



1. Project Data

Project ID
P101716

Project Name
CN-Jilin Food Safety

Country
China

Practice Area(Lead)
Agriculture

L/C/TF Number(s)
IBRD-78990

Closing Date (Original)
30-Jun-2016

Total Project Cost (USD)
142,560,000.00

Bank Approval Date
13-May-2010

Closing Date (Actual)
30-Jun-2017

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	100,000,000.00	0.00
Revised Commitment	81,109,301.12	0.00
Actual	81,109,301.12	0.00

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2. Project Objectives and Components

a. Objectives

To assist Jilin Province in improving its agricultural product quality and reducing agricultural product safety risks.

The PAD and Loan Agreement elaborate on the project objectives by adding, after “safety risks” “through: (i) introducing good agricultural practices; (ii) improving the implementation of agricultural product safety related regulations; and (iii) strengthening the agricultural product safety monitoring system.”

Source Project Appraisal Document, April 12, 2010. (The Loan Agreement, July 20, 2010, has identical wording.)



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

No

c. Will a split evaluation be undertaken?

No

d. Components

1. *Promotion of Good Agricultural Practices for Agricultural Product Quality and Safety* US\$ 17.91 million estimated at appraisal. Actual costs US\$ 14,76 million)

Primarily comprising: (a) developing or improving local regulations and standards for safe agricultural production, and promoting standardized good agricultural practices; (b) establishing about 200-300 demonstration sites; and, (c) strengthening agricultural product certification systems.

2. *Public Monitoring of Agricultural Product Quality and Safety.*

(US\$ 68.54 million estimated at appraisal. Actual costs US\$ 60.81 million)

Strengthening the capacity of the Agricultural Committees and Livestock and Water Resources Bureaus at provincial and local levels in managing and monitoring agricultural product safety and quality including; (a) establishing and equipping government agencies supervising and managing the agricultural safety program; (b) developing information systems; (c) constructing or renovating provincial and municipal laboratories for testing and certifying the quality of agricultural production; and (d) a baseline inventory for areas unsuitable for agriculture because of environmental contamination.

3. *Agriculture Product Quality and Safety Applied Research, Training and Awareness Raising.*

(US\$ 13.90 million estimated at appraisal. Actual costs US\$ 11.34 million)

Increasing the knowledge of agricultural product safety and quality through: (i) grants to research institutes or universities; (ii) training government staff, farmers and agricultural processors, and upgrading university curricula; and (iii) public awareness campaigns utilizing local television, radio and newspapers.

4. *Demonstration Models for Safe Agriculture Supply Chains.*

(US\$ 28.57 million estimated at appraisal. Actual costs US\$ 29.10 million)

Development and demonstration of viable business models for incorporating farmers into high-value food supply chains, including sub-loans for selected private enterprises or farmer associations to create models for integration of small-scale farmers into high-quality, high value and safe agricultural product supply chains.

5. *Project Management and Monitoring.*

(US\$7.39 million estimated at appraisal. Actual costs US\$ 9.67 million)



Strengthening the capacity of project implementing agencies at provincial, municipal and county levels in project management, financial management, procurement, social and environmental safeguards, and monitoring and evaluation.

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

Project Costs: The appraisal estimated total project costs were US\$142.6 million, and actual costs at completion were US\$125.7 million, 88 percent of the appraisal estimate.

The lower actual costs compared with estimates at appraisal was primarily due to: a reduction in the number of laboratories (from 12 laboratories to 10); and, to cost savings resulting from competitive bidding.

Financing: The project received a Loan of US\$100.0 million, of which US\$ 81.1 million (81 percent) was disbursed. The borrower contribution was US\$ 44.6 million, two percent larger than the original expectation of US\$42.6 million. There were no co-financers.

Dates: The project was approved on 05/13/2010, and was scheduled to close six years later on 06/30/2016. With a one year extension the project closed on 06/30/2017, a seven year project period.

Restructuring: Project objectives, project components, PDO indicators and implementation targets were not changed. On the other hand on 02/17/2015 and on 11/25/2015 there were reallocations of project funds between disbursement categories. On 11/25/2015 there were also changes in disbursement arrangements. On 06/09/2016 the project's closing date was extended by one year to allow for completion of construction and equipping of the laboratories for testing of agricultural product safety and to enable a year of operations of the laboratories (ICR, page ii).

