Report Number : ICRR0020474

## 1. Project Data

| | | |
|---|---|---|
| Project ID<br>P149512 | Project Name<br>CAR Emerg. Food crisis & Ag. relaunch | |
| Country<br>Central African Republic | Practice Area(Lead)<br>Agriculture | |
| L/C/TF Number(s)<br>IDA-53950 | Closing Date (Original)<br>30-Sep-2015 | Total Project Cost (USD)<br>20,000,000.00 |
| Bank Approval Date<br>07-Mar-2014 | Closing Date (Actual)<br>31-Mar-2016 | |

| | IBRD/IDA (USD) | Grants (USD) |
|---|---|---|
| Original Commitment | 20,000,000.00 | 0.00 |
| Revised Commitment | 20,000,000.00 | 0.00 |
| Actual | 20,000,000.00 | 0.00 |

Sector(s)
Social Protection(60%):Other Agriculture, Fishing and Forestry(20%):Crops(20%)

Theme(s)
Global food crisis response(50%):Nutrition and food security(30%):Rural policies and institutions(20%)

| Prepared by | Reviewed by | ICR Review Coordinator | Group |
|---|---|---|---|
| Hassan Wally | Christopher David Nelson | Christopher David Nelson | IEGSD (Unit 4) |

## 2. Project Objectives and Components

a. Objectives

The Project Development Objective (PDO) was identical in both the Project Appraisal Document (PAD, p. 4) and the Financing Agreement (FA, p. 5) and aimed to:

***"protect and rebuild livelihoods, human capital, particularly of children, and to re-launch the productivity of the agriculture sector."***

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

No

c. Components

The project included the following two Components:
**1. Human Capital Protection and Livelihood Assistance (appraisal cost: US$12.0 million, actual cost: US$12.00 million)**. This component was designed to protect the human capital of children, including those in the first 1,000 days, and to prevent negative coping strategies by poor households - selling assets, incurring debt and sacrificing food consumption - which would compromise human capital and livelihood recovery in the longer run. It would support the procurement and distribution of specialized and staple foods, and supplemental feeding and school feeding programs in selected locations in the country. The World Food Program (WFP) would procure internationally specialized foods, (unavailable locally) to be used for blanket and targeted feeding of young children, 6-59 months, as well as pregnant and lactating women. It would also procure staple foods (grains, legumes, oils) where possible in neighboring countries through competitive procurement, and move them by land to CAR. These foods would then be distributed to food insecure households, in the affected prefectures at numerous distribution points, with coverage increasing over time as the lean season unfolds. The total human capital protection and livelihood assistance program implemented by WFP would reach more than 1.1 million people. The distribution of food would be particularly aimed at supporting those populations returning from safe-havens to areas of origin and their farmland to support the planting season (March-May).

**2. Re-launch the productivity of the Agriculture Sector (appraisal cost: US$8.0 million, actual cost: US$8.00 million).** This component would aim to restore food production capacity for the most affected people in the food insecure areas. It would finance purchase of groundnut, maize, rice and vegetable seeds (about 400 tons) for subsidized distribution to seeds producer groups (17,400 households), and 370 women groups (11,100 households) to restore domestic food production capacity. In addition, it would support procurement of about 55,000 pieces of farm equipment for subsidized distribution to the same beneficiaries, 740 processing units and rehabilitation and construction of 100 post-harvest and seed storage facilities at community and village level for women' groups, and of the seed laboratory control for the Central African Institute for Agricultural Research (ICRA). It would also provide training to the beneficiary farmers and to 50 field personnel of the Ministry of Rural Development, as well as 150 young graduates who would participate in the implementation of the project.

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

**Project Cost.** The total project cost was expected to be US$20.00 million. Actual cost reported by the ICR (Annex 1) was US$20.00 million.

**Financing.** The project was financed through an Investment Project Financing (IPF) provided on standard IDA credit terms in the amount of US$20.0 million equivalent. Actual amount disbursed according to the ICR (Annex 1) was US$20.00 million.

