PD-ABI 941
89097

A.I.D. EVALUATION SUMMARY PART I

A. REPORTING A.I.D. UNIT (Mission or AID office)	B. HAS EVALUATION SCHEDULED IN CURRENT FY ANNUAL EVALUATION PLAN?	C. EVALUATION TIMING
USAID/MOROCCO	No X	N/A

B. ACTIVITY OR ACTIVITIES EVALUATED (List the following information for project(s) or program(s) evaluated if not applicable, list title and data of the evaluation report)

Project	Project/Program Title	First PROAG or equivalent (FY)	Most recent PACD (mo/yr)	Planned LOP Cost ('000)	Amount obligated to
# 608-0197	Supplemental Irrigation		September 30, 1993		$15 million

E. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR	Name of officer responsible for Action	Date Action to be completed
FACR	Driss Meski	4/13/94

F. DATE OF MISSION OR AID/W OFFICE REVIEW OF EVALUATION: mo___day___year___ Report Date: MO___DAY___YR___

G. APPROVALS OF EVALUATION SUMMARY AND ACTION DECISIONS:

	Project/Program Officer	Representative of Borrower/Grantee	Evaluation Officer	Mission or AID/W Officer Director
Signature				
Type name	Driss Meski		Rick Scott	James A. Hradsky
Date	05/03/1994		5/3/94	

XD-ABI-941-A
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Supplemental Irrigation Project (608-0197) PACR

I. Introduction

On August 31, 1988 a Project Agreement was signed between USAID and the Ministry of Economic Affairs on behalf of the Government of Morocco to build 10 Supplemental Irrigation Systems in rainfed areas. The main outputs of the Project were to be 10 small dams in the region where USAID was already implementing the $50 Million Dryland Applied Research Project. The LOP was 5 years with a PACD September 30, 1993. This report describes all Project activities, evaluates Project accomplishments and presents lessons learned.

II. Background of the Project

Morocco suffered its worst drought in 40 years at the beginning of 80's. Opportunities were identified for providing supplemental irrigation for cereals in rainfed areas through storing water in small dams. The GOM requested assistance for this from various international donors including USAID. In response, the Mission elaborated a PID which was approved in May 1988. The PP was prepared by team provided by ISPAN and signed in June 1988. The PROAG was signed on August 31, 1988 for $15 million. From the management and implementation point-of-view, it was stated that several Ministries would be involved in implementation including Interior, Agriculture, Public Works, Economic Affairs and Finance. Regarding the financing procedures, it was proposed to fund all activities using the Fixed Amount Reimbursement (FAR), once all work for each dam was completed.

Project inputs as described and amended by PIL #5 are given below:

	Original $	Amended $
Technical Assistance	760,000	1,580,000
Training	120,000	120,000
Commodities	100,000	150,000
Feasibility studies	600,000	600,000
Construction	12,000,000	11,000,000
Research	100,000	400,000
Audit Evaluation	200,000	150,000
Contingency	1,120,000	-
Total	15,000,000	15,000,000

III. Project Implementation.

1. The conditions precedent were satisfied on time (December 20, 1988). PIL # 2, with a detailed description of the Project activities as well as the financing procedures, required almost three months to be jointly signed. This time was spent on negotiating the agreement on financing methods. The GOM did not like the FAR system proposed by

the Mission, but finally accepted it. This was the start of some friction between the different Ministries involved in the implementation of the Project.

2. Rapid Initial Assessment (RIA).

This phase was designed to identify potential dam sites. The GOM was to provide a list of sites to be studied and select the most promising ones for construction. An expert was provided to conduct the first Rapid Initial Assessment in June 1989. Among 9 sites submitted by the GOM, the expert recommended selection of four having more than 12 % rate of return. The expert also recommended modification of procedures to conduct the RIA based on surveys and details of the studies. By PIL # 3, the Mission approved the expert's recommendations and the four selected sites.

The second RIA was conducted by the same expert as requested by the GOM in June 1990. 13 sites were proposed and 5 were selected.

3. Feasibility studies.

It was foreseen that feasibility studies for the selected sites would be conducted by the GOM after the RIA phase based on the terms of reference approved by the Mission. For the sites identified in the first RIA, TORs for the feasibility studies were submitted 6 months after PIL # 3, in which the Mission approved the expert's recommendations. At this stage the Mission faced a misunderstanding between the Ministry of Agriculture and the Ministry of Public Works regarding relative implementation responsibilities. The Mission Director had to raise this issue at Ministers' level. It was then agreed that MARA would be responsible for feasibility studies other than engineering.