3. Relevance of Objectives

Rationale

The project fulfilled a strategic need in China for introducing a systematic approach to food quality and safety. China has made strides increasing yields and production, but measures to improve the quality of agricultural products, and safeguard against contamination, had lagged. Foreign markets have become considerably more demanding with respect to product quality and contamination. For example, as the ICR points out (paragraph 1) poor quality and food safety risks led to the prohibition by the European Union of imports of honey, aquaculture products and processed milk from China leading to large reductions in export earnings. Hence there was an urgent need for standards, processes, information, monitoring, and infrastructure, if China was to make improvements in the quality and safety of its agricultural products.

The project fitted well with the development strategies of both the Bank and Government. the Chinese Government's commitment was evident from the three laws passed over the past decade: A law on product quality and safety was issued in 2006, followed by an upgrading in 2009 and another law in 2015.



Experience from the project may have served as a testing ground influencing the drafting of the 2015 law. By the time the project was approved, food quality and safety were receiving increasing priority in budgeting and planning. But the means, knowledge and infrastructure to carry out such a program were limited. Nevertheless, Government commitment has been strong throughout the pilot program which the project implemented is now being scaled up (ICR, page 20). The project has been seen by Government as a pilot for scaling up and wider eventual impact. The ICR notes that "...the intention to upscale nationwide the good practices piloted within the project (ICR, page 1, referring to Government strategy for the program.). Jilin province was chosen for the pilot because it is a major agricultural exporter to other parts of China (ICR, para 4), fulfilling the need to have a market and export oriented region for the pilot."

The project has consistently been relevant to Bank strategy documents. At appraisal, the Country Partnership of 2006 had as one of its pillars "Integrating China into the World Economy." The most recent CPS (2013-2016), states that "concerns about food safety further hamper potential for expanding the value of crops, and (virtually defining the project): testing new approaches ensuring agricultural product quality and safety."

Rating

Substantial

4. Achievement of Objectives (Efficacy)

Objective 1 **Objective**

To assist Jilin province in improving its agricultural product quality

Rationale

Introduction:

The efficacy of the project will be reviewed against its two objectives: (i) improving agricultural product quality; and (ii) reducing agricultural product safety risks. Particular attention will be paid to improving agricultural product safety monitoring systems, as, while safety monitoring does not appear specifically in the project objectives, it is referred to in the PAD's amplification of the objectives (PAD, para 9).

It is to be noted also that, while the extent to which the two objectives are achieved is addressed separately in the ICR and in this Review, there is some overlap in the focus on product quality and food safety risks. For example, activities in the laboratories financed by the project involve measurement of the achievement of both these objectives, and one of the PDO indicators is stated as "percent of agricultural production adopting certified production standards (pollution free) in the province" explicitly links high product quality to low food safety risks. This link is, however, not always strong because there are trade-offs between the two objectives. Nevertheless, in the assessment below of this project's outputs and outcomes for each objective there are cases when information on outputs and outcomes are relevant to both objectives resulting in some duplication.



Objective 1: Outputs

According to the ICR (paragraphs 21 to 26 and Annex 1) the project made a robust start introducing or expanding the activities supporting improved product quality. All implementation targets were achieved, some substantially so. The list below covers the main targets listed in the Results Framework. The main thrust was the development of technical standards for production, processing and marketing, and the development of a large number of demonstrations for farmers to disseminate the new technologies.

- (a) 119 technical standards for the quality of agricultural products were developed and adopted, against a target of 100. There were no such standards at the beginning of the project.
- (b) 211 demonstration sites for certified agricultural production established compared with the targeted 50 sites, and no demonstration sites before the project.
- (c) The number of farmers visiting demonstration sites was 42,000 during the project's implementation; a fourteen-fold increase over the originally targeted 3,000 farmers.
- (d) 91 percent of the farmers that visited demonstration sites, adopted "good agricultural practices" (primarily covering product standards, production processes, testing and environmental testing standards (PAD, Annex 4, paragraph 2) within one year of the visit (the target was 15 percent).
- (e) As targeted, four agricultural product quality and safety supervision offices which measure progress on upgrading the enforcement system were established and made operational.

