



Enabling poor rural people
to overcome poverty

PROJECT EVALUATION



Belize

Community-initiated Agriculture and Resource Management Project

Completion Evaluation

July 2008



**Document of the
International Fund for Agricultural Development**

Belize

**Community-initiated Agriculture and
Resource Management Project**

Completion Evaluation

**July 2008
Report No. 1965-BZ**

EVALUATION TEAM	
Overall Responsibility	Mr Luciano Lavizzari, Director, Office of Evaluation
Lead Evaluator	Ms Chiara Grimaldi, Associate Professional Officer
Administrative Support	Ms Melba E. Alvarez Ms Laura Stella
Consultants:	
Team Leader	Ms Dorothy Lucks
Team Members	Mr Jacques Drielsma Technical and Marketing Specialist Mr Raïke Quinones Rural Finance Specialist Ms Myra Speelmans Community Development and Gender Specialist

Photo on cover page:
Otoxha Traditional Mayan Deer Dancers
Source: Evaluation Mission 2007

Belize

Community-initiated Agriculture and Resource Management Project Loan No. 475-BZ

Completion Evaluation

Table of Contents

Currency Unit and Exchange Rate	iii
Weights and Measures	iii
Abbreviations and Acronyms	iii
Map	v
Foreword	vii
Executive Summary	ix
Agreement at Completion Point	xxi
I. INTRODUCTION	1
A. Country Background	1
B. The Project	4
C. The Evaluation	6
II. PROJECT PERFORMANCE	7
A. Design Features	7
B. Implementation and Outputs	10
C. Attaining Project Objectives	23
D. Assessment: Relevance, Effectiveness and Efficiency	25
E. Performance of Partners	26
III. PROJECT IMPACT	29
A. Poverty Reduction Impact	29
B. Sustainability and Ownership	31
C. Innovation, Replicability and Scaling-up	32
IV. CONCLUSIONS AND RECOMMENDATIONS	33
A. Overall Assessment and Conclusions	33
B. Recommendations	36
APPENDICES	
1. Logical Frameworks	39
2. Persons Met During the Evaluation	43
3. Assessment of Project Efficiency for Belize CARD Project	45
4. Analysis of Key Success/Failure Factors	47
5. Detailed Description of Project Components	49
6. Project Milestones by Component	51
7. Bibliography	53

TABLES

1. Project Costs by Component and Financier	5
2. Community Sub-projects: Project Participants by Area	11
3. Industry Sub-projects Estimated Participants Deriving Benefits 2002 to 2004	11
4. Number and Amount of Loans by IFI	18
5. Performance Ratings	33
6. Impact Indicators	33

FIGURES

1. Actual Expenditure compared to Approved IFAD Allocation by Component	12
2. Actual Expenditure compared to Approved CDB Allocation by Component	12
3. Expenditure by Component by Year	12
4. Disbursement by Financier	13
5. Institutional Process of CARD	20

ANNEXES (*)

- I. Community Development and Participatory Process Component
- II. Rural Financial Services
- III. Agriculture and Natural Resource Management
- IV. Case Study
- V. Evaluation Design and Methodology

(*) Annexes are available from IFAD's Office of Evaluation (evaluation@ifad.org).

CURRENCY UNIT AND EXCHANGE RATE

Belizean Dollar: BZ\$

Exchange Rate at time of this Completion Evaluation (2007) = BZ\$2 = IS\$1

WEIGHTS AND MEASURES

Other units of measure: Hectare (ha) = 10 000 m²
Metric Ton (MT) = 1 000 Kg
Pound (lb) = 0.4536 kg