**Borrower Contribution.** This project was fully funded through an IDA Credit. No borrower contribution was expected.

**Dates.** The project was expected to close on September 30 2015. It closed six months later on March 31 2016. According to the ICR (para 19) the delay was to "complete the 2015 growing season and inform the implementation completion and results report with the full results on component B" and "in order to permit the government/FAO to more fully implement the planned actions" (ICR, para 20). The project was restructured once (Level 2) on February 13, 2015 (amount disbursed was US$17.75 million) in order to extend the closing date to March 31, 2016 and reduce several target values related to Component A. The Mid-term Review was carried out on December 8, 2014 compared to November 30, 2014.

## 3. Relevance of Objectives & Design

a. Relevance of Objectives

Substantial.
The Central African Republic (CAR) experienced a steady deterioration in the political and security context throughout 2013. Instability peaked

in December 2013 and led to depressed economic activity, loss of administrative capacity and declining social service provision. The UN's Office for Coordination of Humanitarian Affairs (OCHA) estimated that about one million persons were internally displaced, including over 500,000 in the capital city of Bangui alone. About 2.6 million people were estimated to require humanitarian assistance and 1.3 million people were food insecure. The results of the Multi-sectorial Initial Rapid Assessment (MIRA) undertaken in January 2014 by the United Nations Food and Agriculture Organization (FAO), World Food Program (WFP) and other partners, indicated that the average number of meals declined to a single meal per day in the assessed areas. Household food stocks were running out, indicating that households needed to rely on humanitarian assistance or purchases at least until the next harvest in mid-2014. Food prices across the country increased substantially due to disruption of transportation services, markets and trade. Almost all communities reported not having enough seed to plant for the next agricultural season, which raised the risk of a very poor agricultural harvest in 2014.
At project appraisal, objectives were in line with two out four pillars of the Poverty Reduction Strategy Paper (PRSP-1, 2007) namely, pillar 1 (Restore security, prevent conflict and consolidate peace) and pillar 3 (Renew and diversify the economy). The project would help restore peace through improving food security and would contribute to renewing and diversifying the economy through support to agriculture.
At completion, the PRSP-1 continues to be the main document for programming external assistance and hence the project objectives remain substantially relevant given the country conditions.
The ICR (para 45) noted that "the PDO was overly ambitious in terms of rebuilding livelihoods and re-launching agricultural productivity, given the rather sparse activities that were planned under the project." This Review fully agrees with this statement.

Rating
Substantial

b. Relevance of Design

Modest.

Design included an overly ambitious and general statement of objectives that was not achievable through a relatively small emergency project of an eighteen months timeframe. The results framework did not provide clear links between project input, outputs and expected outcomes. It also included ambitious targets in particular for activities implemented under WFP, some of these were later reduced by 50% at the mid-term review. To achieve the stated objectives design included two components. The first component (implemented by WFP) focused on food distribution, however, this was the only activity geared to rebuilding livlihoods. The second component (implemented by FAO) was expected to contribute to re-launching agricultural productivity through financing purchase of seeds and support procurement of farm equipment for subsidized distribution to seeds producer groups and women groups. In addition, it would support the seed laboratory control for the Central African Institute for Agricultural Research (ICRA), 740 processing units and rehabilitation and construction of 100 post-harvest and seed storage facilities at community and village level for women' groups. This was expected to restore domestic food production capacity. While activities under component 2 were relevant, they lacked critical elements including provision of fertilizers and extension support to farmers to achieve the desired impact on productivity.
Design suffered from a number of shortcomings. First, it did not include relevant activities to rebuild livelihoods other than food distribution. Second, coordination of project activities was entrusted to Agence Générale d'Exécution des Travaux d'Intérêt Publics (AGETIP) without any incentive for this agency to fulfill its role since all project funds were paid in advance directly to WFP and FAO. According to the ICR (para 48) "without any incentives to do the job it was asked to perform, AGETIP never really followed up, coordinated, or supervised WFP and FAO." Third, FAO lacked adequate monitoring capability which undermined the credibility of the information provided by FAO and undermined the management of the activities under Componet 2 as a whole.

Rating
Modest

## 4. Achievement of Objectives (Efficacy)

## Objective 1

Objective

PDO: protect and rebuild livelihoods, human capital, particularly of children, and to re-launch the productivity of the agriculture sector.