OUTCOME for Objective 1

The PDO indicator for this objective - assisting Jilin Province in improving its agricultural product quality - was "the percentage of agricultural production in the province adopting certified production standards (pollution free) in the province". Against the original target of 15 percent, 16.5 percent of production was at certified standards and pollution free, meeting the targeted amount. The ICR does not assess the extent to which this result is attributable to the project. The 16.5 percent increase is from a base of 10 - a 65 percent increase in adoption state-wide. The means to continue or build this drive - through the infrastructure, training, demonstrations and quality control - provided a basis for scaling up

This Review therefore concludes that, assuming the increase in pollution free certified agricultural production is attributable to the project, the efficacy of the Objective 2, namely to assist Jilin Province in improving its agricultural product quality was Substantial.

Rating

Substantial

Objective 2 Objective



To assist Jilin Province in reducing agricultural product safety risks.

Rationale

The core intention of this objective was “to introduce a risk-based monitoring system for agricultural product safety and to upgrade the installed base of laboratory equipment and trained personnel to service this monitoring system” (PAD, paragraph 36). The food safety risk indicator for assessing achievement against this objective was “to establish a risk-based agricultural product safety monitoring system” (ICR, Annex 1). The main achievements against key monitorable indicators were:

OUTPUTS for Objective 2

According to the ICR (paragraphs 21 to 26 and Annex 1) the following major outputs were achieved.

- (a) The computer system for monitoring agricultural product safety at the provincial level was established.
- (b) Four agricultural product safety and quality supervision offices (equal to the target) were established and made operational
- (c) Initial sampling results and annual updates for agricultural product safety monitoring were carried out.
- (d) A baseline survey for environmental contamination was undertaken and inorganic and organic pollutants in soils were mapped.
- (e) Public awareness of food safety increased to 11 percent against the targeted 5 percent.
- (f) Research programs were launched on environmental risks.
- (g) Ten laboratories for agricultural safety and quality sampling were constructed or partly constructed. Twelve laboratories were originally planned, but then reduced to 10 to facilitate project implementation. Completeness of construction and installation of equipment was uneven. By 2017, six months after project closure four laboratories were fully functioning - i.e. construction completed, equipment installed, a basic level of trained staff established, and successful start-up of operations. These laboratories had also been accredited by the China National Accreditation Service for Conformity Assessment (CNAS). Based on information provided by the Bank project team five laboratories were at an advanced stage of construction and scheduled to be accredited in 2018, with the remaining laboratory to be accredited in 2019. Staffing and sampling achievements provide another perspective: By end 2017, all the laboratories had hired at least some personnel. And there was some sampling being done as well. (information from task team). The average throughput per laboratory was more than 5,000 samples per year, annualized, and nine of the 10 labs had more than 3,000 samples per year

OUTCOME of Objective 2

The central intention of the project’s risk reduction objective, and its key outcome indicator, was to “establish a risk-based agricultural product safety monitoring system” (ICR page 21), “and to upgrade the installed base of laboratory equipment and trained personnel to service this system” The most complete achievements have been the establishment of the computer system, the management network, and some improvement in public awareness. For the laboratories, there is no evidence of poor quality, and their staffing. The ongoing sampling, and the advanced stage of completion of the program, suggest a likely final outcome for Objective 2 as intended, but delayed, namely 10 laboratories to effectively monitor agricultural product quality and food safety in compliance with International Organization for Standardization (ISO) standards and accredited by the China Metrology Accreditation (CMA).

This Review therefore concludes that, on the basis that rehabilitation of existing laboratories and the new



laboratories constructed and their future operation are attributable to the project, the efficacy of this project's second objective is Substantial. The delays in the laboratory program are discussed in the section of this Review which addresses efficiency.

Rating

Substantial

Rationale

Since the efficacy of both objectives is rated substantial the overall efficacy is also rated substantial.

Overall Efficacy Rating

Substantial

5. Efficiency

Economic Efficiency: An economic rate of return was not calculated for the project at appraisal or at completion on the grounds that benefits could not be quantified. Annex 4 in the ICR provides a number of approaches to a qualitative assessment of the efficiency of this project. It underlines the problems of assessing the project's efficiency, but adds that "food safety goes beyond the purely economic trade-offs to issues of socially acceptable minimum food standards. A single food safety scare can cost a country and producers billions of dollars in lost revenue. The 2008 Melamine incident in China where Melamine, a plastic compound, was added to milk to boost protein readings cost dairy producers and the country billions. It was the direct result of a failure in the food safety monitoring system." While the implication of this statement is that the relatively small investment in a food safety monitoring system generates potentially very large benefits and is therefore an efficient use of national resources, the issue of efficiency here is the efficiency with which the project was implemented.

