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PROJECT PERFORMANCE ASSESSMENT REPORT

CAMBODIA

**AGRICULTURE PRODUCTIVITY IMPROVEMENT PROJECT
(IF-N0110; COFN-03740; TF-29737)**

**NORTHEAST VILLAGE DEVELOPMENT PROJECT
(IDA-32160; TF-253930)**

**FOREST CONCESSION MANAGEMENT AND CONTROL PROJECT
(IDA-33650 JPN-26419)**

**FLOOD EMERGENCY REHABILITATION PROJECT
(IDA-34720)**

June 27, 2007

*Sector, Thematic and Global Evaluations
Independent Evaluation Group (World Bank)*

Currency Equivalents (annual averages)

Currency Unit = Riel (R)

1997	US\$1.00	R 2946	2002	US\$1.00	R 3912
1998	US\$1.00	R 3744	2003	US\$1.00	R 3973
1999	US\$1.00	R 3808	2004	US\$1.00	R 4016
2000	US\$1.00	R 3841	2005	US\$1.00	R 4092
2001	US\$1.00	R 3916	2006	US\$1.00	R 4150

Abbreviations and Acronyms

ADB	Asian Development Bank	IPM	Integrated Pest Management
APIP	Agriculture Productivity Improvement Project	LIL	Learning and Innovation Loan
CAS	Country Assistance Strategy	MAFF	Ministry of Agriculture, Forestry and Fisheries
CDC	Commune Development Committee	MEF	Ministry of Economy and Finance
C/SCs	Communes/Sangat Councils	MRD	Ministry of Rural Development
DANIDA	Danish International Development Agency	MTR	Mid-Term Review
DCA	Development Credit Agreement	M&E	Monitoring and Evaluation
DFID	Department for International Development (UK)	NPCC	National Project Coordinating Committee
DFW	Department of Forests and Wildlife	NVDP	Northeast Village Development Project
DOF	Department of Fisheries	PAD	Project Appraisal Document
ELC	Economic Land Concession	PIU	Project Implementation Unit
ERR	Economic Rate of Return	PMU	Project Management Unit
FA	Forest Administration	PPAR	Project Performance Assessment Report
FAO	Food and Agricultural Organization of the United Nations	PRDC	Provincial Rural Development Committee
FCMCP	Forest Concession Management and Control Pilot Project	PSC	Project Steering Committee
FERP	Flood Emergency Rehabilitation Project	PSR	Project Status Report
GDP	Gross Domestic Product	RGC	Royal Government of Cambodia
GTZ	German Agency for Technical Cooperation	SAC	Structural Adjustment Credit
ICR	Implementation Completion Report	SAR	Staff Appraisal Report
IDA	International Development Association	SDR	Special Drawing Rights
IFAD	International Fund for Agricultural Development	RILGP	Rural Infrastructure and Local Government Project
IEGWB	Independent Evaluation Group – World Bank	SEDP	Socio-Economic Development Plan
INT	Department of Institutional Integrity (World Bank)	SGS	Société Générale de Surveillance
		UNDP	United Nations Development Program
		VDC	Village Development Committee

Fiscal Year

Government: January 1 to December 31

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IEGWB Mission: Enhancing development effectiveness through excellence and independence in evaluation.

About this Report

The Independent Evaluation Group assesses the programs and activities of the World Bank for two purposes: first, to ensure the integrity of the Bank's self-evaluation process and to verify that the Bank's work is producing the expected results, and second, to help develop improved directions, policies, and procedures through the dissemination of lessons drawn from experience. As part of this work, IEGWB annually assesses about 25 percent of the Bank's lending operations through field work. In selecting operations for assessment, preference is given to those that are innovative, large, or complex; those that are relevant to upcoming studies or country evaluations; those for which Executive Directors or Bank management have requested assessments; and those that are likely to generate important lessons.

To prepare a Project Performance Assessment Report (PPAR), IEGWB staff examine project files and other documents, interview operational staff, visit the borrowing country to discuss the operation with the government, and other in-country stakeholders, and interview Bank staff and other donor agency staff both at headquarters and in local offices as appropriate.

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Outcome: The extent to which the operation's major relevant objectives were achieved, or are expected to be achieved, efficiently. The rating has three dimensions: relevance, efficacy, and efficiency. *Relevance* includes relevance of objectives and relevance of design. Relevance of objectives is the extent to which the project's objectives are consistent with the country's current development priorities and with current Bank country and sectoral assistance strategies and corporate goals (expressed in Poverty Reduction Strategy Papers, Country Assistance Strategies, Sector Strategy Papers, Operational Policies). Relevance of design is the extent to which the project's design is consistent with the stated objectives. *Efficacy* is the extent to which the project's objectives were achieved, or are expected to be achieved, taking into account their relative importance. *Efficiency* is the extent to which the project achieved, or is expected to achieve, a return higher than the opportunity cost of capital and benefits at least cost compared to alternatives. The efficiency dimension generally is not applied to adjustment operations. *Possible ratings for Outcome:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Risk to Development Outcome: The risk, at the time of evaluation, that development outcomes (or expected outcomes) will not be maintained (or realized). *Possible ratings for Risk to Development Outcome:* High Significant, Moderate, Negligible to Low, Not Evaluable.

Bank Performance: The extent to which services provided by the Bank ensured quality at entry of the operation and supported effective implementation through appropriate supervision (including ensuring adequate transition arrangements for regular operation of supported activities after loan/credit closing, toward the achievement of development outcomes. The rating has two dimensions: quality at entry and quality of supervision. *Possible ratings for Bank Performance:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

Borrower Performance: The extent to which the borrower (including the government and implementing agency or agencies) ensured quality of preparation and implementation, and complied with covenants and agreements, toward the achievement of development outcomes. The rating has two dimensions: government performance and implementing agency(ies) performance. *Possible ratings for Borrower Performance:* Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory, Highly Unsatisfactory.

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Principal Ratings

AGRICULTURE PRODUCTIVITY IMPROVEMENT PROJECT (IF-N0110)

	<i>ICR*</i>	<i>ICR Review*</i>	<i>PPAR</i>
Outcome	Unsatisfactory	Unsatisfactory	Moderately Unsatisfactory
Institutional Development Impact**	Modest	Modest	
Risk to Development Outcome***			Significant
Sustainability	Unlikely	Unlikely	
Bank Performance	Unsatisfactory	Unsatisfactory	Moderately Unsatisfactory
Borrower Performance	Unsatisfactory	Unsatisfactory	Moderately Unsatisfactory

NORTHEAST VILLAGE DEVELOPMENT PROJECT (IDA-32160)

	<i>ICR*</i>	<i>ICR Review*</i>	<i>PPAR</i>
Outcome	Satisfactory	Satisfactory	Satisfactory
Institutional Development Impact**	Modest	Modest	
Risk to Development Outcome***			Moderate
Sustainability	Likely	Unlikely	
Bank Performance	Satisfactory	Satisfactory	Satisfactory
Borrower Performance	Satisfactory	Satisfactory	Satisfactory

FOREST CONCESSION MANAGEMENT AND CONTROL PROJECT (IDA-33650)

	<i>ICR*</i>	<i>ICR Review*</i>	<i>PPAR</i>
Outcome	Unsatisfactory		Unsatisfactory
Institutional Development Impact**		}	
Risk to Development Outcome***	Significant	} (pending)	Significant
Sustainability		}	
Bank Performance	Moderately Unsatisfactory	}	Unsatisfactory
Borrower Performance	Moderately Unsatisfactory	}	Unsatisfactory

FLOOD EMERGENCY REHABILITATION PROJECT (IDA-34720)

	<i>ICR*</i>	<i>ICR Review*</i>	<i>PPAR</i>
Outcome	Satisfactory	Satisfactory	Satisfactory
Institutional Development Impact**	Substantial	Substantial	
Risk to Development Outcome***			Moderate
Sustainability	Likely	Likely	
Bank Performance	Satisfactory	Satisfactory	Satisfactory
Borrower Performance	Satisfactory	Satisfactory	Satisfactory

* The Implementation Completion Report (ICR) is a self-evaluation by the responsible Bank department. The ICR Review is an intermediate IEGWB product that seeks to independently verify the findings of the ICR.

**As of July 1, 2006, Institutional Development Impact is assessed as part of the Outcome rating.

***As of July 1, 2006, Sustainability has been replaced by Risk to Development Outcome. As the scales are different, the ratings are not directly comparable

Key Staff Responsible

AGRICULTURE PRODUCTIVITY IMPROVEMENT PROJECT (IF-N0110)

<i>Project</i>	<i>Task Manager</i>	<i>Division Chief/ Sector Manager</i>	<i>Country Director</i>
Appraisal (1996)	Christopher Redfern	Jeffrey Gutman	J. Khalilzadeh-Shirazi
Completion (2005)	Steven Oliver	Christian Delvoie	Ian C. Porter

NORTHEAST VILLAGE DEVELOPMENT PROJECT (IDA-32160)

<i>Project</i>	<i>Task Manager</i>	<i>Division Chief/ Sector Manager</i>	<i>Country Director</i>
Appraisal (1998)	Christopher Redfern	Geoffrey B. Fox	Ngozi Okonjo-Iweala
Completion (2004)	Louise F. Scura	Mark D. Wilson	Ian C. Porter

FOREST CONCESSION MANAGEMENT AND CONTROL PROJECT (IDA-33650)

<i>Project</i>	<i>Task Manager</i>	<i>Division Chief/ Sector Manager</i>	<i>Country Director</i>
Appraisal (1999)	William Magrath	Geoffrey B. Fox	Ngozi Okonjo-Iweala
Completion (2005)	Peter Jipp	Hoonae Kim	Ian C. Porter

FLOOD EMERGENCY REHABILITATION PROJECT (IDA-34720)

<i>Project</i>	<i>Task Manager</i>	<i>Division Chief/ Sector Manager</i>	<i>Country Director</i>
Appraisal (2001)	Frank Byamugisha	Mark D. Wilson	Ian C. Porter
Completion (2005)	Liping Jiang	Mark D. Wilson	Ian C. Porter

Preface

This is the Project Performance Assessment Report (PPAR) on four projects approved by the Board between 1997 and 2001 for the Kingdom of Cambodia.

The **Agriculture Productivity Improvement Project**, estimated at appraisal to cost \$35.1 million, was approved in February 1997 for an IDA credit of SDR 18.8 million (equivalent to \$27.0 million) with IFAD co-financing of \$4.75 million equivalent. Total project costs at completion were \$27.2 million, of which IDA provided SDR14.5. SDR 3.5 million of the IDA credit was cancelled on January 28, 2004. The project closed on December 31, 2005 with an undisbursed balance of SDR 0.755 million which was also cancelled as of April 30, 2006.

The **Northeast Village Development Project**, estimated at appraisal to cost \$6.33 million, was approved in May 1999 for an IDA Learning and Innovation Loan of SDR 3.6 million (equivalent to US\$4.98 million). Total project costs at completion were \$5.38 million of which IDA provided US\$4.68 million equivalent, and the Government of Japan US\$0.50 million. The project closed on June 30, 2004.

The **Forest Concession Management and Control Pilot Project**, estimated at appraisal to cost \$5.4 million, was approved in June 2000 for an IDA Learning and Innovation Loan of SDR3.6 million (equivalent to US\$ 4.8 million). Total project costs at completion were \$4.94 million of which IDA provided \$4.68 million. Following two extensions, the project closed on Dec. 31, 2005.

The **Flood Emergency Rehabilitation Project**, estimated at appraisal to cost \$40.4, was approved in March 2001 for an IDA credit of \$35 million. Total project costs at completion were \$43.4 of which IDA provided \$37.5. The project closed on June 30, 2005.

This report is based on the review of the Implementation Completion Reports (ICRs) for the projects prepared by the East Asian Pacific Region as well as Staff Appraisal Reports, Project Appraisal Documents, credit and legal agreements, implementation reports and project files at the World Bank's headquarters. Discussions were also held with Bank staff in Washington and Phnom Penh as well as with regional staff in Bangkok, and with Borrower representatives and other stakeholders in Cambodia in January 2007. The cooperation and assistance of the government officials, management and staff of the implementing agencies and other parties concerned are gratefully acknowledged.

This PPAR was undertaken to provide an overview of Bank-supported activities in the rural sector to support preparation of IEG's Country Assistance Evaluation to Cambodia over the previous decade.

Following standard IEG procedures, the draft of this PPAR will be sent to the Borrower for comments before it is finalized. The Borrower's comments on the ICR can be found in Annex B. In accordance with the Bank's disclosure policy, the final report will be available to the public following submission to the World Bank's Board of Executive Directors.

Summary

1. The rural sector of Cambodia — which accounts for the majority of population, production and employment in the Cambodian economy as well as the great majority of poor people — continues to struggle under the consequences of war-torn infrastructure and displaced communities. The four projects reviewed in this report represent an important effort by the Bank to assist the Government to address these critical infrastructure and capacity building needs directly related to the well being of people in the rural sector.

2. The **Agriculture Productivity Improvement Project**, approved in 1997, was intended to enhance the capacity of the Ministry of Agriculture, Forestry and Fisheries to implement a coordinated national program to help improve the quantity and quality of the technical, human and physical resources required to promote sustainable agricultural development improvements in Cambodia. Seven components addressed a range of needs associated with the different sub-sectors from crops and horticulture to livestock and fisheries. The project generally achieved its capacity building objectives within the Ministry, albeit with an extension of 42 months in the closing date. However, there was inadequate attention to the manner in which the Ministry's capacity would be used to deliver services to producers in a sustainable manner. Training and demonstrations funded by the project did result in significant adoption levels in some areas such as small-scale irrigation, integrated pest management and animal health, but overall there was inadequate attention to building agricultural extension into the Ministry's activities, even after the Mid-Term Review when this inadequacy in the design of the project was clearly identified. The overall outcome is rated **moderately unsatisfactory** and the risk to development outcome is rated **significant** due to this inadequate attention to agricultural extension.

3. Both Bank and Borrower performance are rated **moderately unsatisfactory**. Several factors in the design predisposed this project to implementation problems, and Bank staff and managers became overly pre-occupied with implementation delays and procedural issues. The Borrower was unable to resolve counterpart funding delays, complex decision making procedures, and procurement irregularities in the implementation of the project.

4. The **Northeast Village Development Project**, approved in 1999, was intended to introduce decentralized, participatory, and poverty-focused approaches to rural development in some of the poorest areas of Cambodia. Approved as a learning and innovation loan (LIL), the project provided training to the national and provincial offices of the Ministry of Rural Development to support the development of village-level organizations. Investments, based on participatory planning at the village level, were mainly to rehabilitate or improve physical infrastructure that contributed directly to economic activities. The overall outcome is rated **satisfactory** both in terms of its contributions to the Government's decentralization program as well as the achievement of its institutional and physical targets. Although the focus of local planning in Cambodia has since shifted from the village to the commune level after the commune council elections in 2002, the momentum of local government development is firmly established, and the risk to development outcome is rated **moderate**.

5. Both Bank and Borrower performance were **satisfactory**. The consistency of the Bank's commitment to the project (while adapting to changes in government policy

concerning local government and rural development) was a positive factor in the outcome of the project. Similarly the Government showed solid commitment to the village-level pilot in local governance and gave it the support and latitude to develop before facilitating absorption of its lessons and its trained people into the commune-level model.

6. The **Forest Concession Management and Control Pilot Project**, also a LIL and approved in 2000, was intended to lay the groundwork for a comprehensive set of operational guidelines and control procedures for sustainable forest management in concession areas, and to establish an effective forest crime monitoring and prevention capability. In spite of the extensive multi-donor sector work, and the expressed intent of the Government to introduce sound management to the forest industry, reform efforts largely failed. The implementing agency (the Forest Administration) and the Bank quickly found themselves in a multifaceted struggle between powerful political and financial interests. Vested interest wanted to retain the laissez-faire administration around logging. Conversely, an outspoken group of organizations in civil society viewed any phased or negotiated program of improvement as an unacceptable compromise in relation to the protection of a natural resource. After two extensions of the closing date, and a number of attempts to gain commitments and progress from concessionaires and senior political stakeholders, the project closed without any approved concession management plans or a forest crime monitoring and prevention capability. Therefore, the overall outcome is rated **unsatisfactory** and the risk to development outcome is **significant**.

7. Both Bank and Borrower performance are rated **unsatisfactory**. Responding more to the needs of the other donors and the NGOs, the Bank failed to distinguish between legitimate concerns and weaknesses that could have been addressed within the context of the ongoing operation and the blanket criticism on political and ideological grounds that brooked no compromise. The Borrower assured the Bank of its commitment to reforming natural resource management, but then failed to deliver on specific commitments under the project. The reform interests in the Forest Administration and their supporters were unable to surmount the patronage and informal relationships that had traditionally dominated the forestry sector.