The statement of objectives includes two separate sub-objectives that will be assessed and rated separately as follows:

(a) to protect and rebuild livelihoods, human capital, particularly of children; and

(b) to re-launch the productivity of the agriculture sector

While original PAD targets were significantly revised lower at restructuring, this had no impact on ratings because about 88% of the funds were disbursed before restructuring.

Rationale

**sub-objective (a): protect and rebuild livelihoods, human capital, particularly of children. Modest.**
**Outputs**

- By project completion 5,105 tons of food were distributed to beneficiaries compared to an original target of 1,400 tons
- Blanket supplementary feeding reached 439 tons compared to a revised target of 372.2 tons and an original target of 2,500 tons reflecting 118% achievement rate of the revised target, but only 17.5% of original one.
- Targeted supplementary feeding reached 1,158 tons compared to revised target of 1,043 tons and on original target of 2,000 tons reflecting 112% achievement rate of the revised target; but only 58% of original one.
- Emergency school feeding reached 602 tons compared to a revised target of 824 tons and an original target of 1,470 tons reflecting an achievement rate of 73% of the revised target; but only 41% of original one.

**Outcome**
**Livelihoods assistance**. The project reached about 722,000 beneficiaries (66% of original target) compared to an revised target of 441,000 beneficiaries and an original target of 1.1 million beneficiaries. Also, 153,000 children (compared with a revised target of 108,000 and an original target of about 425,000, i.e. 36% of original target) benefitted from preventive food distributions along with the gradual re-opening of health facilities which facilitated an increased access of children. It was expected that 1400 tons of food would be distributed to 1.1 million people (or 1.3 kg per person). Actual achievement was 5,105 tons for 721,635 beneficiaries (or about 7 kg per beneficiary). The project was significantly short on achieving its target beneficiaries and provided 438% of the per capita food target (7kg/beneficiary compared to a target of 1.3kg/beneficiary).
**Human capital.** 153,248 beneficiaries (36% of the original target of 424,500 beneficiaries and 142% of the revised target of 108,063 beneficiaries) received a total of 2,199 tons of food or about 14 kg per capita. 92,795 beneficiaries were covered under the blanket program to prevent a peaking in malnourishment with 439 tons of food (18% of original target of 2500 tons and 118% of revised target of 372 tons); 34,324 beneficiaries under the targeted feeding program for pregnant and lactating women received 1,158 tons of food (58% of original target of 2000 tons and 112% of revised target of 1,134 tons); and 26,129 beneficiaries under the school feeding program for children with moderate-acute malnutrition received 602 tons (41% of original target of 1470 tons and 73% of revised target 824 tons).
Based on the above mentioned achievements and given that 88% of disbursements happened before restructuring, the project significantly underperformed and fell short on achieving all of its original targets and hence the outcome for this sub-objective is rated modest.

Rating

Modest

## Objective 2

Objective

Sub-objective (b): to re-launch the productivity of the agriculture sector.

Rationale
**Sub-objective (b): to re-launch the productivity of the agriculture sector. Negligible.**
**Outputs**

- By project completion 321 tons of seed were produced (92% achievement rate of a target of 350 tons).
- By project completion only 12 of the originally targeted 75 warehouses for storage were completed with an estimated average storage capacity of 2 tons per warehouse, this would amount to 24 tons or 16% of the original target of 150 tons.
- 446 people were trained compared to an original target of 223.

**Outcome**
Support to re-launch agricultural productivity was expected to be achieved through the provision of seeds, farm equipment, processing plants, improvement of grain storage capacity, and training. Direct beneficiaries for support in food crop production reached 147,000 compared to a target of 143,000. The ICR (para 56) noted that verifying the provision of all the 55,000 of on-farm equipment and 740 processing units was not possible. In addition, only 12 storage units (out of a target of 75) with a total capacity of 24 metric tons out of the planned 150 metric tons were constructed and delivered for storage purposes. Seed production by multplicators of seeds was highly inefficient and faced numerous problems. At the time of ICR preparation, there was no report on seed production by the multplicators of seeds and Institut Centrafricain de Recherche Agronomique (ICRA) yet. The ICR provided no evidence on the impact of project activities on re-launching productivity, therefore the outcome of this sub-objective is rated negligible.