As foreshadowed in the PAD (Annex 9, paragraph 5) Annex 4 of the ICR notes that a financial analysis of 14 demonstration models for Safe Agricultural Supply Chains Sub-projects was conducted prior to implementation "to ensure that the expected financial rate of return would be higher than the opportunity cost of capital. The ICR reports that at project completion "the financial analyses for 10 out of the 14 sub-projects were repeated. The financial internal rates of return (FIRRs) range from 9-22%, indicating that most of the enterprises funded by the project are financially viable" (Annex 4, paragraph 12)

Cost effectiveness: Actual project costs were eight percent below appraisal estimates, while construction of infrastructure and the amount of services provided (e.g. demonstration sites) reached or exceeded targets. This implies that project activities were cost-effective, providing that the quality of infrastructure and services matched appraisal intentions. A comprehensive evaluation of cost effectiveness relative to the costs of



comparative investments in other projects/countries is not available, although the ICR claims that unit cost reductions were achieved due to the use of competitive bidding. The basis for the assessment of unit costs for the project was derived from China's general reviews of unit costs across the country and it was therefore not a comparison of investments specific to this project such as product testing laboratories.

Implementation Efficiency: The project was extended by one year, primarily due to the extra time needed to complete construction and operationalization of the laboratories. All other project components were completed as scheduled. Based on information provided by the Bank's task team and information in Annex 8 of the ICR compliance with the International Organization for Standardization's (ISO's) general requirements for the competence of testing and calibration of laboratories (a condition of laboratory achievement in the Project Agreement), accreditation by the China Metrology Accreditation (CMA), and full operational capacity was achieved by only 3 of the 10 laboratories; although Annex 8 states that these three covered "a large part of the National and provincial regulatory surveillance". Annex 8 also states that two of the laboratories were expected to receive CMA accreditation by August/September 2017 but that the other 5 were expected to receive CMA accreditation no later than June 2018. In other words, even if there were no more delays, it would be close to a year after the project closed before all laboratories would be accredited and fully functional.

Summary: No economic rate of return is available, although other efficiency indicators in the ICR suggest an adequate financial rate of return and cost effectiveness of the infrastructure construction and rehabilitation.

The key shortfall in terms of efficiency was the substantial delay in the laboratory construction and rehabilitation program and the further delay in accreditation of all the laboratories. According to information provided to IEG by the Bank's project team the additional year's implementation allowed the construction and installation of equipment of all laboratories to be completed. At the project's close, however, only 3 of them conformed to ISO standards and were accredited under Chinese national regulations by the CMA. The laboratories were a key contributor to the objective of reducing food safety risks through "strengthening the agricultural product safety monitoring system". The delay in having half of them not operational until close to another year after the project closed was a significant shortfall, an inefficient result, and exposed the agricultural sector to continued risks of inadequate information on food contamination. Based on all the information available the project's overall efficiency is therefore assessed by this Review as Modest.

Efficiency Rating

Modest

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 <input type="checkbox"/> Not Applicable



ICR Estimate	0	0 <input type="checkbox"/> Not Applicable
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* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

The relevance of the project's objective was Substantial as it was intended to pilot a comprehensive approach to improve the quality and reduce food safety risks of agricultural products, which were reducing revenues to farmers and had high risks of leading to reputational risks particularly in the export market. The objective furthered the Bank's and the Government's strategy to integrate China into the world economy, with reduced risk of food safety as one of the critical necessary conditions for success. The efficacy of Objective 1 (to improve the quality of agricultural production) was substantial because the percentage of certified agricultural production target for Jilin province was reached.. The efficacy of Objective 2 (to reduce agricultural product safety risks) was also Substantial since all 10 laboratories planned to be constructed and equipped. A number of actions were taken which contributed to a safer environment, but most of the laboratories, a fundamental part of the product safety action program, were not accredited and operationalized until after project closure. The project's efficiency was therefore rated Modest. Overall the achievement of this project had moderate shortcomings and its outcome is therefore rated Moderately Satisfactory.