8. The **Flood Emergency Rehabilitation Project**, approved in 2001, was intended to rehabilitate the economic and social infrastructure damaged by the 2000 floods and to assist the Government in formulating a long-term strategy aimed at reducing the country's vulnerability to flooding. To these ends it included the rehabilitation of roads, rural infrastructure, flood control and irrigation systems and primary and secondary schools, as well as undertaking a set of management resources and background studies. The overall outcome is rated **satisfactory** since the project contributed significantly to the restoration of economic and social infrastructure, particularly in rural areas. Notwithstanding delayed procurement and payments to contractors, the use of local levels of government and a National Project Coordinating Committee that smoothed inter-ministerial dealings were important factors in the timely completion of the project's activities. The risk to development outcome is **moderate**.

9. Both Bank and Borrower performance were **satisfactory**. The Bank's commitment of a sector staff member to the project, based in Phnom Penh, with the orientation and flexibility to work with local implementing agencies in the development of procedures,

training and oversight greatly smoothed project implementation. The Borrower's commitment to working through sub-national units for procurement and the decentralized selection of works, procurement and supervision were also key factors in the success of the project.

10. Under the conditions that prevailed in Cambodia during the review period, these projects had difficulty overcoming the very constraints that they were intended to relieve: limited institutional capacity, poor communications and access, and uncertainty and ambivalence as to roles and relationships. This was made more complex by the shift toward market-driven economic decisions and the decentralization and deconcentration of public services. There are five lessons from this experience:

- (1) **Use of the Learning Instrument Loan.** While it is understood that LILs or other simplified instruments should not require the same amount of analysis as standard investments loans, the risk review analysis carried out at the concept review stage should identify any particular fiduciary or safeguards that would require regular preparation and appraisal. The case for both LILs in this review was reasonable, but the deferral of the social impact assessment in the Forest Concession Project left the Bank and the Government vulnerable to the criticism of extreme elements in civil society beyond what might have been expected in an informed debate. That the Bank has now introduced the use of framework analyses in LILs as an interim measure when deferral of full analysis is appropriate should reduce such risks in the future.
- (2) **The Importance of Continuous Contact for Effective Implementation.** The fragile institutional framework in post-conflict Cambodia and the limited counterpart pool undermined the effectiveness of periodic Bank supervision and credibility. Knowledge transfer, consensus building and decision-making were all seriously hampered, even when teams came frequently from Bangkok. This constraint was partially alleviated when the Bank established a small resident mission in 2001. Growth in the effectiveness of in-country Bank staff since 2003 was the critical factor that moved the dialogue and operations forward.
- (3) **Sector and Country Strategies as a Management Tool for Operations.** Sector or country strategies are often seen as the leading edge for policy dialogue and the identification of investment opportunities, but their usefulness during project implementation may not be as widely recognized. When ambiguity or disagreements arise in implementation, particularly with the evolving focus or importance of an activity, an agreed strategy can become an effective management tool. Revisiting country strategy might have led those working on the Agricultural Productivity Project to look more closely at how the Ministry was going to use its enhanced capacity. And it might have kept those working on the Forest Concession Project from losing focus on their task amid the barrage of public criticism.
- (4) **A Gradual Approach to Change.** Institutions generally respond more favorably to moderate or gradual change than to radical innovation, particularly when power or stature is being threatened. The Forest Concessions Project was designed to take a step-by-step approach to reforming the industrial exploitation of the country's timber resources. Deeply rooted rights and practices were at issue, and the challenge to

achieving a resource management focus in this lucrative industry took time and persuasion. Building a partnership for change among the stakeholders through better exploration of the gradualist approach adopted may have averted support for an unrealistic alternative.

- (5) **Dealing with Informal Transaction Costs as a Development Issue.** To an outsider, informal transactions costs may be seen as corruption, but to a participant they may be an expected form of sharing or a means of reaffirming one's role in a group. While fiduciary accountability requires correct procedures and oversight, the development impact of the Bank's approach to the issue is very much linked to the sensitivity with which it introduces the desirable qualities of transparency and cost-effectiveness in procurement transactions. This is a time-consuming process that depends on mutual trust that is very difficult to build either long distance or in the context of public criticism or embarrassment. The collaborative approach of the Region, the Bank's Department of Institutional Integrity (INT), and the Borrower prior to May 2005 had resulted in the introduction of guidelines and procedures that steadily increased the degree of transparency procurement. In contrast, the acrimonious standoff that prevailed for over a year following the release of INT's findings of wrong-doing to the public was the result of inadequate consultation.

Vinod Thomas
Director-General
Evaluation

1. Background

1.1 The Kingdom of Cambodia has made significant political, social and economic gains since peace was restored in 1993, but the economic base is still narrow and 35 to 40 percent of the country's 14 million inhabitants still live in poverty. Most of the real growth in per capita income (which averaged 3.4 percent a year since 2000) has been in textiles and tourism, while agriculture and other industry and service sectors progress more slowly and inconsistently. Average per capital income is only slightly more than \$300 per year. In terms of its need for development support, Cambodia is still characterized as a post-conflict, low-income country.

1.2 Eighty-five percent of Cambodians are dependent on agriculture and non-timber forest extraction for the major part of their livelihoods, although these activities only account for about one-third of Gross Domestic Product (GDP). Opportunities in other sectors, while promising, are inadequate to absorb the 250,000 new entrants into the job market each year and there are significant opportunities to improve the productivity and the sustainability of traditional activities in the rural sector. Unfortunately, productive infrastructure, technology, markets and commercial services remain weak in the rural sector and agricultural output retains the volatility and weather dependence characteristic of a subsistence production pattern. Addressing these problems has been central to the Bank's Country Assistance Strategy (CAS) for the last ten years, which explains the importance attached to the four projects that are the subject of this report.

1.3 Although the specific issues and opportunities addressed by each of these projects differ, they all have important circumstances in common. A narrow but dynamic economy spearheaded by tourism, textiles and extractive industries has emerged over the last ten years, fueled by the optimism of regional investors and the untapped resources of the country. Direct foreign investment and record per capital levels of Official Development Assistance contributed to growth rates of 9 to 13 percent per annum in the official economy. In parallel, the expanding informal economy sought to avoid the regulatory pitfalls and the economic rents associated with official transactions. The narrow base of official growth in terms of economic activities and share of population remained a concern throughout the review period, and the development focus was mainly on building the institutional framework, human resources and infrastructure for broader participation in the recovery.

1.4 These efforts to broaden and stabilize the base of the economy have faced several pervasive constraints:

- The devastation arising from 30 years of civil war reduced the capacity of implementing agencies and beneficiaries to use the resources placed at their disposal.
- Political stability was occasionally tenuous during the implementation period and remains a constraint on the rate at which essential reforms can take place in the public sector.
- Inadequate communications and transport infrastructure compounded the challenges of extending development efforts beyond a narrow corridor between major population centers.

- The uncertainty of emerging roles and responsibilities among public agencies was compounded by the extensive use of NGOs and expatriate organizations by donors to compensate for the limited capacity of line agencies.
- The large number of donors and NGOs converging on the economy placed heavy management and coordination demands on government agencies at a time when their capacity was at its lowest level, so that agencies were often not in the position of leadership in determining the agenda or the direction of development efforts in their respective sectors.

1.5 These factors influenced the implementation of the projects under review, and their effectiveness was to a great extent determined by how well design and staff support during implementation reflected the corresponding conditions.

2. The Projects

Objectives

2.1 The projects under review represented complementary aspects of the Bank's and the Government's development strategy as it evolved over the period from 1997 to 2000. In the context of priorities on rural economic activity and on the development of human resources, the projects were designed (a) to develop the capacity of the MAFF to deliver technical support for enhanced agricultural productivity, (b) to build the capacity of local government to select and manage infrastructure and facilities, (c) to improve the sustainable management of one of the country's major natural resources, and (d) to restore and strengthen rural infrastructure (Table 1).

2.2 No changes were made to the objectives of the projects during implementation, although in one case, Agricultural Productivity Improvement Project, it became apparent that the objective did not provide adequate guidance on the link between capacity and its application. The objectives of each of the first three projects derived from the analysis and strategic conclusions of Country Assistance Strategies (CASs) for 1995, 1997 and 2000 and, by inference, the investments of the Flood Emergency Rehabilitation project do as well. Evidence of these linkages appears below in the discussion of the relevance of each project.

Components, Costs and Implementation

2.3 **Components** While the specific components differed in each project, they all used a similar set of instruments to pursue their objectives, reflecting three pervasive needs in Cambodia's rural sector:

- A combination of training, process development and facilities to build the capacity of target institutions;
- Surveys and analysis to develop sector knowledge; and
- Productive assets and infrastructure to support economic activity.

Implementation Arrangements. All four projects used a form of project management unit to concentrate management and procedural resources and to circumvent the difficulties posed

by the very limited capacity of most line units in the host organizations. Efforts to build up management capacity below the national level, notably in selecting investments, procurement and contract management, were successful in the two operations that had a local government focus: NVDP and FERP.

Table 1. Statement of Projects' Objectives

Agriculture Productivity Improvement Project (APIP)	"To assist the Borrower to implement through MAFF a coordinated national program to help improve the quantity and quality of the technical, human and physical resources required to promote sustainable agricultural development improvements throughout the Borrower's territory." (Development Credit Agreement, Schedule 2) ¹
Northeast Village Development Project (NVDP)	"To introduce decentralized, participatory, poverty-focused rural development approaches in some of the poorest areas of Cambodia and to gain the experience in managing such programs needed by the Government for formulating and carrying out a cohesive national strategy for rural development in the post-2001 period." (Project Appraisal Document, page 2)
Forestry Concession Management and Control Pilot Project (FCMCP)	"To demonstrate and improve the effectiveness of a comprehensive set of forest management and operational guidelines and control procedures in forest concession areas, and to establish an effective forest crime monitoring and prevention capability." (Project Appraisal Document, page 2)
Flood Emergency Rehabilitation Project (FERP)	"To rehabilitate economic and social infrastructure damaged by the 2000 floods, while also indirectly supporting a recovery in rural production and incomes. Another objective is to assist the Government in formulating a long-term strategy aimed at reducing the country's vulnerability to flooding." (President's Memorandum, page 4)

1. The Staff Appraisal Report had a broader statement of the objective which was more like a general goal for the agricultural sector as a whole: "The sustainable and broad-based improvement of smallholder agricultural productivity as a means to improved food security and increased rural incomes." This PPAR is based on the statement of objectives in the DCA because this is closer to the implicit objectives conveyed by the project design and components.¹

2.4 Implementation Experience. Each of the projects under review experienced one or more of the following implementation problems:

- Delays in counterpart funding
- Difficulties in achieving compliance with safeguards, particularly the social impact and resettlement safeguards
- Difficulties in compliance with Bank procurement guidelines
- Motivation and performance issues linked to the low levels of public service compensation and operating budgets.

1. In its comments, the Region states that "It is clear from the SAR itself that there was confusion at the time of project preparation and loan approval about whether the project was an "institution-capacity building" project or a "productivity improving" project. Adhering to the Guidelines meant that the ICR evaluated the project in terms of its productivity objective."

2.5 Implementation delays ranged from 6 to 42 months and averaged just over two years. Excluding the FERP, the average delay was 35 months. Such delays, which were most often related to procurement or other administration constraints of the Borrower, were common to the Bank's portfolio during the period and to the experience of other donors as well.

3. Agriculture Productivity Improvement Project (APIP)

Components and Costs

3.1 This project had a number of components designed for implementation by the major departments of MAFF, some at the national level, others with the direct involvement of provincial and district offices.

- (1) **Agronomy, Seeds and Plant Protection** (\$10.2 million at appraisal, \$6.6 million actual). Strengthening the capacity of the Department of Agronomy to develop appropriate technologies and formulate technical recommendations to farmers for improved rice and other annual crop production. Each of six sub-component received technical assistance and funding for training, equipment, construction or rehabilitation of selected infrastructure, and incremental operating expenditures: (a) Technical Coordination and Capacity Building, (b) Soil Fertility and Conservation, (c) Farming Systems and Crop Diversification, (d) Seed Production Program, (e) Plant Protection Service Establishment, and (f) Integrated Pest Management.
- (2) **Animal Health and Production** (\$5.3 million at appraisal, \$4.6 million actual). Strengthening the capacity of the Department of Animal Health and Production. This component and its three sub-components were financed primarily by IFAD with a loan of SDR 3.3 million: (a) Disease Control and Management, (b) Basic Animal Health, and (c) Promotion of Animal Production.
- (3) **Agricultural Hydraulics** (\$5.8 million at appraisal, \$6.7 million actual). Providing the General Department of Irrigation, Hydrology and Meteorology with the basic skills, knowledge and equipment to function effectively.
- (4) **Fisheries** (\$3.2 million at appraisal, \$2.0 million actual). Sustaining the yield of freshwater fisheries through better management of the capture fishery and increasing the production of fingerlings for fish rearing. Improving the conservation and management of capture fisheries, with a focus on freshwater fisheries, and strengthening the Department of Fisheries (DOF) to carry out its mandate. This component had three sub-components: (a) fisheries conservation and management, (b) rehabilitation of freshwater fisheries research, and (c) DOF capacity building.
- (5) **Smallholder Rubber Research** (\$1.9 million at appraisal, \$1.0 million actual). Obtaining the technical data needed to confirm the country's suitability for smallholder rubber development through formulations and implementation of a smallholder rubber research program and training of national research scientists and

technicians — in cooperation with the CIRAD (Centre de coopération internationale en recherche agronomique pour le développement) in France.

(6) MAAF Strengthening Components

- (a) **Human Resource Management** (\$1.9 million at appraisal, \$0.9 million actual). Setting up Human Resource Management unit, conducting organizational and job analysis, carrying out training needs assessments, preparing training plans, and managing the selection, evaluation and career development of staff selected into project positions.
 - (b) **Support to Provincial Departments of Agriculture** (\$0.4 million at appraisal, \$0.2 million actual). Rehabilitating buildings and providing office equipment, training, workshops and incremental operating expenses for the five provincial offices.
 - (c) **Strengthening of Planning and Statistics** (\$3.1 million at appraisal, \$2.7 million actual). Technical assistance, training, vehicles, equipment and operating budgets to build the capacity of the planning and statistics offices of the Department of Planning, Statistics and International Cooperation to strengthen the Ministry's capacity to carry out project and program level public investment planning and to better meet the country's needs for basic agricultural statistics.
- (7) **Project Management Unit** (\$3.3 million at appraisal, \$2.7 million actual). Funding the PMU and training its staff.

Implementation Arrangements

3.2 Formal responsibility for the implementation of APIP was given to the Ministry of Agriculture, Forestry and Fisheries.² In recognition of the limited capacity of line units in the ministry, a Project Management Unit was established at Phnom Penh, reporting to the Secretary of State for Agriculture, who also chaired a Project Steering Committee. The PMU coordinated all budgets and implementation plans, oversaw national and international procurement, performed project accounting and ensured appropriate auditing, monitoring, evaluation and progress reporting, and had overall responsibility for coordinating day-to-day execution of the project. Under this general management framework, individual project components were undertaken within the competent Department of the Ministry.

3.3 Four components were implemented through the provincial directors of agriculture (agronomy, animal health, irrigation and agriculture services). The provincial offices concerned were required to submit annual work plans and budgets to the Provincial Department of Agriculture, although responsibility to approve budgets remained at the national PMU/PSC.

2. The subsequent creation of the Ministry of Water Resources and Meteorology and the transfer of the small-scale hydraulics component to it created additional communications and coordination difficulties but these were not critical to the outcome of the project.

Implementation Experience

3.4 Implementation was initially delayed six months because of political unrest in mid-1997 but slow planning and decision processes within the Ministry and the PMU continued to delay progress and it was only in March 1999 that implementation appeared near a normal rate. Legal amendments at that time rescheduled all key IDA and IFAD dates by two years, including the Closing Date. At 30 months, disbursements were again lagging 52 percent behind the revised estimate and construction had not begun on much of the infrastructure planned for the project, including Ministry facilities as well as irrigation schemes. It was only with the appointment of a full-time Executive Project Coordinator in 2000 that the project finally achieved a normal implementation rate.

3.5 The mid-term review in 2001 noted that progress varied among components from highly satisfactory to highly unsatisfactory. A devaluation of the SDR since approval (from US\$1.44 to US\$1.25) led to a reduction in both the IDA credit and the IFAD loan (from US\$27 million to US\$23.7 million and from US\$4.7 to US\$4.2 million, respectively). The MTR noted that the following achievements were among the factors that constituted “a solid foundation for future agricultural growth” and, by inference, grounds for continued support of the project, despite its delays:

- National strategies on seed production, animal health and production, water resources and agricultural education had been drafted
- Laws had been drafted on water and fisheries
- Sub-decrees had been issued on several sub-sectors
- 4,000 farmers had been trained in Integrated Pest Management (IPM)
- A hydrology information system had been established
- The physical and human resources of the ministries had been improved.

