

Kyrgyz Republic

Agricultural Investments and Service Project Project Performance Assessment

Executive Summary

1. **Background.** The Independent Office of Evaluation of IFAD (IOE) undertook a project performance assessment (PPA) of the Agricultural Investments and Services Project (AISP) in the Kyrgyz Republic with the objective to assess the overall results of the project and generate findings and recommendations for the implementation of ongoing operations in the country and the design of future operations. This assessment is based on a review of project-related documents and a mission to the Kyrgyz Republic in May 2015, which visited selected project sites (three out of the seven *oblasts* in the country – Chuy, Issyk-Kul and Naryn) and held interviews and discussions with beneficiaries and other key stakeholders.
2. Prior to the mission, a small questionnaire-based survey prepared by the PPA team was conducted with representatives of 90 pasture committees, with collaboration from the project implementing agencies. The survey was intended to generate indications on the project achievements and quantify beneficiaries' perceptions on the project, given the scarcity of such data in the available documents.
3. Two points need to be noted for this PPA. First, as the project was initiated, cofinanced and supervised by the World Bank, the assessment of issues related to IFAD's specificity (e.g. targeting, gender) needed to take account of this and look at the IFAD's role in integrating such issues. Second, there are three follow-on projects of AISP, one financed by the World Bank, and two financed by IFAD (Livestock and Market Development Project, Phase I (LMDP I) and Phase II (LMDP II), with each covering 2-3 *oblasts* and altogether covering the whole country. Therefore, the PPA also took into consideration, as appropriate, the design of LMDP, especially in the eventual formulation of recommendations.
4. **The project.** After the Kyrgyz's independence in 1991, fragmentation of responsibilities over pastureland between different levels of government authorities provided ample opportunity to wealthy and influential farmers to acquire exclusive access rights to the most productive pasture areas. This led to over-grazing of winter pastures near villages, reduced attention by communities to the maintenance of vital pasture infrastructure, and under-grazing of summer pastures, leading to degeneration of pasture composition and quality. The pasture governance reform supported by the project sought to address these issues in a comprehensive manner through decentralized community-based pasture management. The Pasture Law of 2009 represents a milestone that provides a legal basis for this.
5. The original project objective was to "improve the institutional and infrastructure environment for farmers and herders, with a strong emphasis on the livestock sector". The objective statement was reformulated twice on the side of the World Bank to reflect the additional financing from the World Bank and the European Union, but the thrust of the original objective was maintained throughout.
6. The project was initially designed with three components: (i) pasture management and improvement (including support to organizations of pasture users, pasture infrastructure and legal framework); (ii) agricultural support services (extension services, animal disease control and veterinary services); and (iii) project management. In light of the food price crisis in 2008-09, additional financing (US\$4 million) was mobilized from the World Bank's Global Food Crisis Response

Programme. With this additional financing, a new (fourth) component, "improvement of food security", was introduced. An additional Euro 6.7 million (US\$9.1 million) was mobilized from the European Union, mainly financing the activities related to animal disease control and veterinary services.

7. The project design was led by the World Bank, and the original planned total cost at appraisal was US\$23.4 million, including US\$9 million each from the World Bank and IFAD. The grant financing by the World Bank became effective in August 2008, with the closing date of 30 June 2013. The IFAD grant (under the Debt Sustainability Framework) was approved on 11 September 2008 and became effective on 1 July 2009. For IFAD, the project completion date was 30 September 2014. With the additional financing in response to food price crisis, the actual total project cost was US\$33.1 million.
8. **Performance assessment.** While the project objective statement was not well-articulated, the **relevance** of what it sought to achieve was high with respect to the country's needs, sectoral context and beneficiary needs. The key elements of the project were geared towards promoting more sustainable pasture management to tackle severe pasture degradation, and strengthening of veterinary and agricultural advisory services, which were among the well-recognized priorities.
9. The prominent project design features were highly relevant to advancing community-based pasture management. Among the features were inclusive social mobilization, capacity-building and empowerment, support for a conducive environment, as well as the grant support to cofinance micro projects that the communities identified. The key design elements were also relevant in relation to animal disease control, such as support to a legislative framework, establishment of the Veterinary Chamber, major animal disease control strategies, and support to private veterinarians. The project implementation arrangements were a key factor for satisfactory project implementation performance.
10. As for **effectiveness** in light of the project objectives, the most outstanding achievement was the progress made with the pasture governance reform, involving the devolution of pasture land governance to local communities. The project contributed to putting in place a basis for more equitable and sustainable pasture use and management through inclusive social mobilization, capacity-building of pasture users and better pasture use and management planning. Through investments in micro projects for improving pasture infrastructure based on community pasture management planning, an estimated additional 430,000 hectares of intensive and summer pastures were made accessible to about 1 million pasture users. Significant beneficiary contributions to infrastructure investments and a steady increase in pasture fees collected are a clear indication of their sense of ownership and empowerment.
11. Significant progress was made in strengthening the institutional environment for improved operations of veterinary services and reduction in animal and zoonotic diseases. However, the country's veterinary services still lack necessary capacity and mandate clarity. Another area of weak performance was the project support to agricultural support services: farmer unions were organized across the country, but after project completion, most of them started to cease operating. At the same time, it is noted that the project activities and resources related to agricultural support carried much less weight compared to those for pasture management and veterinary services.
12. As for the project's **efficiency**, the veracity of the data used for economic and financial analysis may be questioned, although high returns for improved pasture management and brucellosis control are indeed plausible. The pace of disbursement and implementation, as well as the data on project management cost, provide favourable indications on the assessment of efficiency.