ABBREVIATIONS AND ACRONYMS

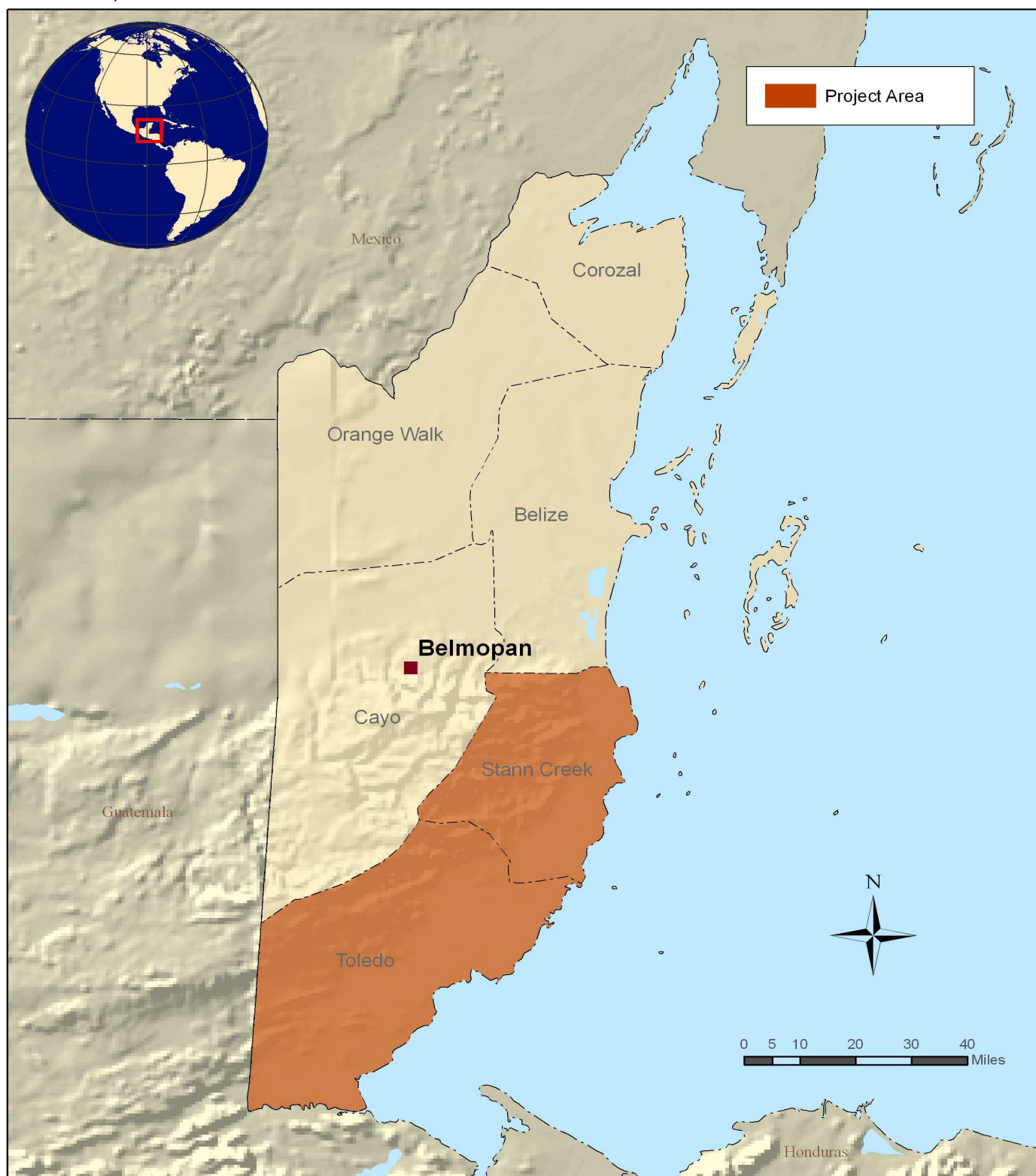
ACP	Agreement at Completion Point
AWPB	Annual Work Plan and Budget
BCB	Belize Central Bank
BCUL	Belize Credit Union League
BEST	Belize Enterprise for Sustainable Technology
BRDP	Belize Rural Development Project
CARD	Community-initiated Agriculture and Resource Management Project
CARICOM	Caribbean Community
CDB	Caribbean Development Bank
CDU	Community Development Unit
CGWCU	Citrus Growers and Workers Credit Union
CMOs	Community Mobilizer Organizations
COSOP	Country Strategic Opportunities Paper/Programme
CUs	Credit unions
DFC	Development Finance Corporation
DFID	UK Department for International Development
EA	Executing Agency
EU	European Union
ESTAP	Environment and Social Technical Assistance Project
GDP	Gross Domestic Product
GoB	Government of Belize
IFAD	International Fund for Agricultural Development
IFIs	Intermediary Financial Institutions
LAC	Loan Approval Committee
M&E	Monitoring and Evaluation
MAF	Ministry of Agriculture and Fisheries
MIS	Monitoring Information System
MND	Ministry of National Development
MoA	Ministry of Agriculture
MoF	Ministry of Finance
MTR	Mid-term Review
OSC	Operational Strategy Committee
PCR	Project Completion Report
PCU	Project Coordinating Unit
PRA	Participatory Rural Appraisal
PD	Project Director
PMU	Project Management Unit
PSC	Project Steering Committee
RF	Rural Fund
RFE	Rural Financial Expert
RFS	Rural Financial Services
ROI	Return on Investment
RUTA	Regional Unit for Technical Assistance
SIF	Social Investment Fund