4. Technical Assistance.

The Project was designed to fund technical assistance, commodities and training. The PIO/T was prepared and jointly signed on May 24, 1990. This was the basis of RFP which was prepared and advertised, but never issued. The amount of the PIO/T was $ 1,850,000.

5. Training

The Project funded the participation of 3 Moroccans to a drainage workshop in Cairo in February 1990. The cost was $8,158.

6. Deobligation and Termination

The issuance of the RFP was postponed and ultimately canceled because of a change within the GOM regarding counterpart ministries. Project responsibilities were transferred to the Ministry of Interior.

At this stage, the Mission started closely examining Project implementation arrangements. By the end of February 1990, only $100,000 out of $9 Million had been spent. The five Ministries involved at that point (Agriculture Public Works, Interior, Economic Affairs and Finance) were not in agreement concerning responsibilities for Project activities. The Project appeared to be unmanageable. Consequently, the Mission decided to terminate the Project.

The Mission informed the GOM representative of its interest in terminating the Project on March 23, 1991. It was agreed to reimburse the cost of feasibility studies for four sites at an estimated cost of $700,000, once they were completed, and to terminate Project activities at the originally established PACD. The balance 8.3 million dollars was deobligated on March 23, 1991, (see letter from AID to GOM March 23, 1991).

June 13, 1990 the Mission issued PIL # 6 approving the cost reimbursement of the feasibility studies for the four selected sites. The approved cost was DH 5,410,328 (DH 796,228 for engineering studies and DH 4,614,100 for upstream, downstream, socio-economic and environmental studies). The feasibility studies were completed in September 1993, and reimbursement was made. The Mission reimbursed the following amounts:

Engineering studies	DH 796,000.00
Downstream studies	DH 1,807,716.01
Total	DH 2,603,716.01

IV. Factors Limiting Performance

Project arrangements proved unworkable:

a. Five ministries with two separate committees (Steering and Oversight): The coordination within the GOM was not of the quality foreseen when the Project was designed. It was difficult to get the Ministry representatives to cooperate. Project implementation was consistently delayed by internal misunderstanding between the members of the Committees.

b. The Fixed Amount Reimbursement (FAR) system was not appropriate for this Project: The FAR system proved to be poorly adapted to GOM procedures. The GOM had no resources to devote to the Project before the reimbursement. Use of FAR would require each Ministry to cancel other activities and replace them by Project components. Reimbursements would be made to the National Treasury, not to each Ministry's budget. This was the crucial element which discouraged the GOM from implementing the Project.

c. The transfer of the Project responsibilities to the Ministry of Interior added to the number of the members of the management committee, which made the Project even more unmanageable.

V. Financial Summary

The budget as originally stated and amended is presented below:

	$
Technical Assistance	760,000
Training	120,000
Commodities	100,000
Feasibility studies	600,000
Construction	12,000,000
Research	100,000
Audit Evaluation	200,000
Contingency	1,120,000
Total	15,000,000

The Mission had the approval for $15 Million Grant to GOM to implement the Project. Nine million dollars was obligated on the signature of the PROAG. Given the delay of the implementation of Project activities, for the reasons presented above, the Mission decided to deobligate $8.3 Million. $700,000 were left to cover the feasibility studies which the Mission was committed to reimburse.

As of the PACD the expenditures and disbursement are as follows:

Item	Obligated	Disbursed	Pipeline
Technical Assist.	$ 49,842	$ 42,880	$ 6,962
Training	$ 8,158	$ 8,158	0
Feasibility stud.	$302,000	$293,612	$ 8,388
Total	$360,000	$344,650	$15,350

The $340,000 not used because the feasibility studies were not fully completed by the PACD was subsequently deobligated in September 1993.

VI. Lessons learned

Involvement of five ministries: It was not a good idea to involve several technical ministries. It was also a mistake to involve the ministries of Agriculture and of Public Works in a project for the dams and irrigation. These two ministries are always disputing control over water resources. The lesson learned is to avoid complicated implementation arrangements. When the involvement of several ministries is required, there should be one counterpart ministry with the involvement of others on an informal or information-need basis.

The financing methods: The FAR was not appropriate. The financing methods should consider the context of country and its budget procedures.

At the design stage, no long-term institutional contractor was foreseen. Delays in implementation of the Project might have been avoided if a long term contract had been established with a U.S institution to implement the Project.

Drafted by: DMeski, PO, ANR on April 13, 1994

Clearance:

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