13. The project achieved remarkable **impact** on social capital and empowerment. The project supported the organization and capacity-building of community-level institutions (454 Pasture Users Unions with pasture committees), which coordinate pasture management planning processes, collect pasture fees, and manage the budget and accounts. Small livestock owners are fairly well-represented in pasture committees. Grazing of animals of small-scale livestock owners in spring and autumn (intensive) and summer (distant) pastures (undertaken by herders) are now better organized through pasture committees. Thus, the project contributed to enhancing equality in access to pastures and in pasture users' participation in decision-making.
14. A drastic reduction in brucellosis incidence in humans (from 4,405 cases in 2011 to 1,139 in 2013) is another significant impact in the area of human capital.
15. The project also had a strong impact on institutions and policies around pasture governance reform. The project facilitated the development and operationalization of the policy, legal and regulatory and institutional frameworks at all levels for the successful implementation of the national reform. At the same time, there were areas where the project impact on institutions and policies was not realized to the expected extent, such as veterinary services and farmer unions.
16. While the impact on household incomes and assets, food security and agricultural productivity, and natural resources is rated moderately satisfactory, the impact made on human and social capital and empowerment, and institutions and policies has been fundamental and far-reaching.
17. With the overall enabling framework and community empowerment, there is a good basis for **sustainability** of the benefits of enhanced community-based pasture management. At the same time, it is important to continue with awareness-building and capacity-building of pasture committee members and pasture users to promote more sustainable management of pasture resources. Such efforts should integrate a shift from the prevailing approach of maximizing the extraction of biomass from pastures to a long-term approach of proactively nurturing and enhancing the pasture quality in a sustainable manner. As for the achievements made with zoonotic disease control, more decisive commitment and securing of sufficient budget, particularly for the procurement of strategic vaccines and drugs, would be needed to prevent the trend from reversing.
18. The Kyrgyz experience in community-based pasture management is considered **innovative** and exemplary to the extent that there is interest from other countries to learn. The project made a substantial contribution to putting in place and operationalizing an innovative and coherent legal and institutional framework for community-based pasture management in a comprehensive manner. Since the project supported the country-wide pasture governance reform, there is little room for horizontal/geographical scaling up, but the project has laid down a good basis for other types of scaling up to deepen community-based and participatory rural development.
19. The inclusive social mobilization approach enhanced women's participation in project consultation processes and access to pasture by small animal owners, including women. The added project component on food security supported activities that directly contributed to women's economic empowerment and food security. However, there could have been more careful and explicit attention given to the issue of **gender and women's empowerment**, for example in relation to women's participation and roles in pasture committees and decision-making processes.
20. **Recommendations.** Key recommendations for consideration by IFAD and the Government are given below. To some extent, these have been reflected in the design of follow-on ongoing projects financed by the World Bank and IFAD.

Therefore, most of the following recommendations reiterate the issues that would require particular attention in the implementation of these projects.

- **Build sufficient professional capacity at the local level for designing, implementing and monitoring community pasture management plans** so as to address/revert pasture and soil degradation. Community pasture management plans require advanced technical and logistical skills which need to be available to Pasture User Unions on a continuous basis.
- **Strengthen the conditions for private veterinary service delivery while focusing the public veterinary authority function on regulatory dimensions.** The network of private veterinarians needs to be enabled and strengthened to undertake fully, in principle on a cost-recovery basis, veterinary support to farmers and enterprises. The national veterinary authority is expected to establish the rules for the operation of private veterinarians and for their links to the public services.
- **Ensure adequate monitoring and evaluation and systematic efforts in ongoing projects to provide data on outcomes and impact.** In particular, these should include impact on livestock productivity and farm incomes and changes in pasture conditions.
- **Ensure close coordination with the World Bank-financed follow-on project to ensure consistency in approaches.** Some areas where consistency may be important are: key monitoring and evaluation indicators and approaches to measure them; impact assessment; guidance documents for activities related to community-based pasture management (e.g. social mobilization strategy, gender strategy, guidelines for pasture use and management plans). Participation in each other's supervision missions (between the Bank and IFAD) or at least regular contact and sharing of experience and key issues would be valuable.
- **Ensure adequate diagnostic poverty and gender analysis and sound targeting strategies in the design stage, and monitor the implementation of the strategies.** This is a broad recommendation presented to IFAD, in particular in cofinanced/co-designed projects. It is important that sufficient budget be allocated for IFAD's participation in design, supervision missions, mid-term review and project completion report preparation to ensure that issues of concern to IFAD are addressed and followed up, even in cofinanced projects supervised by another organization.