3.6 On this basis, project implementation was assessed as satisfactory by the MTR, and the delays in disbursement were attributed to the decision to defer productive investments until sub-sector strategies had been developed. (Only about 21 percent of credit’s proceeds had been disbursed at that time, after four years.) However, linking the delays in productive investment to the slow development of sub-sector strategies only appears in documentation after the MTR and seems to be more as a matter of convenience than accuracy in accounting for the procedural difficulties in rolling out such a multifaceted project. Following the MTR four sub-sector components were regrouped into an Agricultural Education component that would be implemented as a national strategy.

3.7 In December 2002, implementation progress and compliance was rated unsatisfactory for the first time, as was compliance with procurement procedures. Disbursement was only 38 percent of the IDA credit and implementation was proceeding at half the pace anticipated in the Mid Term Review. Nevertheless, the Government requested an extension of the project by 18 months to “extend the benefit of project activities to a wider number of small farmers.”

3.8 In May 2004, the implementation mission noted that, “Since October 2003, implementation has continued to proceed satisfactorily.” The decision was taken that three components would close on schedule June 30 2004 (Fisheries, Agricultural Education and Human Resource Development) while the remaining five components would be extended to

December 31, 2005. The last of the components was closed on December 31, 2005, after 8.5 years and the cancellation of 23 percent of the original credit amount.

Monitoring and Evaluation

3.9 The design of the monitoring and evaluation system for this project reflects the range of objectives, from efficient implementation to impact on beneficiaries and the lack of clarity on how the outcomes would be achieved. For each objective, measurable indicators were identified, including a control sample for the impact assessment, and a specialist was contracted to assist the borrower agencies to establish and manage the monitoring system. The indicators were a combination of outputs (quantity of seed produced, farmers trained, and small-scale irrigation schemes completed) and outcomes (reduced mortality rates for livestock; adoption rates for IPM). In practice, inadequate baseline data prevented ex post evaluation of some components. The effect of these factors was that the M&E system proved to be a good management tool for tracking inputs and outputs, but was less effective for assessing outcomes.

3.10 The monitoring system was used effectively to flag issues for supervision attention and it provided a good base for the Mid-Term Review. Assessing outcomes, however, proved more difficult, and only limited surveys appear to have been conducted to determine actual adoption or performance rates to compare with appraisal targets (Table 2). Also with respect to outcomes, no attempt was made to distinguish project effects from other complementary initiatives or externalities in the generally improving situation that prevailed at the time of project completion. Financial reporting and compliance with financial covenants was considered satisfactory throughout project implementation. The fact is that the link between outputs and outcomes as reflected in the statement of objectives was very tenuous, and it is only in the few components with direct smallholder contact that such a link could have been made. To that extent, monitoring and evaluation performance was also a victim of the poor formulation of objectives. In summary, the quality of the monitoring and evaluation is rated modest in design and implementation, substantial in utilization, and modest overall.

Project Ratings

RELEVANCE

3.11 At a Consultative Group meeting in July 1996, the Government announced that its top priority in the development strategy was early and sustainable improvements in agricultural production and the reduction of poverty in rural areas. The 1997 CAS specifically referred to this project as an important element of its strategy of enhancing rural development and natural resource management. “This project is designed to reach the small farmer directly through improving agricultural support services... An important feature of this project is that it is designed to help strengthen the institutional capacity of the Ministry of Agriculture.”³ The CAS also referred to the importance of strengthening human resources, in support of which the project offered extensive training for MAFF personnel. The principal deficiency in the relevance of the project was the secondary importance implicitly attached to how the new

3. 1997 CAS, para. 39.

capacity would be used. Beyond training and pilot demonstrations, the issues of outreach and sustainability were also not adequately addressed.

Table 2. APIP: Project Outputs

Outputs	Proposed	Actual
Training	<ul style="list-style-type: none"> • 1,000 MAFF personnel in technical and managerial subjects • 800 village veterinarians trained and licensed • 36,500 farmers in various techniques • 2,000 farmers participate in demonstrations 	<ul style="list-style-type: none"> • 5,890 trained various disciplines • 2,800 trained, of whom 14% women • 38,561 farmers trained** • 2,850 participated in demonstrations
Physical Outputs	<ul style="list-style-type: none"> • 700 tons/year rice foundation seed produced • 15,000 tons rice extension seed marketed • 2 million doses cattle vaccine • 2 million fish fry/year • 50 small-scale irrigation schemes 	<ul style="list-style-type: none"> • 324 tons produced in 2005 • Not reported • More cost-effective to import vaccine • 1.36 million fry/fingerlings in 2005 • 47 completed
Information	<ul style="list-style-type: none"> • 14 studies and data collection systems 	<ul style="list-style-type: none"> • 10 established or fully completed • 3 partially completed • 1 no progress (PIP data base)
Policy Development	<ul style="list-style-type: none"> • National seeds strategy • National animal health and production strategy • National water resources strategy • Revised water law • National plan for village vets. • Fisheries master plan • Revised fisheries law • Strategy for agricultural education 	<ul style="list-style-type: none"> • Prepared and approved • Prepared and approved • Prepared and approved • Submitted; approved by Senate on June 11, 2007 • Submitted; not yet approved • Submitted; drafted, and required for consultation but not replied to by the World Bank • Submitted; passed by the National Assembly on March 30, 2006, and has become in force (fisheries law) by the royal proclamation number ns1/4rtm1/4 0506/011 dated May 21, 2006. • Submitted; not yet approved

Source: Implementation Completion Report, December 8, 2006, pages 9-10.

** Included: IPM farmer field school, farmer refresher courses and farmers clubs : 32,582 farmers; Soil improvement: 75 farmers; Plant protection techniques: 2,846 farmers; Seed production: 826 farmers; and Crop budgets: 2,232 farmers.

Source: Ministry of Agriculture. Comments to IEG. June 20, 2007.

3.12 By 2000, the CAS priorities had shifted toward “increasing access to services and productive activities.”⁴ While capacity building to enhance the delivery of these services was still acknowledged, the focus was on delivery and on facilitating private sector investment in

4. 2000 CAS, para. 57.

income-generating activities. The dialogue during supervision missions shifted in these directions, but neither during the Mid-Term Review nor at any other time was a change in project's objectives considered, nor was there any significant shift in resources or activities to bring about better communications with farmers. Almost five years after the project was approved, the Project Status Report (PSR) of March 2002 stated, "The project is ... preparing actions leading to pilot testing of effective mechanisms for interaction with farmers." Why was such an important issue broached so tentatively, so late? Because of the failures to respond to the recognized concern of how the expanded MAFF capacity would be used, and to reflect the change in CAS priorities, the relevance of the project is rated **modest**.

EFFICACY

3.13 The caliber of training and facilities delivered under the project was appropriate and the output targets of most activities were realized (Table 2). However, the issues of maintaining and exploiting the Ministry's capacity so as to generate "the sustainable and broad-based improvement of smallholder agriculture" were not adequately addressed. Inadequate attention was paid to what programs, channels and resources would be used to reach the small farmers who were supposed to be the main target of the enhanced service capacity. The impact of the project on agricultural productivity generally suffered from this constraint, although notable exceptions have also occurred with respect to integrated pest management, animal health (IFAD component), and small-scale irrigation. Also of concern in terms of realizing objectives is the unresolved issue of terms of employment in the public sector and the risk of large-scale movement of qualified personnel to other employment, either in the private sector or among donors and NGOs. Interviews with MAFF leadership during the IEG mission confirmed that staff retention is an ongoing issue. In addition, however, these visits reinforced the concern that the Ministry viewed capacity development as an end in itself and not in terms of the relationship that needed to exist between the Ministry and its clients.

3.14 At the time of appraisal there would have been very little by way of alternatives to the Ministry as institutional delivery channels for support to the agricultural sector. There may also have been some cohesive effect of involving so many units within the Ministry in the project. Nevertheless, in view of the limited success of public sector technical services to agriculture, it might have been more effective to focus the project's support to the Ministry on regulatory and strategic framework capacity and focus service delivery efforts on developing alternatives such as local agencies, farmers' organizations, civil society and private sector suppliers. Giving the Ministry a training and technical backstopping role in relation to other delivery channels would have been one means of freeing the capacity developed under the project from the constraint of public funding that has so adversely affected the sustainable impact of what was accomplished.

3.15 The list of project achievements is impressive, but they are outputs by nature, not development results. The project did achieve a significant degree of capacity building in participating departments and a strengthened regulatory and strategic framework for agricultural activities, and hence the capacity to contribute to the development of the rural sector. However, beyond the demonstrations and training funded by the project, little thought was given as to how that capacity would be used and only three components continue to have a significant direct impact on smallholder productivity:

- The widespread adoption of integrated pest management
- The country's increased ability to fight contagious disease outbreaks among livestock
- Small-scale irrigation rehabilitation that significantly improved the lot of participating producers.⁵

3.16 In relation to the elements in the project's development objective, the outputs are distinctly clustered in favor of "improving the quality and quantity of technical, human and physical resources." Concerning "assisting the Borrower to implement ... a coordinated national program," the planned sub-sector strategies and background analysis would have been most useful but the achievement there was very modest, with most strategies not adopted or implemented. But the poorest level of achievement is in the area of "promoting sustainable development improvements" because of the failure to focus adequately on how the MAFF resources would be used to reach growers and how they would be maintained in the face of budgetary constraints and relatively poor conditions of employment in line ministries. On balance, achievement of objectives is rated as **modest**.

EFFICIENCY

3.17 The four sub-projects that were expected to have a direct impact on producers were subjected to an "indicative" economic analysis at the time of appraisal: animal health and production, small-scale agricultural hydraulics, seed production and integrated pest management.

- **Animal Health and Production.** This component was given an estimated ERR of 36 percent in the SAR but no attempt was made in the ICR to calculate a rate of return. The ICR concluded, "The overall impact ... particularly on poorer farming households, has been substantial ... it is unfortunate that more attention was not paid to identifying a better means to quantify this result."⁶ Anecdotal evidence during PPAR field visits confirmed the significant improvement in animal health that resulted from the project, particularly in the control of contagious diseases.
- **Small-Scale Agriculture Hydraulics.** Eight out of ten schemes sampled had ERRs in excess of the 25 percent estimated at the time of appraisal.⁷
- **Seed Production.** Given an estimated ERR of 17 percent for first round benefits and 38 percent for second round benefits at the time of appraisal, this activity performed much below expectations, and would have had a strongly negative return over 15–20 years.
- **Integrated Pest Management (IPM).** The base case ERR for this activity in the SAR was 26 percent. No overall return was calculated post-project, but two studies of sample areas confirmed positive results. One study of farmers in six provinces showed net incomes 8.3 percent higher among IPM practitioners in dry-season

5. An economic analysis of a sample of ten small schemes indicates acceptable to very high rates of return to nine of them. (ICR, page 21)

6. ICR, Annex 3, pages 38-39.

7. ICR, page 21.

cultivation. Another study of 247 farmers in seven provinces that adopted a range of practices from the project including IPM showed increased incomes from several crops including a 13 percent increase in net income from vegetable production.

3.18 While three of the four foregoing components probably did meet or exceed expected returns, the failure of other components to include plans for their sustainability and their use means that, overall, the investment in MAFF capacity building has not been cost-effective in contributing to the objective of improvements in smallholder farmer productivity. The project is therefore rated **modest** with respect to efficiency.

OVERALL OUTCOME

3.19 The statement of objectives in the SAR was very far reaching and more in the nature of a goal than that in the DCA (Table 1). As implementation proceeded, staff began to come to terms with the fact that, to have an impact, capacity had to be used, and PSRs, while cited the SAR objective, went on to add the following: “building institutional capacity within MAFF as a means of (i) gaining experience in the planning, organization and management of agricultural development programs, (ii) adapting, testing and demonstrating improved agricultural technology, and (iii) developing MAFF understanding and responsiveness to the needs of its client base.” The PPAR review applauds the shift in focus of staff efforts during implementation toward making effective use of the increased capacity, but this was not reflected in a change in development objective or in increased attention by the Ministry to the issues that would limit its ability to reach growers more effectively.

3.20 With considerable delays and procedural difficulties the project did create significant improvements in the technical, human and physical resources of the ministry, but it did little or nothing to address the programming, organizational or financial constraints to using those resources for development. Most of the productive assets created by the project proved to be financially and economically satisfactory, but they have not served as a model for further works by the Ministry. The project did not address issues of delivery mechanism, terms of employment, operating budget constraints and public/private partnerships, all of which remain serious challenges to the use of the capacity of MAFF to affect change at the level of smallholder agriculture. Many of the personnel trained under the project have moved on to other positions in the public and private sectors. Finally, the development objective refers to a coordinated national program although the majority of actual project activities were focused on smaller geographic areas. Perhaps ramping up of the initial works was the strategy toward the national program, together with the results of the strategic studies, had they been adopted, but limited progress in these respects effectively precluded a coherent national result of the project.

3.21 In looking at what was accomplished under the project and how sustainable its results may be, one is faced with the fact that very little thought appears to have been given to how the Ministry would actually use its increased capacity, beyond the training and pilot demonstrations funded by the project. As a result, the project can take neither credit nor blame for sector performance, but it is useful to note that Cambodia continues to have the lowest yield of all major crops among Southeast Asian countries and the second lowest rate of growth in agricultural productivity for the decade ending in 2000. More recent growth has been better, but still less than other countries (and mainly weather related), and employment in the sector is growing at only 1.6 percent per annum.

3.22 The challenge now confronting the Government now in sustaining and using the capacity created under the project is two-fold: (a) obtaining adequate budgetary support to maintain staff and facilities and enable them to operate effectively, and (b) gaining the ownership and political commitment of stakeholders to implement the regulatory and strategic framework measures developed under the project. The project did not address the sustainable use of the created capacity early enough during implementation and the belated effort did not become a significant focus of implementation. In contrast, IEG finds that the last part of the project objective “to promote sustainable agricultural development improvements throughout the Borrower’s territory” emerged as the critical element as the CAS and government priorities shifted to delivery of services. In the 16 months since the project closed, there are indications that neither the financial nor the ownership challenge is being satisfactorily met by the Borrower. With this failure to adjust its objectives to clarify its development focus, to become sustainable and to remain relevant, the overall outcome of the project is rated **moderately unsatisfactory**. This overall rating is also consistent with the individual ratings of relevance, efficacy, and efficiency (Table 3).

Table 3. APIP: Overall Project Outcome

Objectives	Relevance	Efficacy	Efficiency
(1) To assist the Borrower to implement through MAFF a coordinated national program	Modest	Modest	Modest
(2) To help improve the quantity and quality of the technical, human and physical resources required	Modest	Substantial	Modest
(3) To promote sustainable agricultural development improvements throughout the Borrower’s territory	Substantial	Negligible	Modest
Overall	Modest	Modest	Modest
Overall Project Outcome	Moderately Unsatisfactory		

RISK TO DEVELOPMENT OUTCOME

3.23 There are several **significant** risks to the development outcome of this project. Principal among these is the uncertainty of public sector funding for the maintenance and effective use of the capacity created in MAFF. Public sector reforms are also a matter of continuing debate in Cambodia because the compensation of ministerial staff is too low to permit incumbents to dedicate full time and effort to their work. This in turn has given rise to a culture of low expectations and diffuse responsibilities that are not conducive to performance or accountability. While this is not a problem unique to this project, its long-term results will be determined to a great extent by the outcome of this issue.

BANK PERFORMANCE

3.24 The IEG mission confirms the finding in the ICR that three factors predisposed the project to implementation problems: (a) its ambitious and complex design, (b) its vague and hard-to-measure development objective, and (c) insufficient consideration of sustainability issues.⁸ The ICR adds that an opportunity was missed at MTR to make substantive changes

8. ICR, page 27.

in the project. Because Bank staff and managers became pre-occupied with implementation delays and procedural problems, they did not adequately reflect adequately on the direction and potential impact of the project.

3.25 Overall, the Bank's performance is rated been **moderately unsatisfactory** due to the failure of the Bank to reflect lessons from earlier operations with respect to simplicity in design, the failure to link capacity-building efforts in most components to effective means of delivering results to growers, the failure to have baseline data and a monitoring plan in place to assess results, and the apparent resignation to continuing donor funding as the basis of sustainability further support a critical rating for Bank performance. While the success of the IPM and small-scale irrigation activities offset this rating to some extent,⁹ these activities can equally be said to have contained lessons for other components that were not picked up, important among which was the active participation of beneficiaries. Finally, it appears that the Bank reacted to the poor institutional capacity of post-conflict Cambodia with conventional support to a line agency without considering how that capacity would be used or rendered sustainable, or how, in fact it might have facilitated the development of alternative channels and mechanisms for the delivery of services and products to the target growers.