SPs	Service Providers
TA	Technical Assistance
TCGA	Toledo Cacao Growers Association
TDC	Toledo Development Corporation
TDG	Toledo District Governance
TGGA	Toledo Grain Growers Association
TLPA	Toledo Livestock Producers Association
TSFDP	Toledo Small Farmers Development Project
TTCU	Toledo Teachers Credit Union
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

Belize

Community-initiated Agriculture and Resource Management Project

Completion Evaluation



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

IFAD Map compiled by IFAD

FOREWORD

The Community-initiated Agriculture and Resource Management Project, an IFAD-financed rural development project in Belize, was approved in 1998 and became effective in 1999. Co-financed with the Caribbean Development Bank (CDB), this seven-year project was designed to address issues relating to change in a geographically remote, culturally complex area where earlier agricultural and rural development projects had not performed well.

The overall goal of the project was to reduce rural poverty and increase the production levels, employment and income of the rural poor in southern Belize. This was to be achieved by promoting sustainable land-use systems, and ensuring the provision of support services (institutional strengthening, technical and marketing services, rural financial services) to poor smallholder families.

The project concentrated on supporting producer organizations, with particular focus on identifying the potential for cacao production. Training and extension provided to farmers through the Toledo Cacao Growers Association has proved successful, not only in terms of generating high-quality, organically certified cacao production but also in upgrading overall farming practices. Similarly, project support for rural finance in southern Belize has greatly contributed to improving the livelihoods of local households. Two credit unions received technical and financial support to help establish rural financial services that have been of particular benefit to cacao and rice farmers. The membership of these credit unions has increased substantially because they were able to attract clients from even the most remote villages.

A number of benefits have been achieved thanks to the strengthening of local institutions: small producers have better access to financing, markets and technical support. Similarly, the first international cacao festival, held in the project area during the evaluation, demonstrated both that southern Belize has a rightful place in international trade for cacao and that local communities now have new opportunities for improving their livelihoods.

The evaluation concluded, however, that the project had not achieved its goals in other areas. For instance, community-based activities had little success and only a few are likely to be sustainable. Another constraint on project implementation had to do with difficulties in finding staff with the necessary skills and experience to work in such remote and complex areas. Different strategies for the training and capacity-building of local groups and individuals were piloted, and the most appropriate approach was found to be a combination of medium-term training provided by local service providers and capacity-building by experienced technical specialists.

The evaluation report includes an Agreement at Completion Point, which summarizes the main evaluation findings and sets out the recommendations discussed and agreed by the Government of Belize and IFAD. It also provides proposals as to how and by whom these recommendations should be implemented.