Rating
Negligible

## 5. Efficiency

**Economic and Financial efficiency**
***ex ante***
The PAD did not include an economic or financial analysis of prject activities and did not provide an estimated economic or financial rate of return.
***ex post***
The ICR (Annex 3) noted that it was not possible to conduct a robust economic and financial analysis of the project's achievements due to the lack of data. This was a result of a weak M&E system and a challenging security situation within the country. The ICR instead looked at efficiency through comparing the cost of activities implemented by the WFP (60% of project costs) and bench marking against other project of similar nature. According to the ICR (para 60) "the WFP component, based on coverage and cost-effectiveness, seems to have been efficient." However, due to the absence of relevant data it was not possible to assess cost effectiveness of activities under FAO.
The ICR did not provide an economic or financial rate of return for the project as a whole or for any of the two components.
**Administrative and financial efficiency**
The project closed six months later than expected. Some project activities experienced significant delays and were not completed by the closing date, for example the storage facilities for seed producers. Also, purchase of agricultural inputs experienced delays. Financial management was weak, the ICR (para 29) noted that "the financial management review conducted during the closing mission indicated that at least US$ 881,000 expenditures were made with no justification."
Efficiency is rated negligible due to the absence of any meaningful economic or financial analysis of project investments.

Efficiency Rating
Negligible

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<br>☐Not Applicable |
| ICR Estimate | | 0 | 0<br>☐Not Applicable |

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

## 6. Outcome

Relevance of objectives was rated substantial while relevance of design was rated modest. Efficacy of the first sub-objective was rated modest because the project significantly underperformed and fell short on achieving all of its original targets. Efficacy of the second sub-objective was rated negligible due to the lack of evidence on the impact of the project activities on re-launching agricultural productivity. Efficiency was rated negligible due to the absence of any meaningful financial or economic analysis and weaknesses on the administrative and institutional side.

a. Outcome Rating
Unsatisfactory

## 7. Rationale for Risk to Development Outcome Rating

The main threat to the sustainability of the development outcome is the volatile security situation in the country. Any deterioration in the security situation could derail the limited achievements by the project including the seed production system. At completion, the security situation in the country continued to represent a significant risk to the operation's development outcomes.

a. Risk to Development Outcome Rating
High

## 8. Assessment of Bank Performance

a. Quality-at-Entry

The project was an emergency operation to address targeted food needs of vulnerable population groups and prepare to re-launch the agriculture sector in CAR. It aimed to finance critical activities under the WFP overall response program and FAO's strategic response plan in targeted areas in CAR. The project was prepared, approved and became effective in less than three months. Funding necessary for this operation came from the cancellation of the Agro-pastoral Recovery Project, approved in May 2011, with an amount of US$ 23.8 million. However, objectives were overly ambitious given the timeframe of the operation. The project design benefitted from the experience of other Bank funded operations in CAR including: the Food Crisis Response Project and the Agro-pastoral Recovery project. Notable lessons reflected in the design included: outsourcing implementation to non-governmental partners which could be an effective strategy in fragile states. However, other relevant lessons were not clearly reflected in the design. Design was simple with two contracted components to be implemented by WFP and FAO, respectively- given the absence of Government implementation capacity on the ground (ICR, para 23). However, design suffered from notable shortcomings including: assigning the coordination and financial management functions of the Project to AGETIP without any incentives, overlooking the absence of any monitoring capacity for FAO, and the absence of critical elements needed for the improvement of agricultural productivity such as the provision of fertilizers with seeds. Also, the one-time transfer of funds to the UN's implementing agencies was not the best disbursement arrangement for project money--as US$881,000 of FAO funds were unaccounted for and some FAO implemented activities were not completed even with the extension of the closing date. Eleven risks were identified at appraisal, six were rated high, four were rated substantial, one was rated low; and overall risk was rated high. The mitigation measures for these eleven risks relied on assigning implementation to FAO and WFP who have good track records and experience in managing Bank funds in CAR and globally. However, the PAD did not include clear risk mitigation measures. Finally, M&E suffered from weaknesses at all levels (design, implementation and utilization- see section 10 for more information).