BORROWER PERFORMANCE

3.26 The Borrower's performance had an adverse impact on the project in several specific ways, none unique to this project: counterpart funding was generally delayed, decision-making procedures were complex and time-consuming, particularly when financial commitments were at issue, and overlapping layers of management obscured authority and added to delays. The procurement irregularities that surfaced late in the project also had an adverse impact on project implementation. Overall, the Borrower's performance is also rated **moderately unsatisfactory**.

4. Northeast Village Development Project (NVDP)

Components and Costs

4.1 In pursuit of its development objectives, NVDP's components consisted of the following:

- (1) **Participatory Planning and Investment** (\$4.4 million at appraisal, \$3.6 million actual). Project investments that were mainly for rehabilitation or improvement of physical infrastructure that directly supports economic activity would be based on participatory planning at the commune and village levels, with the formation of Commune and Village Development Committees (CDCs/VDCs).
- (2) **Institutional Strengthening and Project Management** (\$2.0 million at appraisal, \$1.8 million actual). Comprised four sub-components: (a) fixed-price contracts for technical and managerial support, (b) rehabilitation of government offices,

9. The other notable success, animal health, was designed by IFAD and a Swedish consultant, and funded by IFAD.

(c) purchase of vehicles and office/communication equipment, and (d) incremental project operating expenses.

Implementation Arrangements

4.2 A Project Implementation Unit (PIU) was set up in the Ministry of Rural Development (MRD) to manage this project and five person-years of TA were provided, including an Institutional Development Advisor who would be Chief Technical Advisor. A Project Operations Manual was to be submitted to IDA before sub-project disbursements began. Also there were small Provincial PIUs in the four project provinces, including additional TA funded by Japanese bilateral aid. (Provincial PIUs would be under the jurisdiction of the existing Provincial Rural Development Committees, chaired by the Governor): They would have primary responsibility for:

- Day to day implementation and oversight of Commune Development Committees/Village Development Committees¹⁰
- PRA training activities
- Sub-project development
- Provincial training and monitoring.

4.3 CDCs and VDCs would implement sub-projects, including tendering, with the help of local leaders and organizations. Terms of reference for all TA positions were included in the PAD. The implementation period was initially seen to be mid-1999 to October 2001.

Implementation Experience

4.4 The NVDP was one of several initiatives in decentralization and the development of local government capacity to plan and oversee development activities.¹¹ Others had, over the period since 1996 been incorporated in the overall framework of the SEILA Program, a government initiative that evolved from a UNDP project CARERE into a framework for all donor initiatives in support of decentralization and deconcentration.¹² Despite its objective of supporting the development of local government, the SEILA program tended to be top-down in its approach and, perhaps because of the range of donor requirements, to be very management-intensive. The Bank took the view that these were not the right qualities for a program in remote under-served areas such as the targeted Northeast and the Government agreed to an LIL to test a less management-intensive approach that worked directly with local communities as well as with Provincial Rural Development Committees.¹³

10. A commune typically consists of three to five villages with their associated agricultural lands.

11. Donors with local government initiatives at least partly in rural areas included AUSAID, DANIDA, DFID, GTZ, IFAD, SIDA, UNDP, UNICEF and WFP.

12. The Khmer term for foundation stone, the SEILA program is the multi-agency program through which donors and NGOs work with and support the Government in its local government and rural development initiatives.

13. In its comments, the Region states that “This statement is not really accurate in that the Bank did not have such a negative view of the Seila Program. At the time that NVDP was designed there was a legitimate question about whether the locus for local planning and development should be at the village or the commune

4.5 The PSR immediately following Effectiveness set the stage for the implementation of this project when it said that the Ministry of Rural Development (MRD) “is making a serious effort to get the project off to a good start and, in particular to ensure efficiency and full transparency of its operations, given the risks inherent in the Cambodian environment.”¹⁴ But by December 2000, 13 months after effectiveness, the supervision mission noted delays in most activities. There had been a change in the Bank’s Task Manager, and floods earlier in the year had made the project area inaccessible, but within the project there were other factors: Manuals were slow to be completed and the recruitment of technical assistance was delayed. Prior approval of procurement plans by the Ministry of Economic and Finance (MEF) and its tendency to “micromanage” were cited as specific issues, in the context of a general staff and management capacity constraint in MRD that had become apparent when the Secretary of State had reduced his personal involvement as the Project Steering Committee Chairman.¹⁵ Faced with the slowdown, he renewed his strong support for the project by committing to a series of remedial actions. Formalities were initiated for the transfer of \$500,000 of project proceeds to similar activities under a pilot military demobilization project in two additional provinces.¹⁶

4.6 With the renewed involvement of the Secretary of State, implementation was satisfactory over the following 18 months and the Bank agreed to an extension of the Closing Date to account for the initial delays in procurement and start-up. The Project Steering Committee was replaced by a full time Project Director and Deputy Director and as of May 2002 disbursements were less than 2 percent behind the revised schedule. By December 2003, all village-level training and all 120 infrastructure projects had been completed, construction of the latter was considered satisfactory, as was the environmental assessment of each. The Bank agreed to a six-month delay in the closing date to permit the use of project proceeds to access alternative mechanisms to continue to provide support to village level initiatives. This was useful not only in the context of the project’s LIL status, but also in view of the Government’s decision to shift the focus of its decentralization efforts from the village to the commune level. The project was closed on June 30, 2004, after 5 years and 1 month, with total cost unchanged at US\$ 6.3 million.

Monitoring and Evaluation

4.7 As a LIL, this project’s key indicators were linked to knowledge and process development and dissemination as well as to specific tangible achievements. The project

level. The Bank took the view that both approaches had merit and, in fact, simultaneously supported NVDP and Seila (with post-conflict and other grants, and eventually through RILGP). Indeed the US\$500,000 referred to in paragraph 4.5 went to fund the Seila Program in the provinces of Battambang and Banteay Meanchey.”

14. PSR, 12/22/1999, Current Project Status.

15. In its comments, the Region states that “Part of the reason for the reduced involvement of the Secretary of State was that he became Minister and had less time for direct engagement in the project. That is the main reason that the Project Steering Committee Structure was replaced with the Project Director and Deputy Director.”

16. Other donors had agreed to a Bank request to shift resources from several of their projects to support a pilot project in military demobilization, the condition being that the activities of their own local rural development projects would not be left under-funded. The Bank subsequently arranged the transfer of NVDP funds to fill this gap.

included the services of an independent M&E specialist for design and oversight and two independent evaluations of performance during implementation. The three broad indicators of the project are in Table 4, together with a summary assessment.

4.8 Compliance with financial covenants and performance on financial management were considered satisfactory. When financial performance began to be rated in the last two years of the project it received satisfactory or highly satisfactory ratings. The quality of the monitoring and evaluation is rated modest in design, substantial in implementation and utilization, and substantial overall.

Table 4. NVDP: Monitoring and Evaluation Experience

M&E Indicator	Summary Assessment
Government would adopt more decentralized, participatory and sustainable rural development strategies for ... public investment and administrative reform.	The results of the project at different stages were tracked and disseminated to agencies and individuals concerned with the Government's evolving strategy of decentralization and deconcentration. Formal and informal exchanges were used to convey the lessons of the LIL, and these in turn depended on thorough monitoring at the activity level.
Government capacity to implement such strategies would improve.	M&E manuals and training at all levels gave participants a sense of involvement and capacity in the monitoring process — an integral part of the effort at greater self-determination. The PPAR mission was struck by the extent of knowledge and grasp of performance details by staff at intermediate levels of organizations such as the Provincial Rural Development Committees that evolved from the project initiative. In terms of benefit attribution, there is some blurring of distinction between the contributions of the NVDP and the follow-on RILGP because both had the same Bank field staff working with similar units at local and provincial levels. The succession of projects with continuous staff enhanced the development impact and facilitated the transition from the village to commune focus and from MRD to the multi-ministerial SEILA program. ¹
The rural economy in the project area would improve.	It is perhaps surprising in view of the apparent rigor of monitoring and evaluation elsewhere in the project that no economic or financial analysis was undertaken for the sub-project investments funded through the VDCs. Beneficiary interviews confirmed the high level of satisfaction with the works, but quantitative work would have been informative for future rural investment purposes.

1. The Khmer term for foundation stone, the SEILA program is the multi-agency program through which donors and NGOs work with and support the Government in its local government and rural development initiatives.

Project Ratings

RELEVANCE

4.9 NVDP's relevance in terms of the Bank's and the Government's strategy during the period hinges on the fact that both parties recognized that decentralization and deconcentration of government were essential to development beyond a narrow corridor between urban centers. And it was in these rural areas that poverty and the development gap were most prominent. Specifically, the project supported three goals in the prevailing CAS of 1997: (a) enhancing rural development and natural resource management, (b) improving

human resources and reducing poverty, and (c) strengthening institutional capacity. In its first Five Year Socio-Economic Development Plan for the period 1996 to 2000, the Government committed itself to decentralized rural development using a participatory and bottom-up approach. During the life of the project, the Government's strategy for the delivery of rural services evolved from several pilot initiatives to a nationwide program of elected Communes/Sangat Councils (C/SCs) as the cornerstone of local government with planning, budgeting and implementation authority.

4.10 Funding for development in rural areas is still essentially a national responsibility, with only a small portion of resources devolved to local units,¹⁷ but the pattern has been established and the general consensus is that the share of resources managed at local levels will continue to increase. Against this backdrop, the members and officers of the 120 VDCs supported by the project have important roles to play as an initial core of experienced participants in the C/SCs. A limiting factor in the relevance of this project is the fact that the planned full-scale follow-on project was not developed but, instead, a Rural Investment and Local Government Project (RILGP) was developed which conforms more directly to the commune-based structure that the Government has adopted. Nonetheless, given the project's contribution to the Provincial Rural Development Committees and its effectiveness within the new system of persons and organizations formed locally under the project, the relevance of the project is rated **substantial**.

EFFICACY

4.11 The project had substantial achievements in introducing participatory poverty-focused rural development approaches in underserved areas and in gaining and disseminating experience in the management of such programs. It worked with local communities to establish the structure and build the capacity for participatory planning of local infrastructure and facilities. Contrary to the concern over the political base of emerging local government, the Government saw the VDCs and other local entities as a promising vehicle to deliver services and gain recognition in the heretofore widely inaccessible hinterland of the country. The success of NVDP and similar operations has been an important factor in consolidating the support of rural populations for the current Government. Another important feature of the project was its achievement in using provincial "promoters" and detailed procedural manuals to work with local populations in their efforts at self-determination. The "Local Development Process" codified best practices into a series of guidelines that could be taught to village populations, and used by them to comply with the regulations of government and donors without the costly layers of centralized specialists. The efficacy of the project is rated **substantial**, falling short of a high rating only by the limited extent to which specific results such as the local development process could be mainstreamed into the rapidly evolving structure of the Government's decentralization and rural development strategy.

EFFICIENCY

4.12 No rate of return analysis was done either during appraisal or upon completion but surveys of sub-project beneficiaries indicate very high levels of satisfaction. On the institutional development side, several observations offer subjective evidence of relative

17. The Commune/Sangat Fund is the inter-governmental fiscal transfer mechanism from the national to the commune level. It funds both development and administration at the commune level.

efficiency. The project operated in one of the most inaccessible and underserved parts of the country; floods during the first year caused serious delays in start-up; and most project villages had no development councils before project start-up. Despite these significant impediments, the project achieved its output and development objectives within budget. In the years since the C/SCs came into being, many representatives of villages trained under NVDP have risen to places of leadership and responsibility in the newly elected government bodies. Perhaps of equal importance is the fact that village and commune committees supported by the project have been effective representatives of local needs and interests in the dialogue surrounding the growing importance of the Provincial Rural Development Committees. While anecdotal in nature these are important indications of the results of the preparatory work conducted by the project and of the sustainable impact of the project on the role of local representatives in determining the development priorities of their communities. Efficiency is rated **substantial**.

OVERALL OUTCOME

4.13 This project met the preponderance of its development objectives fully. It introduced decentralized participatory poverty focused approaches to rural development in four underserved provinces in the north. The experience gained under the project has contributed to the national program of commune-level planning and contracting under elected C/SCs and to the links between commune committees and their member village development committees. The project also trained practitioners who have found an active role in the Government's evolving program of local planning and development. The only dimension of its objectives on which it fell short was the extent to which the tools developed under the project were disseminated to and adopted by the mainstream government program for decentralization and rural development that followed the project.

4.14 The anticipated follow-on project was not developed for a variety of reasons, not the least of which was the Government's decision to focus local development at the commune level, each commune consisting of several villages.¹⁸ Nevertheless, the VDCs supported by the project continue to play an important role in linking official planning to the village level and in providing trained and experienced members to the C/SCs. Despite initial delays in start up, due in part to the 2000 floods as well as the typical procedural delays encountered in most projects during the period, the project achieved all of its tangible outputs, including local infrastructure and facility sub-projects in 120 villages in four Northern provinces. Villages in two additional provinces in the Northwest also received sub-projects. The overall outcome of the project is rated **satisfactory** (Table 5).

RISK TO DEVELOPMENT OUTCOME

4.15 The risk to development outcome is **moderate**. The commune development councils and their overseeing Provincial Rural Development Committees are the main elements of the Government's decentralization and deconcentration program. These are gaining recognition and momentum and so far have not raised political concerns. An Organic Law has been drafted that sets out the sharing of responsibilities among different levels of government, and

18. In fact, the Rural Investment and Local Governance Project could be considered as the sequel to NVDP in that it drew from the initial experience under NVDP and adapted its structure and procedures to the commune-level and the growing role of the Provincial Rural Development Committees.

it is expected to reinforce the role of the C/SCs. These developments point to a promising future for sustaining the institutional and human development that took place under NVDP. Its villages and its trainees are finding active participation and leadership at the commune level in continuation of what was initiated under the project, and its Provincial Rural Development Committees will gradually receive more authority and resources to apply the experience and procedures they have gained.

Table 5. NVDP: Overall Project Outcome

Objectives	Relevance	Efficacy	Efficiency
(1) To introduce decentralized, participatory, poverty-focused rural development approaches in some of the poorest areas of Cambodia	Substantial	Modest	Substantial
(2) To gain experience in managing such programs for formulating and carrying out a cohesive national strategy for rural development	Substantial	Substantial	Substantial
Overall	Substantial	Substantial	Substantial
Overall Project Outcome	Satisfactory		

4.16 It should be noted that the ICR was completed in June 2005, at a time when the future outlet for the developments under NVDP were not as clear. The planned full-scale follow-up to the project had not materialized and the ICR shared the concern of some Borrower commentators that the sustainability of the project was in doubt. “The prospect of broader sustainability was diminished largely because there has been no follow-up financing to the LIL, rather than to a specific shortcoming of NVDP.” Developments since that time in furthering the role of C/SCs and illustrating the relevance of NVDP people and procedures have mitigated this concern to a great extent.

BANK PERFORMANCE

4.17 The Bank’s performance was **satisfactory** in preparation and supervision. The project concept was effective in giving rural populations an active part in the development of their respective communities and in delivering resources to widely scattered locations in the country. This PPAR particularly notes of the work of the responsible regional staff during supervision, for their extra efforts to include remote areas in their regular supervision itineraries and for the collaborative and helpful approach taken to addressing implementation problems with the counterpart units at different levels. This extra effort was no doubt a critical factor in the success of the project and of its integration into the overall decentralization program of the Government.

BORROWER PERFORMANCE

4.18 The Borrower’s performance was also **satisfactory** — working closely with the Bank team during preparation and performing its management role during implementation in a timely and effective manner. The poor performance by the initial technical assistant added to the burden of the Ministry and its decentralized PIUs, but a sense of collaboration between the Bank and the Borrower seems to have carried participating officers through the extra

challenges. The commitment of the senior leadership of the Ministry of Rural Development during the period of project implementation was also a positive factor.

5. Forest Concession Management and Control Pilot Project (FCMCP)

Components and Costs

5.1 There were four components in the FCMCP:

- (1) **Forest Planning and Inventory** (\$1.3 million at appraisal).¹⁹ Upgrading capacity of the Department of Forests and Wildlife (DFW) to guide, control and assure the concessionaire's preparation of short and long-term forest management plans as part of the concession system restructuring process. Updating, improving or replacing concession/master plans. Sampling inventories and concession maps.
- (2) **Concession Regulation and Control** (\$2.0 million at appraisal). Strengthening the capacity of the Forest Management Office in Phnom Penh and establishing branches in concession areas to ensure that operations are in compliance with plans and conditions established under component (1).
- (3) **Forest Crime Monitoring and Prevention** (\$1.1 million at appraisal). Strengthening the capacity of DFW's Legal and Litigation Office and the Ministry of Environment to systematically and regularly monitor illegal logging and to launch effective prevention activities.
- (4) **Project Management and Institutional Strengthening** (\$1.0 million at appraisal). Establishing a PMU in the DFW and financing an advisor and other consultants, facilities, staff training and equipment. The PMU was responsible, inter alia, for managing all procurement and contracting.

