



<b>1. Project Data :</b>
<b>OEDID:</b> C2176
<b>Project ID:</b> P002930
<b>Project Name:</b> Livestock Services Project
<b>Country:</b> Uganda
<b>Sector:</b> Livestock
<b>L/C Number:</b> Cr. 2176-UG
<b>Partners involved :</b>
<b>Prepared by:</b> Ridley Nelson, OEDST
<b>Reviewed by:</b> Keith Pitman
<b>Group Manager:</b> Gregory Ingram
<b>Date Posted:</b> 07/19/1999

**2. Project Objectives, Financing, Costs and Components :**  
*Total Project Costs at Appraisal: US \$24.7 m; Total Project Costs Actual: US \$20.3 m; IDA Financing at Appraisal: US \$24.7 m equivalent; IDA Financing Actual US \$20.3 m equivalent; the Credit closed September 13, 1998, 27 months after the original closing date.*

The project had two main objectives: (a) to reverse the decline in livestock numbers by dealing with the serious animal epidemic disease situation, and to support production measures; and (b) to bring about improvements in the lead ministry which would result in a smaller, more effective, and more efficient organization .

Original components were: (a) a national animal disease control program including three mobile units; (b) tsetse fly control in four districts; (c) forage development and seed production and services; (d) veterinary privatization through the provision the credit and training; (e) institutional development, including technical assistance; and, (f) project management support to the Ministry of Animal Industry and Fisheries in financial management, procurement, training and M&E. Following the midterm review a water supply component was added, and in mid -1996 the credit scheme was canceled because some banks did not qualify and those which did qualify did not agree to on -lending terms and conditions.

**3. Achievement of Relevant Objectives :**  
The project only partially achieved its objectives . It succeeded, alongside the Pan African Rinderpest Campaign, in controlling rinderpest, and it contributed to controlling some other animal diseases . Livestock numbers increased and no rinderpest has been reported since 1996. However in a number of other diseases the vaccination targets were not achieved. Support to private veterinary practice through credit failed, although private veterinary practice expanded anyway within the more favorable policy environment created by government . Institutional development objectives were only very partially met.

**4. Significant Achievements :**  
The project achieved a satisfactory economic rate of return (31%) - but this is very easily done with even a partially successful vaccination campaign and it was done with significant financial support from other donor projects (it is unclear whether the economic analysis really includes all attributable costs ). Rinderpest was controlled . Some degree of tsetse fly clearance was achieved, but insufficient for sustainability . The training component was quite successful and technical assistance was beneficial .

**5. Significant Shortcomings :**  
There was a long delay in achieving effectiveness and later slow implementation .The institutional development objectives were only partially achieved . The organization and management of the project was too complex and this was further exposed when government decentralized most activities to the districts . Project management eventually cost US \$4.5 million, substantially higher than the original allocation of US \$ 1.2 million.The project failed to improve the capacity in procurement of goods and services .There was poor planning and supervision of the water supply component and only 3 of 19 small valley dams were finished by project completion . The tsetse area cleared was only 1000 sq km, substantially less than the 9000 sq km envisaged at appraisal . The sustainability of tsetse control is

unlikely given the limited capacity of the district administrations to give support . In spite of a lot of effort in preparing the credit scheme for veterinarians not a single loan was taken . In retrospect this component, which in any case was poorly planned, was not needed . Bank supervision was weak, there was only an average of one supervision mission per year and, in some cases, absence of clearly needed specialists .

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

**7. Lessons of Broad Applicability :**

Main lessons are: (i) Conditions set for project effectiveness should be absolutely essential; precious time is wasted waiting for compliance and then subsequently waiving the condition . (ii) Sound technical preparation is particularly important with water supply components . (iii) Full consultation with local stakeholders is particularly important in water supply components . (iv) Organization and management design should adhere as far as possible to the existing structure so that responsibilities and operational procedures for project and non -project activities are not in conflict. (v) There should be at least two supervision missions per year and needed technical specializations should be provided. (vi) The financial capacity of the borrower to provide adequate counterpart funding needs careful analysis during appraisal and accommodation within the project design .

**8. Audit Recommended?**  Yes  No

**9. Comments on Quality of ICR :**

Satisfactory, but the lessons needed greater selectivity .