Director, Office of Evaluation

Belize

Community-initiated Agriculture and Resource Management Project (CARD)

Completion Evaluation

Executive Summary

I. INTRODUCTION

A. Country Background

1. **Physical and social features.** Belize is a country of 22 965 km², located in Central America, bordering the Caribbean Sea, between Guatemala and Mexico. The population of the country stood at 291 800 inhabitants in 2005, up from 211 000 in 1994, with one of the lowest population densities (12 inhabitants/km²) in Latin America. The country is divided in six administrative districts: Belize, Corozal, Orange Walk, Cayo, Stann and Toledo. During last decade, the country has been struggling against the severe damages of several hurricanes: Mitch (1998), Keith (2000), Chantal and Iris (2001) causing considerable impact on socio-economic assets and development.

2. **Rural poverty.** In 2003, Belize ranked 91 on the global Human Development Index (HDI) scale, i.e., in the mid-level range of countries with medium human development. According to the 2002 Poverty Assessment Report, 24.5 per cent of households live under the poverty line. Poverty has a much greater incidence in rural areas (33.7 per cent) than in urban areas (17.2 per cent). Children are more likely than any other population group to suffer from poverty (39.0 per cent), especially in rural areas (51 per cent) than urban areas (27 per cent), and for indigenous Mayan children (83 per cent). The Government of Belize (GoB) continues to put the primary focus of its strategies on the fight against poverty – foremost through the education, health and productive sectors and with the southern districts as a key focus.

3. **Small farmers.** The majority of small farmers¹ mainly produce maize, beans and rice. In remote rural areas, small farmers practice a traditional shifting (slash & burn) cultivation system called *Milpa* which contributes significantly to domestic food production. *Milpa* cultivation is predominantly found in indigenous communities in the southern districts. In response to increasing population pressure, the *Milpa* system has been evolving towards a more sedentary pattern in recent years, using a combination of perennial crops and food crops. At the time of project design, there was virtually no access to credit for small farmers in the project area. The public and private sector commercial banks were not interested in the risky agricultural productive sector or in costly small rural clients, whereas credit unions (CUs) were providing services in some rural areas.

B. The Project

4. The Community-initiated Agriculture and Resource Management Project (CARD) was initially conceived as the second phase of another IFAD-funded project, the Toledo Small Farmer Development Project (TSDF). The performance of the TSDF was assessed as moderately unsatisfactory² but due to the consistently higher rates of poverty in the southern districts of the country, and the emerging benefits in agricultural productivity, a second phase was recommended. In view of the lessons drawn from the TSDF evaluation, a more participatory, bottom-up, community-led approach was designed to enable communities to decide on their own development alternatives and

¹ Defined as those having less than 20 acres of land.

² IFAD Office of Evaluation (1994), Belize Toledo Small Farmers Development Project Evaluation. The assessment of performance for TSDF at that time was “relatively poor”. This has been translated in “moderately unsuccessful” (3) in accordance with current OE rating guidelines.

opportunities. During project appraisal, the new project was renamed as the CARD project rather TSDF Phase II, to reflect the substantial design changes.

5. CARD proposed a more integrated and participative approach for the rural poor and the indigenous communities to become involved in their own development. The overall goal of the project was to reduce rural poverty in southern Belize and raise production, employment and income of the rural poor. The purpose was to develop the productive potential of balanced sustainable land use systems and ensure support services to poor smallholder families in the southern region. CARD became effective in June 1999, under a co-financing agreement with the Caribbean Development Bank (CDB). CDB was also designated Cooperating Institution and assumed major responsibility for project supervision. The Ministry of Agriculture and Fisheries (MAF) was the Executing Agency (EA). The Development Finance Corporation (DFC) acted as the financial agency for the implementation of the Rural Financial Services (RFS) component. At the time of closing in 2006, the IFAD loan had only reached 58 per cent disbursement equal to the Special Drawing Rate (SDR) 1 017 000 compared to the approved loan amount of SDR 1 750 000³.