a. Outcome Rating

Moderately Satisfactory

7. Risk to Development Outcome

Some key project features mitigated risks to its development outcomes: (a) the project's design was basically sound, providing a good platform for scaling up the project's program; (b) an institutional structure, operating organically within the government administration, has been established making the continuation of the program easier; and (c) a favorable legislative and policy framework has been created. Also (d), specifically for the food quality aspects of the project, Good Agricultural Practices (GAP) have been adopted by a significantly greater number of farmers. The increase in the proportion of farmers in Jilin province adopting GAP technologies was estimated in the ICR to have increased by about 65 per cent which would have significantly increased demonstration coverage. This has created ready demonstrations for other farmers; and farmers are reported in the ICR to have experienced increased prices and profits, hence providing incentives to continue their improved agricultural and marketing practices.

The main risk may be the food safety part of the project. This has lower direct incentives for participation. First, benefits are more general than being also specific to an individual or producer organization as in the food quality program. Second, due to the difficulties establishing the laboratories, there has been limited time to train staff and operationalize each laboratory. Nevertheless, Government commitment to take the program forward will probably ensure political and administrative support. Thus, "...Nationwide, the good practices piloted within



the project ... ICR, paragraph 4). and "the long-term project impact in improving its agricultural product quality and reducing agricultural product safety risks ... has been incorporated into on-going government efforts ... (ICR, paragraph 76).

Hence, while risks may be greater for the food safety program, political will is likely to bolster the program as the laboratories gain experience. The project's overall Risk to Development Outcome is Modest.

8. Assessment of Bank Performance

a. Quality-at-Entry

a . Quality-at-Entry

The most fundamental aspect of quality at entry, is the strategy within which the project was identified. The large potential economic gains and the greater resilience to market collapse made the project strategically relevant for China (see Section 3 of this review). The value of the project was considerably enhanced by its role as a pioneer operation. It was the first Bank-assisted operation on food safety in China, and piloted an approach with technical features for scaling-up elsewhere in the country. Moreover, if quality and safety were neglected, there were very high market and reputational risks from contaminated foodstuffs. The project fitted well within China's development strategy, and the legal basis for food quality and safety that had been established, providing a good foundation for implementation of the project. The results framework, while vague on the institutions in the results chains in the project that would transform project inputs through intermediate outcomes to final outcomes (the theory of change), did define the PDO, intermediate outcome indicators, the project's components and the outcome indicators. The design of project's implementation arrangements was sound, notably in using the existing government institutional framework, with cross-departmental coordination built in to achieve this. The choice of Jilin province was a good testing ground for piloting as Jilin produced substantial agricultural surpluses. Nevertheless, the project was ambitious, and project design could have been improved if particularly complex components, such as the laboratories, had been phased. The ambitious nature of the laboratory program was further compounded by a change in national regulations for building construction during project implementation, requiring changes in construction design. The Bank's task team commented to IEG that "in hindsight, a better option would have been to focus on establishing the core central laboratories for the province. The expertise gained from these central laboratories could then have been used to develop a network of smaller regional laboratories."

A very positive feature in project preparation was the recognition, and resultant action that the complexity of the project required a broad array of specialist inputs. The project preparation team included 11 technical specialists, mostly consultants, sourced from the Bank and the FAO Cooperative program. This assured a strong base for project implementation of a technically complex project. Illustrating the converse - an example of where expertise was not available, which adversely affected quality of the project, was the laboratory construction program. The Bank task team advised IEG that an additional need identified retrospectively was for a structural engineer to advise the local engineers on construction of the laboratories. The absence of such a specialist adversely affected the pace of implementation of



laboratory construction"

In summary, quality at entry was generally good, except for aspects of the laboratory program. Quality at Entry was therefore rated Moderately Satisfactory.

Quality-at-Entry Rating

Moderately Satisfactory

b. Quality of supervision

The Bank supervision team included the specializations needed, and missions, averaging six-months between them, were regular. The decision to extend the project period by one year, allowed for further progress with the laboratories, critical to successful achievement of the project's objectives.

There were, however, two principal shortfalls in the Bank's supervision performance. First, high staff turnover in the Bank supervision team leadership. The Bank task team for the project at completion advised IEG that there had been three task team leaders during project implementation, and this disrupted the continuity of Bank support to the Government and the implementing agency.

