

TA COMPLETION REPORT
(Advisory TA)

Division: AWFN

TA NO./NAME: TA No. 1854-NEP: Agriculture Perspective Plan				TA AMOUNT APPROVED: \$600,000	SOURCE: Bank funded TA Program
				REVISED AMOUNT: \$680,000	
EXECUTING AGENCIES: National Planning Commission (NPC)				TA AMOUNT UNDISB: \$106,728	TA AMOUNT UTILIZED: \$573,272 ^a
DATE: 18 Sept. 1995	APPROVAL: 15 March 1993	SIGNING: 12 July 1993	FIELD: 20 Sept. 1993	CLOSING: ORIGINAL: May 1995	ACTUAL: 30 December 1995 ^a

TA DESCRIPTION

For the last three decades, the Government has given high priority to the development of agriculture because of the dominant role of this sector in the country's economy. Despite this, and large amounts of external assistance, the performance of the sector has been disappointing and agriculture production figures have remained stagnant or even declined in per capita terms. This poor performance has been attributed to the slow expansion in the use of fertilizer, improved seeds and year round irrigation due mainly to institutional weaknesses which have led to lack of prioritization, poor delivery of inputs, inefficient utilization of human and financial resources and failure to control environmental degradation and the fragmentation of land ownership. There is considerable scope for expanding agricultural production through increases in productivity and cropping intensity to levels already obtained in nearby countries. It is important to improve agriculture in the first instance to raise rural incomes and create a multiplier effect for the development of other sectors in addition to having an immediate impact on the reduction of poverty. The TA was required to develop a proper overview of the sector and focus on key issues so that interventions for development could be made in a more orderly and systematic fashion to enable the achievement of the desired development. It was to emphasize the identification and effective implementation of those interventions that would maximize the economic returns from both the Government and private investments in the sector.

TA OBJECTIVES AND SCOPE

The objectives of the TA were: (i) to assist the Government in preparing a long term (20 years) perspective plan for the agriculture sector, with an emphasis on the formulation of immediate priorities and the necessary sequencing of actions for attaining accelerated economic growth in the short and medium term; and (ii) to institutionalize a development planning process for the agriculture sector. The scope of the TA included: (i) review and analysis of available reports and assessment of the performance of the agriculture sector over the past 10 years; (ii) identification and preparation of proposals for policy changes and other steps needed to accelerate agriculture growth; (iii) identification of four or five high-priority projects or programs which could be expected to contribute to economic growth and poverty reduction in the medium term; and, (iv) preparation of a 20-year perspective plan emphasizing formulation of immediate priorities and the delineation of the goals, strategies, priority programs, sequencing, institutional arrangements, policies, investment requirements, and the expected impact on economic growth, poverty reduction, women in development and environmental protection.

TA INPUTS EVALUATION

The TA was implemented by a large team of domestic consultants assisted by 3 international consultants, one of whom was provided by the World Bank. Three tiers of Government supervision were established: (i) a Policy Support Committee consisting of concerned ministers; (ii) a Steering Committee consisting of senior Government officials (Secretaries) and chaired by the Member of NPC for Agriculture; and (iii) a Support Group consisting of Directors of relevant departments and representatives of donors and other agencies. In addition, a Facilitation Group was established consisting of the consultants and representatives of the concerned Government departments and other stakeholders, to perform the main tasks under the TA. Participatory planning workshops were conducted in addition to two regional workshops and two national level workshops. The Facilitation Group formed a number of subgroups which were responsible for the preparation of technical material which underpinned the strategies of the Plan. The TA did not provide for a core team to be responsible for the development of the Plan, and the Board approved an increase of \$80,000 in the TA amount to provide for additional consulting services and an extension to the implementation period of the TA to accommodate the preparation of more technical material and the introduced participatory planning processes. The TA provided office equipment including computers, printers, photocopier and electrical support equipment, for the use of the consultants in the preparation of the Plan. The Bank conducted a number of supervisory missions and was flexible in making adjustments to inputs to facilitate the preparation of the Plan. Excellent cooperation was given by other donors, especially World Bank and the Food and Agriculture Organization, GTZ, International Irrigation Management Institute, and SDC.

TA OUTPUTS EVALUATION

The participatory planning approach and associated workshops introduced during implementation proved effective in establishing a common focus and the commitment and ownership of a wide range of people to the basic concept and strategies of the Plan. Even a change of Government did not alter the wide and official support for the Plan. The domestic consultants, with some support from other donors, prepared 27 comprehensive technical papers as the bases of the strategies to be implemented under the Plan. Comments and recommendations were made by the Government, the Bank and other donors on the details of proposals put forward in the Draft Plan. The TA resulted in the preparation of the Agriculture Perspective Plan in two volumes (executive summary and main report). The technical papers were of variable quality and copies of them are maintained in the consultant's file in Kathmandu. Some of the details underpinning the concepts and strategies contained in the draft Plan, and in relation to perceptions of the Government and donors, were by their nature contentious due to differences of opinion on such matters as technical interpretations and assumptions on implementation aspects. The quality of the Plan could have been much better had the consultants addressed adequately and satisfactorily a number of concerns raised by the Government, other donors and the Bank. Among others, such concerns related to priorities for development of ground water in relation to surface water resources, the capabilities and capacity for rural road development and detailed implementation arrangements. The final report was thus released with qualifications. In spite of this, the Government, other donors and the Bank considered the overall concepts and strategies to be appropriate. The Plan called for a prioritized packaged approach for a select number of key interventions. These included the inputs of readily available fertilizer, year round irrigation based primarily on shallow tube wells, road accessibility to supplies and markets, rural electrification and applied research to develop technical packages with priority for a few high-value commodities to stimulate development in agriculture. The final report was submitted on 10 July 1995, some seven months later than originally expected.

TA OVERALL ASSESSMENT/RATING

There was general acceptance of the overall strategy of the Plan prepared, and the Government has endorsed the final document as the basic strategy for agriculture development in Nepal over the next 20 years. Thus the TA accomplished its objectives, in spite of some difficulties in achieving the standards sought by the Bank for analysis and report preparation. With the benefit of hindsight, it was inappropriate to have given the leadership role to the domestic consultants. The TA was considered to be generally successful.

MAJOR LESSONS LEARNED

(i) Participatory planning approaches were effective in obtaining ownership and commitment of the stakeholders; (ii) it would be preferable for international consultants to play the leadership role when sectoral studies/reviews/plans are undertaken using both domestic and international consultants; (iii) manning schedules for major studies should be planned to ensure a core team of effective size for continuity of approach and manageability of output; and, (iv) Bank flexibility in the implementation of the TA enabled improved results through corrections and adjustments to changing circumstances.

FOLLOW-UP ACTION AND RECOMMENDATIONS

The Bank has agreed to provide a follow-up TA to support the implementation of the Agriculture Perspective Plan. The Mission recommends that this TA be formulated as soon as possible to assist the Government in the establishment of the Independent Analytical Unit, specified in the APP, to monitor, evaluate and manage the implementation of the Plan. The scope of the TA could include the preparation of an APP Implementation Manual which could be distributed as a guide to concerned agencies and which would encapsulate the detailed strategies for implementation. Continued support of other donors in the sector will be essential, and the TA will provide the Bank with a leadership role in bringing about coordination, cooperation and integration of the interventions necessary to support the development of the agriculture and related sectors.

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Final claim of the Consultant still to be submitted to the Bank.