6. **Project area and target group.** At IFAD appraisal, the original target area was defined as rural communities in Toledo and Southern Stann Creek districts. A phased approach for targeting of specific communities was proposed, with an aim to commence a pilot process in eight communities and gradually increase by ten communities per year to reach 54 communities⁴ selected among the poorest sections of the population. Targeted households were classified according to three groups: (i) smallholders and artisanal fisheries households; (ii) subsistence *Milpa* farmers and (iii) women from smallholder families. An additional emphasis in targeting was to seek to address the needs of the indigenous Mayan communities who comprise 11.9 per cent of the population in Stann Creek and 65 per cent of the population in Toledo.

7. **The evaluation.** The objectives of the evaluation were to assess the project in terms of: (i) overall performance; (ii) rural poverty reduction impact; (iii) innovation and sustainability; and, (iv) the performance of IFAD, CDB, the GoB and other implementing partners. The evaluation was conducted as a collaborative process by IFAD and CDB⁵. As there had never been a functional monitoring system, the evaluation was constrained in generating quantitative assessment of project performance, despite benefiting from the comprehensive and realistic Project Completion Report (PCR)⁶. Consequently, the evaluation conducted assessments on three levels to cross-verify the minimal secondary data as follows: (i) assessment of a representative sample of community level activities⁷; (ii) organizational level assessment; and (iii) project level assessment, covering policies, partnerships, management and operations. Stakeholder meetings were conducted with key project partners such as Government of Belize (GoB) agencies, CDB and IFAD's Latin America and the Caribbean Division (PL), the Toledo Development Corporation (TDC), local and national NGOs, as well as with direct project participants in the targeted communities.

³ CARD (June 2006), Audited Accounts.

⁴ There were slight differences between the IFAD and CDB appraisal documents. The CDB appraisal proposed that CARD would work with the 48 poorest of the 72 targeted communities; not 54 according to the phased approach proposed by IFAD.

⁵ Field work was conducted collaboratively in Belize from 7 to 25 May 2007, after a preparatory IFAD Mission in April 2007.

⁶ CARD (2006), Project Completion Report.

⁷ See Annex 5 for details of sample selection, assessment process and results.

II. PROJECT PERFORMANCE

A. Design Features

8. There was an in-depth assessment with the communities and with potential development partners during the design process to identify a more relevant and appropriate project design. The design incorporated many of the lessons from the TSFD⁸. CARD proposed a more participatory approach for enabling the communities to draw better benefits from development opportunities, while at the same time safeguarding cultural identity and increasing involvement in national development processes. The CARD design recognized that technical support for agriculture development was insufficient to address the complexity of poverty. An approach was required that acknowledged the interplay between resource management, production systems and culture. The project financed four components: (i) Community Promotion and Local Organizations Strengthening; (ii) Technical and Marketing Support Services and Small-scale Infrastructure Investments component; (iii) Rural Financial Services (RFS); and, (iv) Project Coordination to manage the overall programming and activities.

9. **Changes during implementation.** The essential elements of the design did not change during implementation but the implementation mechanisms were continually adjusted. The fundamental change in the project implementation was that the recommendations to appoint appropriately skilled staff to the Project Management Unit (PMU) did not eventuate. As a result of delayed implementation and poor results, by the 2002 mid-term review (MTR), a major project restructure was required. Following continued slow progress, a decision was made by the Project Steering Committee (PSC) in early 2004 that the focus of the project should not be on attempting to implement the project as designed but rather to focus on limited activities that had been showing potential for success. This led to virtual cessation of work within the communities and a focus on activities with producer organizations and the two participating credit unions. A project extension⁹ was proposed by IFAD in 2005 and was considered feasible¹⁰ but unfortunately, due to the fiscal constraints of the GoB at that time, and the concerns over the poor performance of the project, the extension was not approved by GoB. In consequence, the IFAD financing was closed by the original closing date of June 2006.