Second, the Bank's response to the implementing agency's difficulties with procurement management was insufficient to significantly improve procurement, and the issue remained throughout most of the project's implementation. The ICR candidly commented that "the Bank supervision missions should have made more efforts to strengthen implementation support in procurement management as the issues had cropped up during a long period of project implementation" (paragraph 73)

Nevertheless, a technically complex project was provided with the specialist support required, and ultimately, the project was completed as designed, albeit requiring an extra year to achieve this. Weaknesses in procurement management impeded the pace of implementation, affecting the overall assessment of supervision performance. The Quality of Supervision was therefore rated Moderately Satisfactory.

Quality of Supervision Rating

Moderately Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The PAD stated that "A monitoring and evaluation unit would be established in the Provincial Project



Management Office (PPMO) that would be responsible for establishing a monitoring and evaluation (M&E) system and for ongoing M&E. There would be at least one M&E specialist in the PMOs (in the counties or cities), appropriately trained, with the responsibility for M&E. An M&E report would be provided to each supervision mission. A more detailed M&E report would be prepared for the mid-term review and project completion” (paragraph 28).

The output data tracked during the project were informative for gauging the project’s progress, and provided the basis for the ICR’s Results Framework in Annex 1. However, these data were primarily of a physical output nature (“Intermediate Outcome Indicators”), such as the number of farmers visiting demonstration sites. Inclusion of additional outcome oriented indicators would have been more informative. For instance, there are several isolated references in the ICR to the price increases farmers experienced as a result of better quality standards. This could have been a quantitative indicator of project impact although attribution of the price increases to project investments was not addressed.

b. M&E Implementation

While the PPMO had overall responsibility for M&E, assisted by the county PMOs, an independent agency, the Jilin Agricultural University, which had experience in M&E and food safety research – was hired to provide independent measurement and evaluation of the project’s results. The university was also able to assist in preparing regular M&E reports. Project Management Offices had also designated M&E officers, who were trained in M&E under the project (ICR, paragraph 55).

c. M&E Utilization

The ICR reports (paragraph 56) that M&E data were used extensively by project management and supervision missions to gauge progress of the project, identify problems, and provide a knowledge base to make improvements. This was useful, but inclusion of attributable impact information would have added further understanding.

M&E Quality Rating

Modest

10. Other Issues

a. Safeguards

The project was classified as in environmental category B, triggering two safeguards: Environmental Assessment (OP/BP 4.01), and Pest Management (OP 4.09).

Environmental Issues.



The following environmental actions were undertaken: For each laboratory, an Environmental Management Plan was drawn up to guide construction and operations (for instance as concerns such as wastewater and hazardous waste). For research, and demonstration sites, an Environmental Management Framework was prepared to guide and screen implementation and monitoring, and field sites use Integrated Pest Management techniques. The ICR concluded that “During implementation, the project compliance with the Bank’s environmental safeguard policies was generally deemed satisfactory” (paragraph 60).

Social Issues.

The ICR records no negative social issues, rather the focus was on the positive social implications of the project. For example, the ICR noted social benefits emanating from “expanding the economic opportunities for small-scale farmers through the development of new technologies and institutions that would allow them to enter higher value agricultural product chains” (paragraph 19).

While impacts such as these were important, some social issues could have had significant impacts over time and might have been explored by the ICR. For instance, did the formation of cooperatives such the rural enterprises leave out or change the inclusiveness of potentially vulnerable groups (e.g. women and the poor) compared with their participation before the formation of rural enterprises? Might individuals or sub-groups previously with a reasonable share of benefits and decision making, have become marginalized? Did poorer small-scale farmers still have access to product markets when a major buyer had made purchasing arrangements with larger-scale farmers in a village? Social costs or impacts such as these, if they were identified and found relevant, might have been avoidable or mitigated through actions managed by the project.

b. Fiduciary Compliance

Financial Management.

The ICR advises that financial management was handled well, both by the Bank's task team, which provided intensive overview and guidance, and by the implementing agencies. Financial reporting and annual auditing reports were submitted on time, and audits were unqualified. Only one case of non-compliance (involving incomplete accounting), was noted, and remedial actions were taken promptly.

Procurement.

Financial Management.

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Procurement.