Quality-at-Entry Rating
Moderately Unsatisfactory

b. Quality of supervision

The project was implemented under a challenging security and political environment. Five implementation support missions were carried out during implementation. The project benefited from hiring a local consultant who supervised activities on day to day basis. While the consultant raised the lack of involvement of AGETIP in coordinating the project activities and the inadequate inflow of information from FAO, these issues remained unaddressed. The Bank team was overoptimistic in rating the performance despite that proven results were not recorded on the ground by FAO; and WFP results were not deeply analyzed. It was only in the last supervision mission when issues regarding FAO were highlighted. The ICR (para 72) noted that "the Bank could have shown more candor in its rating and should have elevated AGETIP and the FAO-related issues to its top management level." IEG agrees with this assessment. M&E system was non-existent for FAO-implemented activities and this should have been noted and addressed during the first supervision mission.

Quality of Supervision Rating
Unsatisfactory

Overall Bank Performance Rating
Unsatisfactory

## 9. Assessment of Borrower Performance

a. Government Performance

According to the ICR (para 74) the Government showed high interest in the operation. However, the Agence Générale d'Exécution des Travaux d'Intérêt Publics (AGETIP; part of the Ministry in Charge of Infrastructure) which was assigned to provide coordination and financial management in the name of the Government in order to make sure that the project would be implemented as desired, failed to provide its expected role. This warranted an unsatisfactory rating for the Government performance.

Government Performance Rating
Unsatisfactory

b. Implementing Agency Performance

The implementing agencies were WFP and FAO, and the coordination of activities was supposed to be overseen by Agence Générale d'Exécution des Travaux d'Intérêt Publics (AGETIP; part of the Ministry in Charge of Infrastructure). The WFP showed limited success in implementing activities under Component 1 and most targets were not achieved if compared to the original PAD targets. On the other hand, FAO showed poor performance in implementing activities under Component 2 with very limited achievements, very significant problems with monitoring and reporting, unsatisfactory financial management, failing to provide a refund to the Bank (with reagrds to ineligible expenditures), and the lack of response to Bank requests. Finally, the AGETIP suffered from limited institutional capacity and failed to provide any role in coordinating and monitoring project implementation. Therefore, Implementing Agency Performance is rated unsatisfactory.

Implementing Agency Performance Rating
Unsatisfactory

Overall Borrower Performance Rating

Unsatisfactory

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

a. M&E Design

The PDO was to be assessed through three quantitative indicators that relied on counting beneficiaries. There were no indicators to assess improvement in livelihoods or improvements in agricultural productivity. Design included nine intermediate outcome indicators to assess the achievements under the two project components. All of these were quantitative indicators, for example: counting tons of food distributed, tons of seed given to farmers, among other things. The Monitoring and Evaluation (M&E) system for the project was intended to be participatory and handled by WFP and FAO. A study was planned to be undertaken by WFP and FAO to evaluate the impact of the project's interventions including whether the increased access to food, seeds, and equipment had an intended impact on nutrition and production levels.

b. M&E Implementation

The planned study mentioned above was not was not carried out. WFP monitored its activities regularly, however, FAO did not have an M&E system in place. Towards the end of the project FAO hired an international consultant to write a report, however, the absence of monitoring data resulted in a report that lacks substance and accuracy (ICR para 33).

c. M&E Utilization

WFP provided regular monitoring reports "of good quality and were delivered in a timely manner throughout the project period (ICR para 34)." However, the performance of FAO monitoring was "weak or inexistent and the reporting unsatisfactory (ICR, para 34)." The ICR did not provide further information on utilization. However, it is evident that utilization was limited in particular for the activities under FAO given the lack of data and inexistent monitoring system.