5.2 An Independent Monitor of Forest Crime (Global Witness) was initially supported by an FAO/UNDP grant in turn funded by Germany and Denmark. When Global Witness's contract was terminated in December 2002, recruitment of another monitor was initiated, and the Bank agreed to the Government's request that the new monitor be funded out of project proceeds. Société Générale de Surveillance (SGS) was selected.

5.3 The project was modified slightly in December 2003, following the mid-term review, to fund land use planning and protection activities by the Wildlife Conservation Society within a former concession area and to improve the consultative process with communities in

19. Actual project costs by component were neither presented in the ICR nor available to the IEG mission. These are only available by expenditure category: works, goods, services, etc.

and near forest concessions, particularly vulnerable communities whose well-being was tied to the future of the concessions.²⁰

Implementation Arrangements

5.4 The Department of Forestry and Wildlife, Forest Administration Directorate, worked with local governments and concessionaires to implement this project, using a PMU for overall control and coordination and different directorates for each component. Donor grants were placed in a Trust Fund for the forest crime component, which would be overseen by an inter-ministerial committee. For financial management and auditing, the then-current practice was that all payments required pre-authorization by the Financial Controller in the Ministry of Economy and Finance before commitment. To overcome weaknesses at the Department level, the project undertook to establish a Project Accounting System at the level of the PMU, fashioned after a model developed under an Asian Development Bank (ADB) project. The PMU would hire a Project Accountant and international auditors acceptable to IDA. A special account would be established at the National Bank or an authorized commercial bank and managed by the PMU. Disbursement would be based on withdrawal applications supported by full documentation or Statement of Expenditures. The MEF would also establish a separate bank account to ensure the timely availability of counterpart funds.

Implementation Experience

5.5 In its PSR of December 2000, less than two months after the project was declared effective, the Region reported that the Forest Administration (FA) was “advancing on a number of fronts to perform its expanded functions.” Recruitment of technical assistance and the development of a draft Forest Law proceeded well during the first year, with some minor delays in the Forest Crime component due to differing procedural requirements among donors.

5.6 The tone of the PSRs during the first 18 months positive in terms of both progress and the commitment of the FA. But the PSR of June 2002 signaled an ominous development — the resurgence of illegal logging within concessions and the reluctance of the Government to apply credible sanctions — and increased the summary risk rating of the project from substantial to high. The report noted that, although the “mechanical” implementation of the project was proceeding well, there was no indication that the development objectives were being pursued, which would in the first instance have required the exercise of “reasonable remedies in the face of concession abuse.” Compliance with safeguard policies was rated for the first time in this report, and all applicable ratings were satisfactory, although indigenous people, natural habitats, cultural property and environmental assessments were all, at the time, subjects of criticism by representatives of civil society.

5.7 By December of 2002, implementation was rated as unsatisfactory in every reported category other than procurement procedures. The FA had relaxed several of the requirements for Forest Management Plans, resisted disclosure of the plans and their associated

20. Resin collection received a great deal of attention in the debate over this project, but there are multiple forms of non-timber forest gathering that comprise an important component of the income of many communities near or within the concessions.

Environmental and Social Impact Assessments, and had not enforced a sound approach to consultation with affected communities.

5.8 The PSR reported that relations with NGOs had “deteriorated into mutual mistrust and animosity.” There are some 1600 active national and international NGOs in Cambodia. Freedom of the press and the close relationship of these NGOs with donor projects have given them an unusually strong voice in Cambodian affairs and the momentum of public opinion began to take on a life of its own, independent of the actual issues facing the project.

5.9 The NGO that had been contracted as the Project’s Independent Monitor of forest crime engaged in a widespread public information campaign against the project, depicting the FA and the Bank as accomplices in the abuses of the forest concession system. Global Witness released its views as well as its reports directly to the press and public rather than to the FA and other authorities charged with project implementation. At the end of 2002, the FA terminated the contract of Global Witness and, in November 2003, following agreement with the Bank to use project proceeds, it recruited SGS as the new Independent Monitor.²¹ Following the termination of its contract, Global Witness remained in Cambodia, actively investigating activities in forest regions and organizing opposition to the project.²²

5.10 In terms of forest concession management, this period continued to be a contrast between modest progress in developing a regulatory and logistical framework and the slow progress against illegal logging. It is important to note amid the negative rhetoric and problems of this project that it was in fact making progress in some important aspects of developing and implementing a forest concession management framework. In December 2001, the Government had issued a decree suspending logging permits until the approval of new forest concession management plans. It also required an inventory of logs felled prior to that date and the cessation of log transport permits. The result was a significant reduction in the level of illegal logging and had the Bank and the Borrower been able to focus at that time on getting concessionaires to further their management plans, the break in logging could have had a very positive effect on the long-term sustainability of the industry. In the first half of 2003, a mid-term review of the project was conducted and an action plan developed and agreed with the Government to return the project to satisfactory status.²³ Even though two of the elements of this plan were more effective community consultations and public information disclosure, relations with civil society continued to deteriorate.

5.11 An internal Bank review conducted in late 2003 at the request of the Region found that the project continued to offer a useful basis for capacity building and procedural reform., although it did go on to criticize the shortcomings of the Bank and the Government in the handling of public relations surrounding the project.

21. Global Witness continued working in Cambodia, with funding from USAID for about 15 months, and waging its campaign against the project and the concession system.

22. Funding for these activities was provided by USAID for about 15 months after the project contract was terminated.

23. The Bank had proposed and all concerned had agreed that other donors would participate in this review, but as public criticism of the project mounted, donors gradually withdrew and ultimately the review was conducted only by the Bank and the Government.

5.12 A consultative workshop held in November 2003 with stakeholders including NGOs and other donors resulted in “strong support for the continuation of the project.”²⁴ Under Current Project Status, the 12/03 PSR notes, however, that “a few NGOs voiced opposition to any continuation on the basis of governance weakness and doubts about the good faith intentions of the government.”

5.13 Notwithstanding the outspoken criticism of the project from civil society on one hand and pressure from senior levels of government for continued ad hoc waivers on the other, the FA took an important decision to regain some development impact for the project: it reinstated the requirement that concessions prepare five-year compartment plans as part of their strategic forest management plans. These compartment plans are the critical component of forest management packages, on which actual logging operations are based.

5.14 On the basis of agreements reached during the mid-term review, the project was formally restructured, with the addition of post-concession area management and the recruitment of a community forest specialist. The Bank agreed to a six-month extension of the closing date to permit further follow through with concessionaires who had produced reasonable first drafts of their management plans and the FA agreed to an independent review of concessionaires’ Sustainable Forest Management Plans, commissioned by donors. In addition, the Bank and the Government agreed to an independent review of the forestry sector. Implementation picked up and the status of the project with respect to its development objective was upgraded to satisfactory.

5.15 In the early months of 2004, the focus of criticism of the project was increasingly on affected communities, of which many consisted of indigenous peoples. The FA engaged a sociologist to assist in developing more effective means of consultation with affected communities and the supervision mission recommended the preparation of a Highland Peoples Development Framework. A social impact analysis that would normally have been conducted as part of project appraisal had been deferred for inclusion in the detailed work of the compartment management plans of concessionaires on the grounds that it was only in this context that specific circumstances would be known. Nevertheless, the decision not to conduct this analysis prior to the project made it vulnerable to charges of neglect in this sensitive area. The decision to conduct a framework analysis following the Mid-Term Review was a constructive attempt to capture issues in forest communities as far as the information at that point would permit, but it did not satisfy civil society opposition to forest concessions.

5.16 In the final supervision report before the procurement problems broke across the Bank’s Cambodia portfolio in the first half of 2006, the Region reported good progress in most areas of implementation and initial discussions about the conditions and the broadened scope of a follow-up operation for the Bank in the forestry sector. While this may have been an accurate reflection of discussions and progress within the FA, it did not reflect the rapidly deteriorating sentiment toward the project within civil society, or toward the Bank as an accomplice to what was perceived as abuse of the country’s forest resources.

24. PSR 12/31/03, Current Project Status.

5.17 **Inspection Panel.** On January 28, 2005, the Bank's Inspection Panel²⁵ received a Request for Inspection from the NGO Forum in Cambodia, representing members of forest communities that were said to have been adversely affected by the project, and specifically by the failure of the Bank to apply its own safeguard measures in the design and implementation of this project. The Panel's three major concerns, expressed in its report of March 30, 2006,²⁶ are summarized in Table 6 along with the Management response and observations based on the IEG mission to Cambodia.

Table 6. Findings of the Inspection Panel (IP), March 30, 2006

IP Conclusions	Management Responses	PPAR Observations
1. The focus on concessions was at the expense of other aspects of forestry that could have been more responsive to the Bank's poverty objectives.	Management pointed out that in fact the project was part of a much broader approach to the forestry sector rooted in the 2000 CAS, including provisions in a contemporary SAC, the Biodiversity and Protected Areas Management Project and the Land Management and Administration Project.	PPAR enquiries support management's response and find that, while certainly the most visible and contentious element, the project was indeed part of a much broader approach to the sector that did address rural poverty, mainly through social infrastructure and employment opportunities.
2. Deferring social impact assessment did in fact contribute to detrimental effects of the project on vulnerable communities	Management acknowledged that adequate assembly of relevant knowledge and analysis of social impacts had not been done during project processing and that, while not explicitly required of an LIL operation, a framework social analysis would have been appropriate. Measures were taken to begin to address these issues during implementation.	PPAR findings confirm the reasoning for full social impact assessments being made part of individual concession management plans, but also finds that the sensitivity of the issues in public opinion and the potential for adverse impacts on local communities should have indicated the importance of at least a framework social impact assessment as part of project processing.
3. The Bank should not have undertaken such a sensitive and controversial operation without broader support and participation from the donor community	Management took exception to the suggestion that it had acted without broad support, pointing to the significant number of other donors and development agencies that took part in the sector analysis that led to the definition of the project as well as the co-financing activities of FAO and several bilateral donors including DANIDA and GTZ.	The PPAR mission to Cambodia found that the early 2000's were a period of friction among donors and shifting alliances that had more to do with agency or individual interests than with sound development strategy. The visibility and the unpopularity of the project made association with it difficult, and there were several reported instances of donor representatives or contractors distancing themselves from the project rather than taking a constructive role in finding solutions. In fact there had been extensive collaboration among donors in the sector analysis leading to the project, in the design of the project and in co-financing certain of its activities including technical assistance (including ADB, AUSAID, DANIDA, DFID, FAO, GTZ, and UNDP).

25. The Inspection Panel was created in 1993 by the Board of Executive Directors of the World Bank to serve as an independent mechanism to ensure accountability in Bank operations with respect to its policies and procedures. The three-member panel is empowered, subject to Board approval, to investigate problems that are alleged to have arisen as a result of the Bank having ignored its own operating policies and procedures.

26. Investigation Report, Cambodia Forest Concession Management and Control Project, Report No. 35556.

5.18 IEG's assessment is that the Inspection Panel did not fully appreciate the technical merit of the project or the complementarity of other Bank initiatives affecting the forest sector (see Bank Management's comment 1 in Table 6), but correctly pointed out the fact that the interest of forest communities within or near the concessions had not been adequately considered or protected up to the point of its investigation.

5.19 The project was extended twice, initially 18 months to continue the forest sector reform process and then an additional six months to continue support for the new independent forest crime monitor (SGS). It was closed on December 31, 2005.

Monitoring and Evaluation

5.20 The PAD correctly commented that implementation monitoring would "pose few difficulties as there (were) a limited number of essential procurement actions and technical assistance assignments." But in terms of impact it referred to policy dialogue and the voluntary submission of concessionaires to independent audit by qualified external experts. This degree of optimism originated perhaps from the experience of concession forestry in some OECD countries where the public supervision of concessions tends to be rigorous, but it had no bearing on the situation the project would encounter. Finally, the PAD referred to joint monitoring of initial project phases with ADB in anticipation of the latter developing a follow-on project for full-scale implementation of the results of the FCMCPP. The development of such a project did not materialize.

5.21 Summary findings with respect to the key performance indicators are presented in Table 7. Compliance with financial covenants, as a category through 2001, was reported as

Table 7. FCMCPP: Summary Findings with Respect to Key Performance Indicators

Key Performance Indicator	Summary Findings
Government, DFW and concessionaire adherence to a newly introduced set of guidelines and procedures.	The project was stalled at the first round of concessionaire plans, so the issue of adherence did not arise beyond participation in the development of the guidelines.
Amount of revenue collected.	PSRs commented periodically on revenue collection but performance and records remain very poor and the project cannot be said to have had a positive impact, even before the suspension of legal logging.
Establish procedures ... related to recent institutional and policy reforms.	No specific indicators were set for this category. Problems with the recruitment of qualified technical assistants was a factor in limiting performance in this regard.
Reductions in the incidence of illegal logging.	The Independent Monitor of Forest Crime did establish an effective network through which to collect information on illegal logging. However, very limited capacity on the part of DFW to police concessions and a continuing issue of commitment were probably factors in the continuation of these abuses, albeit at a reduced scale, while the project concentrated on establishing the guidelines for concession management. The monitor's choice to use the media and public disclosure as the means of disseminating their findings adversely affected their ability to work constructively with DFW on mitigation measures.

satisfactory. The two replacement categories (financial performance and financial management) were not rated in the following two years. An unsatisfactory rating of financial management in December 2002 brought a renewed focus on this aspect of implementation, and ratings from December 2003 to the end of the project were considered satisfactory. A more rigorous approach to setting interim performance targets and linking them to strategic outcomes would have been a useful exercise in design discipline, but the political circumstances surrounding the project would probably have limited the effect of this effort in terms of improved implementation. The quality of monitoring and evaluation is rated modest in design, implementation, utilization, and overall.

Project Ratings

RELEVANCE

5.22 The relevance of the project is rated **substantial** both in terms of economic development potential and in relation to the Bank's and the Government's strategic priorities. The 1997 CAS identified natural resource management as one of its priorities, along with strengthening institutional capacity. The 2000 CAS, in draft at the time of project approval, said that "the government has made forestry reform a top priority and has adopted a detailed reform program endorsed at the highest level. Forestry reform is ... being implemented in partnership with IDA, the ADB, the FAO, UNDP, Australia and the UK."²⁷ It went on to emphasize the importance of building the foundations of sustainable development as its strategic priority, among which it listed good governance. Its second strategic priority was enhancing natural resource management. The Bank's Structural Adjustment Credit of that year included the drafting of a new Forestry Law as part of the policy reform package and the FCMCP was to be the investment vehicle for the development of regulations and procedures for the application of that legislation.

5.23 Timber represented a valuable asset for the Cambodian economy at the time of project approval, with the civil war having in effect protected the forests from 30 years of exploitation that had reduced the forests of other countries in the region to a fraction of their 1960's value. In terms of the environment, there were also important biodiversity and ecosystem considerations, some of which, such as water retention and runoff, extended far beyond forestry land to affect other segments of the economy. People in and near concessions had developed complex cultural and economic relationships with the forests. With the lowlands fully populated and utilized, the stewardship of forestry lands represented the future of expansion for most land-based economic activity. Evidence of this today can be taken from the fact that it is reported that 70 percent of Economic Land Concessions are on Forest Land.

5.24 Some earlier reviews, including that of the Bank's Inspection Panel, found the FCMCPP to represent an unbalanced approach to the forest sector by the Bank, one that left critical aspects of the sector unaddressed. This PPAR concludes on the contrary that this project was in fact an appropriate and important piece of a broader Bank approach to the sector. It was, for a time, the most visible component, but it was a logical follow-up to strategic measures in forest law and policy that the Government had committed to under the

27. 2000 CAS, page 9.

Structural Adjustment Credit (SAC); it addressed the most urgent and highly visible threat to the forest sector; and it was the result of careful sector analysis under the auspices of FAO, UNDP and the Government as well as the Bank. The issues of biodiversity and protected area management were the subject of a separate operation conducted in parallel (Bio-Diversity and Protected Area Project). Initial support for community forestry and local participation in resource management were addressed as part of other projects that focused on decentralization and local capacity building.

5.25 Forest concessions had initially been granted on virtually all forest land, but by 2000 most of the area had been recognized as unable to support industrial forestry and about three million ha remained under concession. Improperly managed logging for processing and export represented an imminent threat to forestry resources in these concessions and it was consistent with government priorities and the analysis of the Bank and other donors that an operation should be undertaken to focus on forest concession management.

EFFICACY

5.26 The project did not succeed in demonstrating or improving the effectiveness of a comprehensive set of forest management and operations guidelines and control procedures. Nor did it establish an effective forest crime monitoring and prevention capability. The efficacy of the project is therefore rated **negligible** in relation to the achievement of its two objectives.

