



1. Project Data :
OEDID: C2199
Project ID: P001300
Project Name: Second National Agricultural Extension Project
Country: Kenya
Sector: Agricultural Extension
L/C Number: Cr. 2199 - KE
Partners involved : IFAD
Prepared by : Ridley Nelson, OEDST
Reviewed by : Madhur Gautam
Group Manager : Gregory Ingram
Date Posted : 08/06/1999

2. Project Objectives, Financing, Costs and Components :
Total Project Costs at Appraisal: US \$47.9 m; Total Project Costs Actual: US \$24.8 m; IDA Financing at Appraisal: US \$24.9 m; IDA Financing Actual US \$16.1 m; IFAD Financing Actual US \$0.7 m.

The stated objective of the project was to increase the rate of adoption and stimulate the development of technical packages that would enable small holder farmers to increase their productivity and incomes . The project was to consolidate managerial gains made under the first phase project, to increase direct contact with farmers, to improve the relevance of extension, to upgrade the skills of staff and farmers, and, to introduce innovations in the extension system on a pilot basis.

There were four main components: (1) *organization and management*, including investments and operating costs to strengthen the extension service, expansion to six new areas, development of two prototypes in arid and semiarid areas, transportation to improve mobility, support for divisional offices and equipment, a pilot computerized monitoring system, technical assistance in procurement, accounting, and auditing, and studies . (2) *extension methodology*, including mass media and communications, rehabilitation of Farmer Training Centers, and establishment of two Farmer Service Centers on a pilot basis . (3) *training*, including a review of the curricula and operations of agricultural education institutes, degree training, courses to retrain staff and upgrade skills, regular training sessions, and orientation courses . (4) *support for research*, including transportation and equipment for research staff to participate in training sessions, demonstrations and on -farm trials.

3. Achievement of Relevant Objectives :
 Overall achievement was poor, particularly with respect to results of the extension activity itself . Achievement of the *organization and management* objective was only partial. Achievement of the central *extension methodology* objective was unsatisfactory . Achievement of the *staff training* component was generally satisfactory . Achievement of the *research extension linkages* was satisfactory . A number of external and internal factors affected project achievement. External factors included climatic variability, commodity and factor prices and currency depreciation which reduced enterprise returns, civil disturbances, and limited access to credit . Internal factors included reduced budget allocations, weak overall management, poor financial management and financial architecture, including serious delays in the release of funds, and lack of responsiveness to farmer priorities .

4. Significant Achievements :
 Extension systems were expanded into six new districts . Two arid and semiarid land pilot activities, where a unified extension approach was adopted, reportedly worked well except that the start was delayed and mobility was a problem. The research extension linkage component was quite successful, over the life of the project 6,720 on-farm trials were established, 224 percent of the planned target, although evidence on quality and impact is not available . However these tended to be focused only in districts with regional research centers, mainly due to inadequate counterpart funding. Retraining of front-line staff was largely carried out but took much longer than anticipated . While only a small percentage of extension staff were female, the increased focus on group activities resulted in them working with large numbers of existing rural women's groups operating savings schemes . This improved the contact with women. However the project did not identify the specific needs of women and women -headed farm

households or develop strategies to address those needs . The ICR claims that later decentralization of financial management to the district level improved the efficiency of implementation but it is unclear what elements of the program improved.

5. Significant Shortcomings :

Following on from the NEP I, with some adjustment, the project adopted a T&V approach which was not sufficiently flexible and responsive to beneficiary priorities and did not adequately address the overall institutional constraints or sustainability issues . (It should be noted that the period of the project coincided with declining enterprise profitability . Agricultural growth rates were negative through most of the project period .) Apart from the extension approach issue there were weaknesses in institutional arrangements and management and financial architecture . Furthermore, the project was operating within a very difficult economic governance framework . The project management system with an Inter- departmental Working Group without clearly defined responsibilities or accountability was unable to provide strong leadership. A farming systems approach to respond to farmer's priorities was adopted at the start of the project but extension on the ground continued mostly to deliver the same simple messages which had been disseminated under the previous project . Impact studies by OED showed little if any impact . For example, almost half the farmers surveyed thought information was less available than it was 10 to 15 years ago while only about 30% thought it was more available . And, in a system where Contact Farmers (CF) were supposed to be contacted by an extension agent every second week, only 22% of CFs were contacted even monthly . Supervision missions always rated progress on development objectives as satisfactory and appear to have been consistently overoptimistic, reporting on the basis of mission field observations rather than quantified data . The shortage of local funding and the flow of funds procedures, both at the ministry and district level, had been flagged in supervision reports starting in May 1992 right up until August 1997 . However, the project was allowed to carry on without any fundamental improvements in the system . Project design had outlined increased attention to new technologies as a project output . However the OED study found little development of new technologies beyond some new crop varieties . The planned M&E systems were never established and quantitative field information only started entering project reports in a modest way in 1997, the year before completion . Poor financial reporting and delayed audit reports led to project suspension in 1996 . Borrower compliance with covenants was unsatisfactory . The project is clearly not sustainable given existing and likely future levels of government budget support . The existing budgetary allocation leaves practically no operating funds beyond salaries . A substantial rationalization of the service is under consideration .

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Unsatisfactory	Unsatisfactory	
Institutional Dev .:	Partial	Modest	
Sustainability :	Unlikely	Unlikely	
Bank Performance :	Deficient	Unsatisfactory	
Borrower Perf .:	Deficient	Unsatisfactory	
Quality of ICR :		Satisfactory	

7. Lessons of Broad Applicability :

1. Existing and likely future funding levels should be carefully projected to ensure that project design is cost-effective, efficient, and fiscally and technically sustainable and in the event that local funding becomes a persistent constraint the Bank should be proactive in working with the borrower to scale down the project . 2. Given a range of zones and client needs, a range of extension approaches, including public, private, and NGOs should be considered . 3. Efficiency can be improved by decentralized institutional arrangements and financial management including decentralized planning processes . 4. Active participation by stakeholders is essential to ensure that beneficiary interests are fully incorporated in project design . 5. Project performance assessment during supervision as far as possible should be based on the analytical assessment of results on the ground . If such findings are not becoming available, improving the M&E performance should be given greatly elevated priority .

8. Audit Recommended? Yes No

9. Comments on Quality of ICR :

Satisfactory. A very thorough and honest examination of the issues . While data for an economic analysis is limited some attempt at an indicative economic analysis could have been made .