M&E Quality Rating

Negligible

## 11. Other Issues

a. Safeguards

The project was a Category B-partial assessment because any negative impact would be local and limited, and specific mitigation measures were designed. The following safeguard policies were triggered: Environmental Assessment (OP/BP 4.01); Pest Management (OP 4.09); Indigenous Peoples (OP/BP 4.10) and Physical Cultural Resources (OP/BP 4.11). The project relied on the Environmental and Social Mitigation Assessment (EMSF), Social Management Framework (ESMF), Pest and Pesticide Management Plan (PMP) and Indigenous Peoples Plan (IPP) for the World Bank's Agro-Pastoral Recovery Project (P124278) prepared in 2012 which were updated before the implementation of activities on the ground. The ICR (para 38) noted that "the relevant safeguards instruments (ESMF, PMP, and IPP) were updated and disclosed 120 days after the project effectiveness." An Environmental and Social Screening and Assessment Framework (ESSAF) was prepared since the project was subject to OP/BP 10.00, paragraph 11, related to Projects in Situations of Urgent Need of Assistance or Capacity Constraints. The ESSAF described the approach and principles to be followed to ensure due diligence in managing the potential adverse environmental and social impacts and risks associated with the Project.
The ICR did not provide an explicit statement on compliance with the Bank's safeguard policies and noted that it was not possible to know how safeguard instruments were implemented (ICR, para 38).

b. Fiduciary Compliance

**Financial Management.** WFP provided satisfactory interim and final reports and transmitted these to the Bank on time. However, FAO's performance was weak and interim reports were often submitted late and the final report not received. The final report should have addressed the issues of the unaccounted funds of US$ 881,000. After a comprehensive analysis of the financial management of the Project was carried out by the Bank's Financial Management Specialists, these funds were considered non-eligible expenditures made by FAO with no justification of such expenses. The ICR (para 41) reported that "the final mission conveyed to the government and FAO that this amount of unjustified expenditures must be reimbursed to the Bank. FAO has not complied, and the Bank has not yet sufficiently elevated the matter." However, at the time of preparation of the ICR, FAO had not yet addressed this matter and no money was refunded to the Bank.
**Procurement.** The ICR did not discuss procurement activities.

c. Unintended impacts (Positive or Negative)

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d. Other

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## 12. Ratings

| Ratings | ICR | IEG | Reason for Disagreements/Comment |
|---|---|---|---|
| Outcome | Unsatisfactory | Unsatisfactory | --- |
| Risk to Development Outcome | High | High | --- |
| Bank Performance | Moderately Unsatisfactory | Unsatisfactory | There were major shortcomings in Bank performance. Outcome was rated unsatisfactory. |
| Borrower Performance | Moderately Unsatisfactory | Unsatisfactory | There were major shortcomings in Borrower performance.Outcome was rated unsatisfactory. |
| Quality of ICR | | Substantial | --- |

Note
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

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

- **Adequate implementation budget/support is critical for emergency operations particularly in fragile states.** Simplified financial management and procurement procedures combined with the flexibility in preparing emergency operations facilitate rapid approval, effectiveness, and initial disbursement. However, the quality of implementation and achievement of results may be seriously compromised if adequate supervision resources are not provided.
- **Outsourcing project implementation to well-established international institutions is not necessarily an effective strategy in fragile states, unless they have proven country-level institutional capacity and functioning procedures on the ground.** WFP's experience and know-how in developing and deploying school feeding program and food distribution were key in achieving the objectives under Component 1. However, FAO's implementation performance was weak and the absence of a functioning M&E and related reporting system should have been noted during project preparation.
- **Phased payments to international implementing agencies rather than a single tranche helps to ensure that the total amount of money paid to carry**

**out an activity is fully used to do it.** If using specialized UN Agencies is appropriate to implement some projects in certain situations, payments should be phased. This would provide better incentives to implementers and make them do a better job while respecting contractual agreements.

## 14. Assessment Recommended?

No

## 15. Comments on Quality of ICR

The ICR provided a good account of project activities and reported candidly on most shortcomings. However, the discussion of outcomes was limited due to the unavailability of data with regards to FAO implemented activities (Component 2). The ICR included relevant lessons that reflected the project experience. The ICR could have improved on the following points:

- provide an explicit statement on safeguard compliance for each triggered safeguard policy
- report on the status of external financial audits
- report on procurement activities

a. Quality of ICR Rating
Substantial