5.27 The urgency of introducing rational management into forest exploitation was also a factor in the choice of lending instrument but, in retrospect, the Bank and the project paid a high price for the choice of the LIL for this operation. Simplified processing meant more rapid project approval and there was a clear logic to the underlying assumption that detailed environmental and social impact assessments needed to be made in the context of concession management plans and not as a general exercise in appraising the project. After all, the project was to develop the framework and procedures for sustainable concession management plans, and it was in the subsequent application of that framework that environmental and social impact assessment would be important. However, the deferral of this analysis gave more scope for criticism during implementation and, more importantly, normal safeguards were compromised as a result of the delays and the poor quality of the analysis that was eventually performed by concessionaires as part of the draft management plans.²⁸

5.28 Global Witness and other NGOs focused on the importance of non-timber forest resources in the livelihood of local communities, and the infringement of concession logging on those activities (Box 1). Supervision missions endeavored to improve the local consultative process to be used in the development of management plans, and the mid-term review led to some strengthening of these consultations but public opinion was driven by other factors: the continued neglect of the interests of local communities in the ongoing legal and illegal logging operations and the inadequate response of concessionaires in applying the consultation guidelines.

28. The guidelines for the use of LILs have now been revised to require at least a framework analysis of social and environmental issues.

5.29 These vulnerabilities in the project — addressing the highly controversial issue of industrial logging and deferring social impact assessment — occurred in the environment of a very active civil society, non-transparent awards to forest rights, and extremely limited oversight capacity. The result was a rapidly escalating public campaign by civil society to condemn the concession system and those organizations that were seen to support it, including the Bank. Unfortunately, this level of press attention placed heavy demands on the time and focus of the Bank’s country management team and senior management at a critical time in project implementation

5.30 This PPAR finds that, while sensitivity to social and political concerns earlier in the project implementation might have reduced the level of criticism, the strategic error in terms of development impact was the failure of the Bank to insist on the value for the project of developing a sound management framework for an important part of the forestry sector. The rhetoric against the concession system of forest management flies in the face of successful experience in many economies with a significant forest sector. It is the lack of a sound management system and the legal and administrative framework for enforcement that gives rise to the abuses that are associated with this form of management in some developing countries, and creating that framework was the object of the project.

Box 1. Global Witness as an Independent Forest Crime Monitor

This UK-based NGO was not selected from an international competition but was appointed — a procurement aberration that resulted from the peculiar funding arrangements for the contract (UNDP sponsored but GTZ funded). The organization did not have experience in forestry management and operations and the IEG mission found that the firm did not recruit people for this assignment that had professional training or experience in forestry operations. The Forest Administration (FA) formally advised the Bank of its concern as to the competence of the team soon after the contract began. The main strength of Global Witness (GW) was its ability to establish an information network among widely scattered rural communities and to establish relationships that would encourage the flow of information through that network. In fact, GW did achieve a remarkable level of information flow concerning forest crime in Cambodia.

However, GW chose to go beyond its mandate of assisting the client to “systematically and regularly monitor illegal logging and to launch effective prevention activities”, and initiated an aggressive public campaign of exposure and criticism targeting all parties associated with the concession system. In addition to operating outside its terms of reference, GW: (a) lacked the qualified staff to conduct a realistic analysis of commercial options and to gain the confidence of professionals within concessionaire firms or government agencies, and (b) was unable to recognize the merits of gradual and partial solutions to resource exploitation issues. Its approach to protection left little room for compromise and GW soon began to act as though all the FA and visiting Bank personnel were culprits. It refused to circulate its findings internally for discussion or adaptation, preferring instead to release reports and charges directly to the public or to the press. By the end of 2002, communications with the FA had basically ceased, and the latter terminated the contract.

EFFICIENCY

5.31 No financial or economic analysis was conducted as part of appraisal for this operation and no quantitative analysis was done upon completion. The genesis of this project in terms of sector work, policy dialogue and strategic consultations was very efficient in its collaboration among donors and its consultative process. In design, it was a logical investment link to SAC conditions. While the risks attendant to the project objectives were high under any circumstances, the decision to use the LIL instrument resulted in greater vulnerability to criticism and distraction from implementation. In retrospect, a framework analysis of environmental and social issues would have flagged concerns to be built into the

design of management plans and would have illustrated the Bank's awareness of those issues before criticism gained momentum. It would also have been useful in terms of responding to concerns about the Bank's approach to forestry to have introduced more visible consultation and cross-referencing among the several projects that were being implemented during the same period. Finally, it would have been a useful indication of government commitment to rational forest management to require the issuance of a prakas (ministerial order) at the time of approval or effectiveness, putting concessionaires on notice as to the importance of the management plan process. As it was, time was lost and quality suffered from the posturing of concessionaires who hoped that this imposition would just go away. The efficiency of the project is therefore rated as **negligible**.

OVERALL OUTCOME

5.32 The project fell significantly short on both objectives of (a) demonstrating or improving the effectiveness of a comprehensive set of forest management with operational guidelines and control procedures, and (b) establishing an effective forest crime monitoring and prevention capability. Nevertheless the elements of a concession management system were developed and corresponding review and approval procedures introduced. FA staff and managers were trained in their oversight roles and at least some of the concessionaires made credible first attempts at developing management plans. The suspension of logging on all concessions pending approval of management plans did result in a reduction in the rate of forest depletion, although this effect is diminishing with the continued passage of time.²⁹ Illegal and uncontrolled logging is still at lower levels than pre-project, and aimed at satisfying only domestic timber demand.

5.33 The hiatus in organization and management of the forest sector since the suspension of concessions is itself an indication of the pivotal role the project was playing. Finally, recent government petitions to the Bank to consider re-entering the forest sector indicate recognition on the part of the client that the Bank has demonstrated its credibility and its capacity to foster more rational exploitation of timber resources.

5.34 At the time of project appraisal, it was already known that a significant number of the concessions were not viable because of their inadequate resource base or were inappropriate because of their overlap with densely populated areas of multipurpose forest land. The task team took the view that arbitrary cancellation of unsuitable concessions would be highly contentious and therefore did not discriminate among concessions, leaving selection to the guidelines that would be developed for the management planning process. While this was a technically rational approach, it did not take advantage of available information to limit social and environmental damage during the period when the management plans would be developed. It also left the project much more vulnerable to criticism on these grounds than it would have been if it had focused on a sub-set of concessions that had more appropriate resources and circumstances for concession operations.

5.35 The restructuring of the project that occurred after the MTR was an attempt to ensure better consultations with communities affected by the concessions, but it was a statement of

29. More than three years on, economic interests have found a way around the suspension, by acquiring Economic Land Concessions for which use controls are not being enforced, and using this avenue to gain access to timber, 70 percent of such ELCs being located on forest lands.

intent that was not effective in the remaining project period to address community concerns. The suspension of legal logging, the shift to economic land concessions as an alternative to forestry concessions, and the rapidly polarized public opinion on forestry effectively preempted meaningful consultation in the remaining project period. The overall outcome of the project is therefore rated unsatisfactory (Table 8).

Table 8. FCMCPP: Overall Project Outcome

Objective	Relevance	Efficacy	Efficiency
(1) To demonstrate and improve the effectiveness of a comprehensive set of forest management and operational guidelines and control procedures in forest concession areas	Substantial	Negligible	Negligible
(2) To establish an effective forest crime monitoring and prevention capability	Substantial	Negligible	Negligible
Overall	Substantial	Negligible	Negligible
Overall Project Outcome	Unsatisfactory		

RISK TO DEVELOPMENT OUTCOME

5.36 The major risk identified at the time of appraisal was the commitment and the capacity of the Government to enforce rational management of forest resources on concessionaires and that risk did materialize, with concession operations being characterized by unsustainable cutting rates and practices, evasion of royalty payments and delayed response to the development of management plans. Even the ban on logging, declared in response to strong public objection to the situation in the concessions, could not be fully enforced. Another important risk which developed during project implementation was the risk that the Bank (and the Government) would become distracted by activist groups and public opinion advocating either ideal solutions or cessation and lose sight of the practical strategy of making gradual progress in the extremely difficult environment of forest exploitation. Therefore, the risks to development outcome are rated **significant**.

BANK PERFORMANCE

5.37 To appreciate the overall performance of the Bank as a development organ in this case it is necessary to look at the distinct roles and conduct of each of several units. There was broad consensus and good collaboration among units during the analytical phase leading up to project identification, when the Bank worked with other donors on sector analysis and the development of a forest sector strategy. This was also a period during which the consultation process with the Government was effective. With the start of implementation, however, different elements and interests within the Bank began to emerge, related to several circumstances surrounding the project:

- Actions under this project were disbursement conditions for the release of the second tranche of the SAC, and these became a major concern for those interested in the structural adjustment process.
- Forest exploitation is a lightning rod for environmental interests groups and the Bank, to its credit, had been willing to take on a difficult task. While other donors collaborated on specific components, their roles were less visible and less strategic.

- The coalition Government broke down in armed conflict in mid-1997 and, while elections in 1998 restored the democratic process, the legitimacy of continuing to support the government was a periodic subject of public debate in some Bank member countries, and the result was a shift in general sentiment toward more rigorous performance and safeguard standards than might have been insisted on under different circumstances.
- Deferred consideration of the social impact of forest concessions contributed to putting project activities in conflict with the non-timber use of forests by forest villagers who enjoyed strong NGO support.
- Concessionaires included companies that had been prominent logging interests in the forests of other countries in the region, the degradation of which was widely known, and a stock theme of advocacy NGOs.
- Procurement irregularities had surfaced in the Cambodia portfolio, so that fiduciary concerns demanded a significant degree of staff and management attention.
- As a small country in the EAP region, Cambodia did not have either a resident mission or full-time sector personnel in the field until 2001. Oversight and technical support were provided by missions from Washington and Bangkok, and missions were not as widely staffed as would be the case with larger projects and countries.³⁰ As a result, it was more difficult for the Task Team Leader to acquire and update information during implementation, develop good working relationships with implementing agencies and foster a consistent pace of implementation.
- During the first half of project implementation the Bank was unsuccessful in its facilitation of communications with the Government in Phnom Penh due to unfamiliarity with Cambodia. This not only caused delays but also created misunderstandings between government representatives and the Bank sectoral staff in Washington. This situation improved markedly after 2003 with the posting of more experienced and senior Bank staff.

5.38 The result of these developments in the first instance was that different parts of the Bank became preoccupied with different issues surrounding the project and these various substance and process concerns appear to have hampered the coherence between country and sector strategies. Indeed, an internal review of the project carried out in 2003 pointed to the failure of the country team to develop, and coalesce around, a shared strategy.

5.39 A senior management representative of the FA commented during the IEG mission that “the Bank responded to the donors and the NGOs instead of the needs of the country.” While the Borrower may not fully appreciate the importance of maintaining the Bank’s working relations with its development partners, this criticism can be taken as a sign of a

30. When an agriculture and rural sector staff member was assigned to Phnom Penh in 2000, his role was not related to specific projects in the portfolio but rather to the development of capacity to identify, prepare, and oversee development operations. This role was adapted in 2002 to include direct supervision of the Flood Emergency Rehabilitation Project, which IEG finds was a significant factor in the successful implementation of the project.

missed opportunity. If the Bank's collective energy on this project had been directed to sifting through criticism to distinguish between the rhetoric of stereotypical detractors and constructive concerns regarding particular issues within the project as it unfolded, the Bank could have stayed on message with this important innovation. It could have made mid-course adjustments such as the framework social assessment and used its influence more effectively to persuade the Government to adhere to its commitments under the project so that Cambodia might well have the makings of at least several workable concessions today. Instead, the official hiatus in forestry operations has concealed a wholesale shift in timber extraction to the protective cover of economic land concessions (Box 2), and the Government is no closer to a system for sustainable exploitation of its timber resources than it was when the project was presented to the Board in June 2000. Advocates of social forestry have attempted to fill the breach by pushing the limits of that form of forestry organization beyond its proven role. The Government has introduced annual cutting auctions instead of multi-year leases but these also ignore the underlying need for forest resource management that should be the cornerstone of sustainable concession forestry.

Box 2. Economic Land Concessions

Intended generally for the development of agribusiness enterprises, economic land concessions began to be offered shortly after the move to a market economy in 1992. Some 96 contracts have been negotiated with MAFF since 1992, for concessions in excess of 1000 ha each. Thirty have since been cancelled, nine remain unsigned and 57, covering some 943,000 ha, are active. Seventy percent of these concessions are on land officially designated as forestry land.

Provincial governors have the authority to approve concessions of less than 1,000 ha each and there has been a rapid increase in the number and coverage of these smaller concessions in recent years. There is presently no reporting system to maintain accurate records on the scope of this type of concession country-wide.

While there is an official requirement that MAFF must approve a use plan for all concessions, this is not rigorously enforced. There is no intention to sustain forestry as part of such plans, and there is negligible follow-up once exploitation has begun.

5.40 The Bank was ineffective in distinguishing between legitimate concerns and the flow of public opinion, and in using its diverse resources to adapt the project to legitimate concerns. It did not make effective use of its influence to secure government compliance with its commitments under the project or in assisting reform-minded elements within the government to withstand pressure in support of destructive forest practices. For these reasons, the Bank's overall performance in this project is rated **unsatisfactory**.

BORROWER PERFORMANCE

5.41 In view of the initial progress made by the FA, it is difficult to imagine that its relaxing of requirements on concessionaires following project start-up was simply the result of a change of attitude by officials within that department. Although civil society began to depict the FA and the Bank as facilitators of the abuse of forest resources, several sources interviewed by the IEG mission commented on the strong pressure that had been put on the FA by senior levels of government to relax controls on the concessionaires. The actions taken by the FA on its own initiative cannot be isolated from those taken as a result of direct instruction from senior government levels, but there is at least anecdotal evidence that certain FA officials recognized the need to bring order to forest exploitation in concessions but were unable to resist pressure to resume the laissez-faire approach to concession logging. In any

event, the FA was unable to effect the timely recruitment of technical assistance, ensure the timely delivery of Sustainable Forest Management Plan guidelines and training to concessionaires or the timely assembly and review of draft management plans. During the same period, the FA was unable to effectively police logging in the concessions or the movement of logs leaving concessions or to resist pressure from senior officials for non-enforcement of regulations for favored clients. Finally, royalty collections were significantly below the assessed rates for logs extracted.

5.42 Against this generally limited performance in project implementation, the FA did demonstrate strength and strategic foresight in several instances. The decision to ban logging until satisfactory management plans had been put in place was a decisive response to extensive illegal logging and strong public opinion. The subsequent cancellation of an important Malaysian concession for continuing to log was a politically courageous decision. Had remedial action been able to follow in a timely manner so rational logging could be resumed, the course of the project and the industry would have been very different.

5.43 On balance, the Government was not able to use project resources in a timely manner, enforce conditions on the exploitation of concessions, or oversee the delivery of outputs to which it was committed under the project. Nor was it able to contain illegal logging. Its performance must also therefore be considered **unsatisfactory**.

6. Flood Emergency Rehabilitation Project (FERP)

Components and Costs

6.1 **Background.** Flooding in Cambodia during the 1999-2000 rainy season was the worst in 30 years. Two separate flooding episodes struck the country, first in July 2000 and again at the end of August. Some 3.4 million people were affected in 20 provinces, with 84,000 families having to be evacuated. Pre-appraisal estimates in December 2000 included damage to 1500 school buildings, 120 health centers and hospitals and thousands of kilometers of rural roads together with small bridges and culverts. The Government put the damage estimate for public and private property at US\$161 million. Consultations between the Government and principal donors resulted in a range of assistance. The Bank's response was to approve the present emergency credit, add a supplemental credit of \$10 million equivalent to the Second Social Fund Project, and to authorize the use of resources from on-going and future IDA operations to develop strategies, technologies and programs to reduce the countries long-term vulnerability to flooding.

6.2 To achieve its objectives the FERP consisted of the following components:

- (1) **The rehabilitation of damaged sections of national primary and secondary roads** (\$12.3 million at appraisal, \$12.9 million actual).
- (2) **The rehabilitation of rural infrastructure** (\$8.1 million at appraisal, \$8.1 million actual).
- (3) **The rehabilitation of flood control and irrigation systems** (\$9.3 million at appraisal, \$11.6 million actual).

- (4) **The rehabilitation of primary and secondary schools** (\$9.4 million at appraisal, \$9.4 million actual).
- (5) **Project management and financial assistance** to carry out studies to help RGOC in the development of a long-term strategy to reduce vulnerability to flooding (\$1.3 million at appraisal, \$1.3 million actual).

