed to be created; also in another section ICR mentions (p.40) that need for financial services remain a challenge . The financial needs of these communities continue in order to maintain the sustainability of these investments and also to make new investments; therefore unless better access to financial services by the rural communities are developed, sustainability of project interventions is questionable .

The environmental risk to development outcome is low : The project was classified as Category B and triggered Environmental Assessment, Involuntary Resettlement, and Pest Management safeguards . The Implementation Status Reports report full compliance and rate overall safeguard compliance as Satisfactory .

a. Risk to Development Outcome Rating : Significant

8. Assessment of Bank Performance:

a. Quality at entry:

The Project was a follow-up to the Rainfed Natural Resource Management Project, with greater geographical coverage and a broader scope of interventions, therefore project drew on its experience . Project design built on demand-driven approach to sustainable development, with active community participation; ; decentralized project management; contractual arrangements for decentralized service delivery; and promotion of rural micro-enterprises.

During preparation efforts were made to identify risks and institute appropriate mitigation measures . Risks were thought to be associated with the government 's commitment to decentralization, institutional capacity at the commune level, modalities for cross-sectorial and multi-institutional coordination, and with governance and financial management. The measures formulated to mitigate those risks included the use of service providers, internal and external audit arrangements, as well as training and other capacity -building activities. However, the risks did not include the risk of political unrest . This factor was important; as during the course of the project, the country experienced two military coups (2005 and 2008) and a 14-month suspension (no processing of withdrawal applications by IDA) following the second coup .

However the results framework for the project had a weakness in terms identifying methods for appropriately tracking changes to the improved living conditions objective .

Quality-at-Entry Rating : Moderately Satisfactory

b. Quality of supervision:

According to the information provided by the ICR (p. 22), supervision missions were conducted on a regular basis , with multi-disciplinary experts, with the exception of the 14 month suspension during 2008-2009 . Aide-memoires were timely, comprehensive, and provided sufficient guidance . The Mid-term Review in early 2008 was extensive and thorough . However, the team did not try to improve the results framework by setting

better described indicators.

Quality of Supervision Rating : Moderately Satisfactory

Overall Bank Performance Rating : Moderately Satisfactory

9. Assessment of Borrower Performance:

a. Government Performance:

The ICR reported that the government was committed during both preparation and implementation. The Borrower signed the decree of the Pastoral Code and setup a special mechanism to speed legal recognition of Community Development Associations. Despite political disturbances, the government ensured the project's continued operation and maintained project staff, with the exception of 2009 and 2010 when it had difficulty fully mobilizing its financial contribution. However, by the end of the project, the government contribution was fully honored and disbursed.

Government Performance Rating Satisfactory

b. Implementing Agency Performance:

The Project was implemented and coordinated at the central level by the Central Coordination Unit and at the regional level by Regional Coordinating Units, all under the umbrella of the Ministry of Rural Development. These units were composed of experts recruited as consultants hired under renewable contracts starting for two years and renewable every year thereafter based on results. A Steering Committee met regularly to oversee the project's overall direction. According to the ICR (p. 23), Central Coordination Unit's project implementation and coordination was adequate, produced the key project documents, carried out oversight of transfers of financial resources to Community Development Associations, and provided close assistance to them.

Implementing Agency Performance Rating : Satisfactory

Overall Borrower Performance Rating : Satisfactory

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

a. M&E Design:

The M&E system was designed to achieve effective planning of the assistance provided to beneficiaries; to facilitate decision making by project managers at the central and local levels and to disseminate information on project results. A consultant was hired through competitive bidding in order to carry out M&E activities within the Central Coordination Unit. However, results framework had some issues: PDO indicators, were not very well linked to the development objectives, i.e. vague indicators tried to measure improvements in living conditions of beneficiaries, with no definite targets in most cases. The project would have benefited from actual measurement of indicators such as income increase (and/or consumption increase), access to basic services such as: drinking water, roads, etc. before and after project. Measurement of improvement of natural resources management, was not directly linked to the PDO.

b. M&E Implementation:

The ICR reports that (p.7) by June 2007, the M&E system was in place, so it took almost 3 years to set up and implement an operational the system. The M&E system did not function optimally. Data collection was lagging, and analytical capacity at the central and regional entities was weak. Information dissemination was limited to a quarterly project report with little analysis to evaluate performance. At the Mid-term Review in February 2008, the Bank team made substantive comments about M&E, but the 2008 coup and application of OP 7.30 took place, but during the following supervision mission in December 2009, improvements in M&E were noted. The team and government agreed to support technical assistance for data collection, analysis, and reporting. An ad hoc committee consisting of the Bank team and project Central Coordination Unit followed up on the implementation of M&E activities. Still, the issue with the results framework were not resolved by revising PDO indicators.

c. M&E Utilization:

Only during the last year of the project, M&E data started to be collected on a regular basis, generating the following tables: physical and financial reports, monitoring of results indicators, procurement contract tracking system, budget monitoring reports (disbursements by component and sub-component), monitoring of the livestock initiative, monitoring of works conducted with funds, and monitoring of capacity-building activities. However, because the results framework was not improved with better linked PDO indicators, the rating is modest

M&E Quality Rating : Modest

11. Other Issues

a. Safeguards:

The Project was classified as a Category B-Partial assessment and triggered the following safeguard policies : Environmental Assessment (OP/BP 4.01); Pest Management (OP 4.09); and Involuntary Resettlement (OP/BP 4.12). In order to evaluate the potential adverse effects that could result from the project's activities the government prepared an Environmental and Social Management Framework (ESMF), a Relocation Policy Framework (RPF), and a Pest Management Plan (PMP). The ESMF, RPF, and the PMP were prepared and made public in February 2004. An environmental expert was hired to the Central Coordination Unit hired to ensure that the project's environmental aspects were managed properly. The project strengthened the capacities of 853 Community Development Associations (nearly 1,700 individuals) in environmental management, and social safeguards. Similarly, 202 facilitators were selected and trained to support communities. The project required all of the sub-projects that it funded to complete an environmental screening and all of the sub-projects complied. The Implementation Status Reports reported full compliance and rated overall safeguard compliance as Satisfactory.

b. Fiduciary Compliance:

According to the ICR (p. 9), quarterly interim financial reports and annual financial audit reports were prepared and submitted on time. The audit reports consistently expressed unqualified opinions on the project's financial statement.

Procurement was handled using two different methods. At the central level, procurement was carried out by the project's Central Coordination Unit and goods and services under Components A and C were procured by the project's Central Coordination Unit. Under Sub-components B1 and B2, village communities and rural communes were given responsibility for contracting suppliers, contractors, and service providers. Due to their lack of procurement experience, rural communes were assisted by the decentralized Regional Coordination Unit and by facilitators assigned to them. The facilitator's responsibilities included helping communities in programming acquisitions, launching procurement processes, preparing and managing contracts, and ensuring capacity building at the community level. A Manual for Simplified Community Procurement Procedures was produced in May 2006 and training was provided in 2006 and 2007 to members of Community Development Associations involved in procurement. Also, training in procurement was given municipal council members belonging to project's rural communes. ISRs indicated that the procurement rating remained Satisfactory.

c. Unintended Impacts (positive or negative):

d. Other:

12. Ratings:	ICR	IEG Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	
Risk to Development Outcome:	Moderate	Significant	Although ICR rating for economic risk is low, this review considers this risk to be higher, because the financial needs of these communities for maintenance and for new investments continue.
Bank Performance :	Satisfactory	Moderately Satisfactory	The results Framework had weaknesses at the outset, which were not addressed by the Bank in subsequent restructurings.

Borrower Performance :	Satisfactory	Satisfactory	
Quality of ICR :		Satisfactory	

NOTES:

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

13. Lessons:

Capacity building and good communication are preconditions for a successful, sustainable Community Driven Development Program . Well-trained, well-informed communities are in a better position to know what they can do and how to do it and to make sound decisions . Strong Community Development Associations are building blocks for strong rural communes .

Investments that are identified by the communities and form part of the development plan that they have prepared, with direct access to public investment resources, have a higher chance of success . The approach initiated by the CBRD Project has not only helped communities to become part of plans and decision making, but also provided them with equitable, direct access to public investment resources . The direct transfer of resources to the communities and the transfer mechanisms used provided greater efficiency in project implementation .

Social cohesion at village level is a key factor for managing common resources efficiently . People are more willing to work together and have higher levels of trust towards each other at the village level, because at the village level, people know one another and have established rules of mutual assistance . Therefore, common goods and funds are managed with greater transparency, and peer pressure plays a positive role .

Women's access to income -generating activities empowers them . The project helped women gain wider recognition and respect, by helping them to demonstrate their skill in operating projects and managing money .

Income-generating activities via Community Driven Development Projects empowers poverty -stricken rural communities . Even the communities that appear passive and resigned to their fate rebound when they are provided with adequate resources, responsibility, and capacity building .

Extension services are important part of successful Community Driven Development Programs and capacity development measures for related extension services institutions need to be included in project design .

A carefully designed results framework in which the objectives are clearly defined and measurable indicators reflect those objectives, is key for tracking project progress and achievements .

14. Assessment Recommended? Yes No

15. Comments on Quality of ICR:

The ICR was well written in general except the following: (i) In the Efficiency Section, the financial rate of return table from the Project Appraisal Document was presented as the ICR result, and the assumptions for economic rate of return calculation were missing. (ii) M&E section needed more elaboration particularly on M&E institutional set up, and reason for initial issues with the system. (iii) Some of the lessons were not well-defined and it was not clear whether they were based on evidence and analysis.

a. Quality of ICR Rating : Satisfactory