Management of procurement was a key constraint to project implementation and was highlighted in the ICR. Primary causes were: (a) project staff lacked knowledge of Bank procedures; (b) there was a high turnover of project procurement staff; and (c) there were multiple field offices, making administration of procurement



difficult. Notwithstanding these problems, the ICR noted that no cases of mis-procurement were reported (paragraph 67).

Based on discussions between IEG and the Bank task team it is understood that the Government considered that a full-time procurement specialist in the implementing agency would have been helpful. A similar view was expressed to IEG by the Bank's team. The Government also considered that more technical assistance from the Bank would have resulted in an improved understanding of the Bank's procurement guidelines. In addition, the Government lamented the Bank's slow response in providing a no objection on the reallocation of project proceeds which left insufficient time for actions on procurement (ICR, Annex 5).

c. Unintended impacts (Positive or Negative)

d. Other

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Satisfactory	---
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	---
Quality of M&E	Substantial	Modest	---
Quality of ICR		Substantial	---

12. Lessons

The ICR presented positive and negative lessons as well as recommendations. This Review has highlighted the following lessons (with some editing) because they were potentially relevant to other World Bank operations. :

1. A conducive and supportive legislation and policy environment is key to the successful implementation and sustainability of project interventions and innovations (ICR, paragraph 3).

As this Review has noted, a law on product quality and safety was issued in 2006, followed by an upgrading in 2009 and another law in 2015. Experience from the project may have served as a testing ground influencing the drafting of the 2015 law. By the time the project was approved, food quality and safety were receiving increasing priority in budgeting and planning and Government support for this project was strong. The lesson is that projects aimed at major changes in strategy need a clear legal and policy support to be successful.

2.. Significant Turnover of task team leaders and other key staff is disruptive.



The project had three task team leaders (TTLs) during supervision. (ICR, Section 8b, and ICR para 53). The turnover of TTLs and other key staff impeded decision making, slowed implementation and consequently negatively affected the quality of Bank support to the Government and the implementing agency. The lesson, while not new bears repeating: changes in TTLs and other key supervision staff during project implementation are usually highly detrimental to project performance.

3. Establishing a produce quality and safety program takes time, iterative testing, and significant learning. The time needed for this, or the scope of the project, is best factored in during project design.

The project implementation period of seven years (including the extra year extension) was relatively short for the intended project scope and complexity (ICR, Sections 4 and 8, ICR para 82, and Borrower comments at ICR, Annex 5.). The lesson is that a reduced and more simple project scope and/or a follow-on project, while less ambitious, can be a more attainable program

4. Procurement capability for project staff is a key driver for the pace and quality of project preparation.

The project's primary implementation constraint was the limited skills of the project procurement staff. Training in procurement for such staff, and appointment of a senior level procurement manager would have helped reduce this difficulty (ICR, Section 9b, and ICR paras 85, 49 and 73). The lesson is that knowledge of Bank procurement guidelines by staff in implementing agencies is critical to the success of most Bank-financed projects.

IEG has drawn the following lesson from this project:

Successful implementation of a pioneering and complex project can be significantly bolstered through a team of competent specialists.

Project preparation involved 11 staff or consultant in different specialist fields. Of these, eight were technical specialists in food safety and quality and the rest covered environment, social, economics and finance (ICR, Section 8a).

13. Assessment Recommended?

Yes

Please explain

With the increasing world wide emphasis on food quality it is envisaged that a series of PPARs for projects such as this one could draw useful conclusions on the most effective food safety monitoring programs in terms of technology and policy.

14. Comments on Quality of ICR

The ICR's particular strength is in its strategic orientation and the context (historical, legal, and international.) within which "the story" of the project, its design and implementation, are told. A broader perspective is thereby conveyed, which is especially appropriate for a project where benefits are less tangible and results



difficult to measure. Another strength is the objectivity and candor with which sensitive issues are discussed – for instance, at various stages in project implementation, and flaws in the Bank’s management of the project during supervision.

There are two related areas where improvement or elaboration would have been possible. First, the ICR could have been more structured in assessing the project’s objectives and outcome (although in part the shortcomings in this area were because the PAD and monitorable indicators focused primarily on outputs, limiting the extent to which an outcome focus was possible). And, second, a more quantified discussion of benefits and costs even if limited by the data available, would likely have been possible (Section 5). Overall, though, the ICR is a thorough and issues oriented report and its quality is rated by this Review as Substantial.

a. Quality of ICR Rating
Substantial