Implementation Arrangements

6.3 The project was coordinated by the National Project Coordinating Committee (NPCC), a body chaired by the Minister of Planning and comprised of all agencies involved in the implementation of donor-financed emergency projects related to the 2000 floods. A Project Monitoring and Coordinating Unit under the NPCC would be responsible for day-to-day management including the review and approval of all sub-projects that were above a threshold specified in the Operations Manual by which implementation would be guided. Implementation would be by four ministries, each carrying out work on infrastructure within its purview: Public Works and Transport for national and provincial roads; Water Resources and Meteorology for irrigation and flood control; Rural Development for rural roads and rural water supply; and Education, Youth and Sports for schools. Each of the four implementing agencies would have a PMO or PIU.

Implementation Experience

6.4 Initial selection and planning of works went well and the project got off to a good start, particularly in school and irrigation rehabilitation. Disbursement was slow initially because most contracts in the first year were for small works. Problems in procurement procedures caused delays in two large contracts for national roads in 2003 but these were resolved. Delays in receipt of counterpart funds caused delays in payments to contractors, reaching as long as eight months in late 2003, but this was not a project-specific issue. Despite these payment delays, the implementation of sub-projects proceeded well and the devaluation of the SDR against the dollar generated a surplus for which the Government was asked to prepare a reallocation proposal. By the end of December 2004, the original Closing Date, the national provincial roads component and the primary and secondary school component were expected to be fully completed, as were the initial subprojects under the rural infrastructure, irrigation and flood control components. However, additional expenditures under reallocated proceeds needed additional time. Therefore, a six-month extension of the Closing Date was agreed for this purpose. The project closed on June 30, 2005, after 4 years and 3 months, with total project cost unchanged at \$40 million.

Monitoring and Evaluation

6.5 The quality of monitoring and evaluation is rated substantial in design, implementation and utilization. The haste with which this operation was mounted resulted in somewhat less design and monitoring framework being in place at start-up than is typical of infrastructure projects, but this was quickly overcome. The smooth implementation of the project in spite of the number of agencies and locations was due certainly in part to an effective management information system based on tactical indicators such as design, contracting, construction and completion, as well as on the development and performance of

PIU capacity. Upon completion, the project was able to clearly present the physical and financial results of its operation and economic analysis was conducted on the impact of works on samples of beneficiaries. For example, local road construction resulted in a 14 percent increase in small trader activity during construction and an increase of traffic on completed roads of 27 percent. Other works, from schools to irrigation schemes were similarly tracked and evaluated. Compliance with financial covenants as well as the successor indicator, financial management, was considered satisfactory throughout project implementation.

Project Ratings

RELEVANCE

6.6 The major investments under the project were in economic infrastructure (roads and irrigation) and social development (schools). The Government's Platform on Second Term (1998 to 2003) has cited building human capacity and strengthening infrastructure as two of its priorities and the 2000 CAS emphasized the importance of building the foundations for sustainable development and poverty reduction as its main objective. To do so, it identified: "building physical infrastructure... particularly in rural and provincial areas, and rebuilding human resources by investing in education and skills development." A prompt resuscitation of economic activity following the 2000 floods and a return to the development of human resources were pivotal to the strategies of both the Government and the Bank. Work done under the project to reduce the vulnerability of the country's small rural infrastructure to future flood damage (upgraded technical specifications, relocation, and operation and maintenance arrangements) was also of high relevance in terms of its contribution to sustainability of economic growth, particularly in rural areas. An ancillary feature of the project was its work with sub-national units of participating ministries at a time when the policy of decentralization was placing greater importance on the performance of these units. The overall relevance of the project is rated as **substantial**.

EFFICACY

6.7 The project was highly effective in rehabilitating and enhancing infrastructure damaged in the floods of 2000 (Table 9). To achieve its outputs, the project was also effective in introducing procurement and contract management procedures among PIUs at different levels in four ministries and overseeing their effective conduct to avoid regulatory delays with MEF and the Bank. The project contributed modestly to a longer-term strategy to reduce vulnerability to flooding by increasing the specifications of vulnerable infrastructure. Finally, it funded the study of flash flood behavior in a vulnerable area as a background for the ongoing development of measures to reduce the country's vulnerability to flood damage.³¹

31. Although IEG was unable to find unambiguous evidence on the efficacy of the irrigation rehabilitation component, the Region comments: "one significant outcome was made from rehabilitating irrigation systems which resulted in increased yield, food security and incomes among benefited poor villages. This outcome could be used as a generic and valuable experience for the future development of irrigation in Cambodia, which demonstrated that the availability of irrigation, which was less than 15 percent of the cropped area in the country, is the closest correlate of lower rural poverty rates. In addition, the availability of agricultural

6.8 Some reviews, including the ICR, raised concerns about the sustainability of certain of the rehabilitated infrastructure, notably the flood control and irrigation schemes. However, the issues raised in this context are of a development nature, and require different resources and relationships than are typically found in an emergency project. For example, it is currently accepted practice that beneficiaries take responsibility of the operation and maintenance costs of irrigation facilities (at least secondary and tertiary components in the case of large schemes) through membership in water-users groups and Cambodia has adopted this approach for the development of its irrigation sector. However the achievement of this local responsibility requires effective organization, grower commitment and technical services and market access to ensure that growers have the motivation and the financial resources to satisfy their obligations. These are beyond the capacity of an emergency rehabilitation project to provide, but it is noteworthy that in this case efforts were made to draw attention to these needs and initiate efforts in the Ministries of Agriculture and Water Resources to provide technical and organizational support to beneficiaries. For achieving its stated objectives and addressing such sustainability issues beyond its normal scope, **efficacy of the project is rated as substantial.**

Table 9. FERP: Summary of Physical Achievements

• National Road Rehabilitation	• 4 sections; 249 km
• Rural Road Rehabilitation	• 110 sections; 567 km
• Bridges	• 77
• Culverts	• 466
• Flood Control and Irrigation Schemes	• 33 (serving 42,900 ha)
• Primary and Secondary Schools	• 376; serving 174,500 students

EFFICIENCY

6.9 No financial or economic analysis was done as part of appraisal and there was limited quantitative analysis upon completion. Increases in traffic as a result of road rehabilitation and increases in agricultural yields as a result of flood control structures and irrigation schemes were estimated as indicative of the changes that would have generated financial benefits. The methodology used in the socio-economic impact assessment was clear and the assumptions reasonable, but the benefits from different components were not uniformly important so that adding them to reach the conclusion that the project benefited 43 percent of the country's population is somewhat misleading.³² In terms of the Bank's staff resources, this was an expensive operation (2.2 percent of credit amount and the equivalent of 60 percent of a staff member full time during implementation), but the results could probably not have been achieved in the time frame they were without this commitment. The smooth implementation of the project in most respects is owed in significant measure to the decision to have a resident sector officer assume project supervision responsibility, and to the quality of the work performed by that individual. In contrast to the experience with other projects supervised intermittently from a distance during this period, counterpart representatives spoke positively of the timely responses and assistance they received on procedural questions and the support they received on interagency issues. The efficiency of the project is rated as **substantial.**

extension services including agronomic technologies is crucial in increasing farmer incomes and should always be an integral part of the improved irrigation systems."

32. People who use a rehabilitated national road or attend a repaired classroom are included in the calculation with the same weight as a person whose land is served by rehabilitated flood control and irrigation facilities.

OVERALL OUTCOME

6.10 Works were completed in a timely manner, thereby permitting a return to economic, social development and administrative activities. Inter-ministerial coordination and bureaucratic constraints led to initial delays and to the exclusion of some individual works identified for the project, but these were subsequently replaced by suitable alternatives. In addition to its rehabilitation function, the project has had a development impact in several important ways: (a) works were designed to be more flood resistant than those they replaced, (b) schools and irrigation systems were of greater capacity to accommodate short-term expansion needs, and (c) the project contributed to reduced vulnerability to floods through early warning systems, flood protection infrastructure, and a case study on flash floods to enhance the national strategy on flood prevention.

6.11 Finally, among its development outcomes the project can count significant institutional capacity building among ministries that needed to develop the capacity to design, contract and oversee a large number of individual infrastructure projects. The Ministry of Public Works and Transport was already competent in this respect, but other agencies, which were not as adept at implementing construction activities efficiently within budget, did so under the project.³³ An important part of this development in the context of the trend toward decentralization was the capacity developed below the national level. Although there were a number of factors contributing to the success of this project, the presence of a sector staff member in country was an important contribution, one which pointed the way for the current situation of sector staff assigned to the Resident Mission. The overall outcome of the project is rated as **satisfactory** (Table 10).

Table 10. FERP: Overall Project Outcome

Objectives	Relevance	Efficacy	Efficiency
(1) To rehabilitate economic and social infrastructure damaged by the 2000 floods	Substantial	High	Substantial
(2) To Indirectly support a recovery in rural production and incomes	Substantial	Substantial	Substantial
(3) To assist the Government in formulating a long-term strategy aimed at reducing the country's vulnerability to flooding	Substantial	Modest	Substantial
Overall	Substantial	Substantial	Substantial
Overall Project Outcome	Satisfactory		

RISK TO DEVELOPMENT OUTCOME

6.12 The risk to development outcomes is rated **moderate**. The civil works carried out by the project incorporated past lessons concerning technical specifications, siting and local involvement in construction and operations. The risks to development outcome in any of these respects are not significant. Beyond the persistent risk of cyclical flooding, the principal risk to development outcome concerns the maintenance and operation of irrigation infrastructure rehabilitated under the project. While not unique to facilities of the project, the

33. The poor condition of infrastructure after 30 years of civil war contributed to higher costs than anticipated at appraisal for many works, but construction was generally achieved within these revised figures.

financial viability and the commitment of farmer-based organizations charged with maintaining small irrigation schemes is an important issue. The capacity and the willingness of members to incur costs and effort for the upkeep of these facilities is a function not only of capacity but also of willingness, and there is a great deal of technical support and institution building typically required for the establishment of viable water users groups. It would be unrealistic to expect an emergency project to incorporate such capacity, but the issue highlights the need for complementary development efforts under different initiatives.

BANK PERFORMANCE

6.13 The Bank's performance is rated **satisfactory**. While more advanced planning before project approval might have contributed to smoother start-up, better cost estimates and faster implementation, this needs to be seen in the context of the emergency nature of the operation and the inevitable trade-offs in a rapid gearing-up process. To the credit of those working on project implementation (both in the Bank and in the participating ministries), implementation issues were addressed and resolved reasonably well as they arose. Particularly noteworthy were the issues of procurement procedures and safeguards required by the Bank that were not part of the regular procedures of the concerned ministries. Two factors in the Bank's efforts in this project would seem to have contributed directly to its successful outcome: (a) the flexibility in the definition and selection of sub-projects to be funded, and (b) the work done by resident as well as visiting staff and consultants to coach and train counterpart staff in procurement procedures and contract management. There was no formal training component in the project, but those charged with overseeing its implementation recognized that this was a critical need and the Region accepted the additional Bank budget implications of providing the necessary resources.

BORROWER PERFORMANCE

6.14 The Borrower's performance is rated **satisfactory**. The Borrower's efforts to work with Bank staff in developing the project and then its positive response to the procedural requirements during implementation are the principal bases for this assessment. Government agencies generally completed their work in a manner consistent with the time and procedural requirements of the project. During implementation, however, there were frequent cases where bureaucratic procedures, particular in inter-ministerial issues, were an impediment to project implementation. Delays in counterpart payments to contractors and complications in the clearances of particular sub-projects for rehabilitation were the two most important examples of this issue. While the project is still fresh in everyone's mind it would be useful to consider it as a case study of interagency communications and approvals, to identify constraints that could be addressed to improve future collaboration.

7. Looking Forward and Lessons Learned

7.1 Project design and implementation in a low-income post-conflict country continue to present a unique set of issues for the Bank or any development agency. These projects are highly visible as an important share of the total capital flow into a sector; they tax the limited capacity of the Borrower's institutions and infrastructure, there is often very little local experience on which to build, and they challenge the emerging regulatory and administrative framework within which they are to be established. Experience with the four projects

reviewed in this report point to the importance of particular aspects of design and implementation that could strengthen the Bank's effectiveness in this type of environment.

- (1) **Use of the Learning Instrument Loan.** Two of the four projects reviewed in this PPAR were LILs: the Northeast Village Development Project and the Forest Concession Management and Control Pilot Project. While the case was made for using this instrument in both appraisal documents, it was a contributing factor in the problems encountered by the forestry project. Using the LIL permitted the deferral of the social impact assessment. It was logical to defer social impact assessments to the context of the individual concession management plans that would be produced under the project, rather than to conduct a hypothetical assessment *ex ante* based on average or exceptional conditions among all 14 concessions to be treated under the project. Nevertheless, this deferral left the project vulnerable to criticism on safeguard issues and, in practice, as the Inspection Panel Report noted, "a safeguard postponed is a safeguard denied."³⁴ The Bank has since introduced the use of framework assessments to be conducted before project approval to address broad issues that will be more specifically attended to during the course of implementation and this would almost certainly have flagged the much vaunted issue of resin trees as well as other competing claims in concession areas.

In future, the use of LILs or any instrument that circumvents any of the usual safeguard investigation during preparation should be subject not only to the normal tests of eligibility, but also the test of downside risks, be these technical or the likelihood of adverse public opinion.

- (2) **The Importance of Continuous Contact for Effective Implementation.** A problem which arose due to of the Bank's small portfolio in Cambodia was that a resident office was not established until 2003, so that most project development, appraisal and supervision prior to that time was conducted through visiting missions. When coupled with the fragile institutional framework in post-conflict Cambodia and the limited counterpart pool, this periodic mission approach to relationships and task development was very inefficient. Credibility, knowledge transfer, consensus building and decision-making were all seriously hampered, even when teams came frequently from Bangkok. Where the client is not familiar with Bank operations and procedures or is confronting serious impediments to its ability to act on that knowledge, continuous presence of competent Bank representatives is a critical factor in moving dialogue and operations forward. The results of the FERP, which did have the benefit of a resident sector staff member, confirm this benefit.
- (3) **Sector and Country Strategies as a Management Tool for Operations.** Sector or country strategies are often seen as the leading edge for policy dialogue and the identification of investment opportunities, but their usefulness during project implementation may not be as widely recognized. As long as operations are set initially in a sound strategic context and their implementation proceeds smoothly, nothing is lost by temporarily setting strategy aside. But when ambiguity or disagreements arise in implementation, particularly with the evolving focus or

34. Investigation Report, The Inspection Panel, March 30, 2006, Report No. 35556, page xxii.

importance of an activity, an agreed strategy can become an effective management tool. In the case of the two projects whose overall outcomes were unsatisfactory, using the strategies in this way during the course of implementation might have given staff and counterparts the basis for reorienting their efforts and increasing the efficacy of the operation. Revisiting the country strategy might have led those working on APIP to look more closely at how the Ministry was going to use its enhanced capacity.³⁵ And it might have kept those working on the FCMCPP from losing focus on their tasks amid the barrage of public criticism.³⁶

Mid-term reviews have been an important innovation in Bank work, basically intended to reflect on objectives and strategy in light of implementation experience. Using country and sector strategy as part of implementation support takes this a step further by keeping the collective eye of stakeholders on where the tasks at hand are intended to take the Borrower.

- (4) **A Gradual Approach to Change.** Institutions generally respond more favorably to moderate or gradual change than to radical innovation, particularly when power or stature are being threatened. The FCMCPP was designed to take a step-by-step approach to reforming the industrial exploitation of the country's timber resources, and this review concurs with the Region's contention that this was the correct approach. Deeply rooted rights and practices were at issue and the challenge to achieving a resource management focus in this lucrative industry was going to take time and persuasion. A firm and resolute explanation of the gradual approach might have appealed to calmer heads and mitigated the groundswell of support for the unrealistic alternative.
- (5) **Dealing with Informal Transaction Costs as a Development Issue.** To an outsider, informal transaction costs may be seen as corruption, but to a participant they may be an accepted form of sharing or a means of reaffirming one's role in a group. While fiduciary accountability requires correct procedures and oversight, the development impact of the Bank's approach to the issue is very much linked to the sensitivity with which it introduces the qualities of transparency and cost-effectiveness as desirable qualities in procurement transactions. This is a time-consuming process that depends on mutual trust that is very difficult to build either long distance or in the context of public criticism or embarrassment. The collaborative approach between the Region, the Bank's Department of Institutional Integrity (INT), and the Borrower prior to May 2005 had resulted in the introduction of guidelines and procedures that were steadily increasing the degree of transparency in project-related procurement, in contrast to the acrimonious stand-off that prevailed for over a year following the release of INT's findings of wrong-doing to the public.

35. "The Agricultural Productivity Improvement Project is designed to reach the small farmer directly through improving agricultural support services" CAS, January 28, 1997, page 16, para. 39.

36. "The Bank is working actively to facilitate the implementation of the findings of the World Bank/UNDP/FAO report on forestry management... including review of existing concession contracts, development of improved criteria and procedures for evaluating concession master plans, and preparation of long-term forest policy." Ibid, page 17, para. 40.

Annex A. Basic Data Sheet

AGRICULTURE PRODUCTIVITY IMPROVEMENT PROJECT (IF-N0110)

Key Project Data *(amounts in US\$ millions)*

	<i>Appraisal estimate</i>	<i>Actual or current estimate</i>	<i>Actual as % of appraisal estimate</i>
Total project costs	35.12	27.19	77%
Loan/credit amount	27.00	20.03	74%
Cofinancing	4.75	4.14	87%
Cancellation		6.97	

Cumulative Estimated and Actual Disbursements

	<i>FY97</i>	<i>FY98</i>	<i>FY99</i>	<i>FY00</i>	<i>FY01</i>	<i>FY02</i>	<i>FY03</i>	<i>FY04</i>	<i>FY05</i>	<i>FY06</i>
Appraisal estimate (US\$M)	2.3	8.0	14.8	20.5	24.8	27.0	27.0	27.0	27.0	27.0
Actual (US\$M)	0.0	0.3	1.0	3.1	5.6	8.8	10.9	14.8	17.5	20.0
Actual as % of appraisal	0%	4%	7%	15%	22%	33%	40%	55%	65%	74%

Date of final disbursement:

Project Dates

	<i>Original</i>	<i>Actual</i>
PCD	04/25/1995	
Appraisal	05/20/1996	
Board approval	02/28/1997	
Effectiveness	06/20/1997	06/20/1997
MTR	06/30/2000	06/08/2001
Closing date	06/30/2002	12/31/2005

Staff Inputs (staff weeks)

	<i>No. of Staff Weeks</i>	<i>US\$ '000</i>
Identification/Preparation	*	*
Appraisal/Negotiations	n.a.	254.6
Supervision	n.a.	602.7
ICR/Completion	n.a.	42.5
Total	n.a.	899.8

* Included in Appraisal/Negotiations

Mission Data

	<i>Date (month/year)</i>	<i>No. of persons</i>	<i>Specializations represented</i>	<i>Performance rating</i>	
				<i>Implementation status</i>	<i>Development objectives</i>
Preparation/ Appraisal	November 1994 (identification) March 1995 (preparation) February 1996 (preparation)				
Appraisal/ Negotiation	June 1996 (appraisal) June 24-27, 1996 (negotiations)				
Supervision 1	May 19-27, 1997 (project launch)				
Supervision 2	February 3, 1998	2	Agronomist, Institutional Development Specialist	S	S
Supervision 3	May 14, 1998	2	Agronomist, Financial Management Specialist	S	S
Supervision 4	November 18, 1998	2	Agronomist, Institutional Development Specialist	S	S
Supervision 5	February 11, 1999	2	Agronomist, Financial Management Specialist	S	S
Supervision 6	May 20, 1999	2	Agronomist, Financial Management Specialist	S	S
Supervision 7	June 6, 2000	2	Agronomist, Financial Management Specialist	U	S
Supervision 8	December 12, 2000	4	Agronomist, Financial Management Specialist, Aquaculture Specialist, Animal Health Specialist	S	S
Supervision 9	May 20 – June 8, 2001	10	Mid-Term Review: Agronomist, Livestock Specialists (2), Water Resource Management Specialist, Rural Development Specialist, Aquaculture Specialist, Consultant Financial Management Specialist, Consultant Institutional Specialist, IFAD Country Portfolio Manager, Consultant Economist	S	S

	<i>Date (month/year)</i>	<i>No. of persons</i>	<i>Specializations represented</i>	<i>Performance rating</i>	
				Implementation status	Development objectives
Supervision 10	February 22, 2002	9	Agronomist, Rural Development Specialist, Water Resource Specialist, Aquaculture Specialist, Consultant Financial Management Specialist, Consultant Livestock Specialist, Consultant Gender Specialist, Consultant Economist, Consultant Agronomist	S	S
Supervision 11	May 15, 2002	4	Agronomist, Rural Development Specialist, Consultant Financial Management Specialist, Gender Specialist	S	S
Supervision 12	December 12, 2002	7	Agronomist, Agricultural Economist, Consultant Financial Management Specialist, Consultant Gender Specialist, Water Resource Specialist, Consultant Economist, Consultant Agronomist	U	S
Supervision 13	May 9, 2003	2	Consultant Financial Management Specialist, Agricultural Economist	U	S
Supervision 14	October 15, 2003	9	Agronomist, Agricultural Economists (2), Consultant Financial Management Specialist, Water Resource Specialist, Social Development Specialist, Consultant Economist, Consultant Livestock Specialist, Consultant Seed Specialist	S	S
Supervision 15	May 21, 2004	5	Agronomist, Agricultural Economists (2), Consultant Financial Management Specialist, Social Development Specialist, Rural Development Specialist	S	S
Supervision 16	October 28, 2004	5	Agronomist, Agricultural Economist, Consultant Financial Management Specialist, Social Development Specialist, Rural Development Specialist	S	S
Supervision 17	March 21, 2005	4	Agronomist, Agricultural Economist, Consultant Financial Management Specialist, Social Development Specialist, Rural Development Specialist	U	U
Supervision 18	October 24, 2005	4	Agronomist, Agricultural Economist, Consultant Financial Management Specialist, Social Development Specialist, Rural Development Specialist	S	S
ICR	March 13 – April 3, 2006	3	Agricultural Economist, Economist, Rural Development Specialist	S	S

Performance Rating: S: Satisfactory; U: Unsatisfactory

NORTHEAST VILLAGE DEVELOPMENT PROJECT (IDA-32160)

Key Project Data *(amounts in US\$ million)*

	Appraisal estimate	Actual or current estimate	Actual as % of appraisal estimate
Total project costs	6.33	5.38	85%
Loan/credit amount	5.00	4.68	94%
Cofinancing	1.03	0.50	49%
Cancellation		0.32	

Cumulative Estimated and Actual Disbursements

	FY99	FY00	FY01	FY02	FY03	FY04
Appraisal estimate (US\$M)	0.5	2.0	4.0	5.0	5.0	5.0
Actual (US\$M)	0.0	0.3	1.0	2.0	3.7	4.7
Actual as % of appraisal	0%	15%	25%	40%	74%	94%
Date of final disbursement:						

Project Dates

	Original	Actual
PCD	02/24/1998	
Appraisal	11/06/1998	
Board approval	05/18/1999	
Effectiveness	07/01/1999	11/11/1999
MTR		04/05/2003
Closing date	04/30/2002	06/30/2004

Staff Inputs *(staff weeks)*

	No. of Staff Weeks	US\$ '000
Identification/Preparation	10	26.3
Appraisal/Negotiations	24	66.4
Supervision	100	275.9
ICR/Completion	13	35.8
Total	147	404.5

Mission Data

	Date (month/year)	No. of persons	Specializations represented	Performance rating	
				Implementation status	Development objectives
Identification/ Preparation	11/13/1996	7	Task Team Leader, Implementation Specialist, Rural Enterprise Specialist, Rural Engineer/Economist, Veterinary Advisor, Country Rep/AICF/USA, Fisheries Consultant		
	03/16/1997	4	Task Team Leader, Irrigation Engineer, Environmentalist, Implementation Specialist		
	08/24/1997	2	Task Team Leader, Sociologist		
	11/10/1997	4	Task Team Leader, Sociologist, Implementation Specialist, Irrigated Agriculture Specialist		
	02/02/1998	1	Implementation Specialist		
Appraisal/ Negotiation	05/21/1998	4	Task Team Leader, Sociologist, Project Analyst, Rural Roads Management Specialist		
	11/30/1998	4	Task Team Leader, Public Adm. & Finance Specialist, Sr. Institutions Specialist, Financial Management Specialist		
Supervision 1	11/05/1999	1	Task Manager	S	S
Supervision 2	11/05/1999	2	Sector Economist, Financial Management	S	S
Supervision 3	12/20/2000	4	Task Team Leader, Consultant, Financial Management Officer, Operations Officer	U	S
Supervision 4	05/12/2001	3	Task Team Leader, Financial Management Specialist, Disbursements Specialist	S	S
Supervision 5	10/13/2001	2	Task Team Leader, Financial Management	S	S
Supervision 6	03/07/2002	2	Team Leader, Financial Management Specialist	S	S
Supervision 7	08/03/2002	2	Team Leader, Financial Management	S	S
Supervision 8	06/20/2003	3	Team Leader, Financial Management, Procurement	S	S
Supervision 9	12/20/2003	4	Team Leader, Financial Management Specialist, Procurement Specialist, Procurement Assistant	S	S
Supervision 10	06/15/2004	5	Team Leader, Social Specialist, Procurement Assistant (2), Financial Management Specialist	S	S
ICR	10/18/2004	8	Team Leader, Social Specialist, Young Professional, Gender Specialist, Operations Officer, Road Engineer, Procurement Specialist, Financial Management Specialist	S	S

Performance Rating: S: Satisfactory

FOREST CONCESSION AND MANAGEMENT CONTROL PROJECT (IDA-33650)

Key Project Data (amounts in US\$ million)

	Appraisal estimate	Actual or current estimate	Actual as % of appraisal estimate
Total project costs	5.42	4.94	91%
Loan/credit amount	4.82	4.68	97%
Cofinancing	0.70	0.25	36%
Cancellation			

Cumulative Estimated and Actual Disbursements

	FY00	FY01	FY02	FY03	FY04	FY05	FY06
Appraisal estimate (US\$M)	0.5	1.7	3.5	4.8	4.8	4.8	4.8
Actual (US\$M)	0.0	0.3	0.5	1.4	2.9	4.4	4.7
Actual as % of appraisal	0%	17%	30%	46%	74%	92%	97%
Date of final disbursement:							

Project Dates

	Original	Actual
PCD	05/06/1999	
Appraisal	06/12/1999	
Board approval	06/15/2000	
Effectiveness	10/20/2000	10/20/2000
MTR		03/31/2003
Closing date	12/31/2003	12/31/2005

Staff Inputs (staff weeks)

	No. of Staff Weeks	US\$ '000
Identification/Preparation	*	*
Appraisal/Negotiations	n.a.	177.19
Supervision	67	598.47
ICR/Completion	**	**
Total	n.a.	775.66

* Included in Appraisal/Negotiations.

** Included in Supervision

Mission Data

	<i>Date (month/year)</i>	<i>No. of persons</i>	<i>Specializations represented</i>	<i>Performance rating</i>	
				<i>Implementatio n status</i>	<i>Development objectives</i>
Preparation/ Appraisal		n.a.	n.a		
Supervision 1	06/15/2000	n.a	n.a	S	S
Supervision 2	12/27/2000	n.a	n.a	S	S
Supervision 3	06/25/2001	n.a	n.a	S	S
Supervision 4	12/20/2001	n.a	n.a	S	S
Supervision 5	06/19/2002	n.a	n.a	S	S
Supervision 6	12/20/2002	n.a	n.a	U	U
Supervision 7	06/17/2003	n.a	n.a	U	U
Supervision 8	12/31/2003	n.a	n.a	S	U
Supervision 9	06/15/2004	n.a	n.a	S	U
Supervision 10	06/29/2004	n.a	n.a	S	U
Supervision 11	12/21/2004	n.a	n.a	S	U
Supervision 12	06/24/2005	n.a	n.a	U	U
ICR	06/30/2005	n.a	n.a	U	U

Performance Rating: S: Satisfactory; U: Unsatisfactory

FLOOD EMERGENCY REHABILITATION PROJECT (IDA-34720)

Key Project Data *(amounts in US\$ millions)*

	Appraisal estimate	Actual or current estimate	Actual as % of appraisal estimate
Total project costs	40.4	43.4	107%
Loan/credit amount	35.0	37.0	106%
Cofinancing			
Cancellation			

Cumulative Estimated and Actual Disbursements

	FY01	FY02	FY03	FY04	FY05	FY06
Appraisal estimate (US\$M)	0.1	10.1	20.1	30.1	35.0	35.0
Actual (US\$M)	1.0	3.3	16.4	29.8	37.0	37.0
Actual as % of appraisal	1000%	33%	82%	99%	106%	106%
Date of final disbursement:						

Project Dates

	Original	Actual
PCD	01/08/2001	
Appraisal	01/18/2001	
Board approval	03/13/2001	
Effectiveness	06/04/2001	06/04/2001
MTR	02/15/2003	02/24/2003
Closing date	12/31/2004	06/30/2005

Staff Inputs *(staff weeks)*

	No. of Staff Weeks	US\$ '000
Identification/Preparation	*	*
Appraisal/Negotiations	30.00	235.63
Supervision	88.90	255.28
ICR/Completion	5.33	5.13
Total	124.23	496.04

* Included in Appraisal/Negotiations

Mission Data

	<i>Date (month/year)</i>	<i>No. of persons</i>	<i>Specializations represented</i>	<i>Performance rating</i>	
				Implementation status	Development objectives
Preparation/ Appraisal	01/2001	13	Irrigation Specialist (2), Procurement Specialist (2), Economist, Rural Development Specialists (2), Legal Specialist, Social Aspects, Education Specialist, Financial Management, Project Management		
Appraisal Negotiation	02/2001	4	Procurement Specialist, Financial Management Specialist, Legal Aspects, Project Management		
Supervision 1	05/2001	7	Procurement Specialist, Financial Management Specialist, Social Specialist, Economist, Water Resources Specialist, Rural Infrastructure Specialist, Project Management	S	S
Supervision 2	10/2001	3	Irrigation Specialist, Financial Management Specialist, Project Management Specialist	S	S
Supervision 3	05/2002	7	Project Management, Education Specialist, Financial Management Specialist, Irrigation Specialist, Procurement Specialist, Rural Infrastructure Specialist, Architect	S	S
Supervision 4	02/2003	7	Project Management, Procurement Specialist, Transportation Specialist, Irrigation Specialist, Ecologist	S	S
Supervision 5	02/2004	8	Project Management, Procurement Specialist (2), Transportation Specialist, Education Specialist, Irrigation Specialist, Financial Management Specialist	S	S
Supervision 6	10/2004	9	Procurement Specialist (2), Irrigation Specialist, Transportation Specialist, Operations Officers (2), Financial Management Specialist, Social Specialist, Economist	S	S
ICR					
	05/2005	5	Irrigation Specialist, Procurement Specialist, Financial Management Specialist, Economist, Social Specialist	S	S
	11/2005	1	Irrigation Specialist	S	S

Performance Rating: S: Satisfactory

Annex B. Borrower Comments

"savun" <savun@online.com>
06/20/2007 04:57 AM

To "Alain Barbu" <ABarbu@worldbank.org>
cc
Subject Cambodia__ Agriculture Productivity Improvement (TF 29737) Project Draft Performance Assessment Report

KINGDOM OF CAMBODIA
NATION RELIGION KING

MINISTRY OF AGRICULTURE
FORESTRY AND FISHERIES

No. 3248 MAFF
2007

Phnom Penh, June 20,

Mr. Alain Barbu, Manager,
Sector, Thematic and Global Evaluation Division
Independent Evaluation Group
The World Bank

Dear Mr. Alain Barbu,

Thank you, your latter dated June 1, 2007 regarding the Cambodia-Agriculture Productivity Improvement (TF29737) Project Draft Performance Assessment Report (Cambodia-APIP/Draft-PPAR) for our comments. Therefore, we have arisen some comments in the Cambodia-APIP/Draft-PPAR as below:

1. Page 5, paragraph 3.3, last sentence: The provincial offices concerned were required to submit annual work plans and budgets to the Provincial Rural Development Committees, although responsibility to approve budgets remained at the national PMU/PSC, comment to: The provincial offices concerned were required to submit annual work plans and budgets to the Provincial Department of Agriculture, although responsibility to approve budgets remained at the national PMU/PSC.

2. Page 8, table 2. APIP: Project Outputs

Training, column 3, bullet 3: 20,336 farmers trained, comment to: 38,561 farmers trained; included: - IPM farmer field school, farmer refresher courses and farmers clubs: 32,582 farmers; -Soil improvement: 75 farmers; -Plant protection techniques: 2,846 farmers; -Seed production: 826 farmers and; -Crop budgets: 2,232 farmers.

Policy Development, column 3, bullet 4: Submitted; not yet approved, comment to: Submitted; approved by Senate on June 11, 2007.

Policy Development, column 3, bullet 6: Submitted; not yet approved, comment to: Submitted; drafted, and required for consultation but not replied by the World Bank.

Policy Development, column 3, bullet 7: Submitted; not yet approved, comment to: Submitted; passed by the National Assembly on March 30, 2006, and has become in force (fisheries law) by the royal proclamation number ns¹/₄rtm¹/₄0506/011 dated May 21, 2006.

We hope that you will accept our comments on the Cambodia-APIP/Draft-PPAR as stated in the above.

With best regards,

Yours sincerely,
For the Minister

KOUM SARON
General Director