B. Implementation and Outputs

10. **Community development and participatory planning.** Activities were meant to strengthen local leadership and organizations and identify social and economic constraints to development of communities. Participatory project planning and management skills were introduced to improve the capacity of local organizations to plan and manage their own priority sub-projects. Strong interest was showed by community members at first. Participatory planning processes were well received, but few plans led to implementation of the sub-projects identified. Financing was provided by CARD for only 59 sub-projects¹¹ across the project area, most of which were not identified by the communities and/or which were too small to achieve the desired results (community sub-projects provided tended to be standardized by the project, e.g. three pigs per community, three sewing machines for women's groups, etc). The evaluation found very few examples where the community sub-projects had been implemented in accordance with the wishes of the community. Even training was mainly conceived as one-off, top down, educational activity. Conversely, in the isolated cases where community priorities had been supported, the results were very positive, with groups demonstrating improved financial and organizational capacity, as well as recording increases in their enterprise activities.

⁸ It also responded to most of the recommendations of the IFAD Technical Review Committee (TRC) and Operational Strategy Committee (OSC).

⁹ IFAD (2005), CARD Project, Assessment of the Viability of a Project Extension.

¹⁰ The evaluation reviewed the Feasibility Assessment for the Extension and confirmed that the case for extension was sound.

¹¹ CARD (2006), Project Completion Report (PCR).

11. **Technical services and marketing assistance.** Based on the community plans, extension and technical assistance for improving technology on existing farms or diversification into new crops or non-agricultural activities were to be planned. Small-scale infrastructure was to be supported to improve farm access, storage and post-harvest processing. Results were mixed. The assistance for coconut growers and honey producers was initially successful, but eventually failed due to crop disease and other technical problems. CARD's most successful work was with the Toledo Cacao Growers Association (TCGA), a Mayan farmer's organization that produces organic cacao beans under a guaranteed rolling contract with Green and Black (UK-based customer)- which has also invested heavily in development of the Toledo cacao industry. As a result, 300 000 cacao grafted plants were transplanted, expanding the total acreage by about 800 acres. TCGA has expanded from 130 to 937 members. Late in the project, other similar initiatives were planned with the Livestock and Grain producers associations but these were not able to commence implementation before the end of the project. Infrastructure activities were largely confined to installation of culverts on a Ministry-led process of installation that involved minimal participation by the communities. The first installations were successful but the second batch has not yet been completed.

12. **Rural financial services.** The RFS component was designed to focus on small, short term loans, based on group guarantee, savings and other forms of innovative collateral. A credit fund was to be provided to the credit unions (CUs) as intermediary financial institutions (IFIs) for retail lending. An institutional fund was designed to strengthen the capacity of the IFIs to operate micro credit schemes. Several factors delayed the start-up of component activities including late hiring of the Rural Finance Expert (RFE) and the lack of eligible IFIs willing to operate in the project area. Negotiations with the two prospective CUs identified during appraisal failed. Eventually, two small local inexperienced credit unions: the Citrus Growers Credit Union (CGCU) and the Toledo Teachers credit union (TTCU) were accredited under relaxed criteria. There were also product design features that took a long time to resolve. Yet, the CUs managed to approve 1 056 loans amounting to BZ\$1 478 193. The majority (62 per cent) of Toledo Teachers' loans went to agriculture, while nearly half (46 per cent) of Citrus Growers' loans were for commerce or retail trade. Loan delinquency is currently high in both IFIs with a portfolio at risk ratio of about 20 per cent, for Toledo Teachers and 33 per cent for Citrus Growers in December 2004, compared with the target ratio of ≤ 12 per cent at appraisal. Portfolio at risk ratios are reported to be decreasing as the CUs consolidate their programs. Loan delinquency is mainly caused by external factors such as delays in payments of farmers by the Belize Marketing Board. However, both CUs acknowledge that they lent out loans too fast, too soon.

13. **Project coordination.** The design of CARD as a rural development project covered a broader scope of activities than was usually handled by MAF. For this reason, it was established a separate PMU that reported to MAF and which was largely autonomous in operations. In implementation, the PMU struggled to fulfil its role. The 'innovativeness' of the project's approach made it difficult to find staff with the adequate experience. Staff members were not provided with basic, practical tools for implementation. The planned, gradual phased approach of the design was never implemented, nor was the plan to intensively support the communities on an on-going basis throughout the project period. On the contrary, the project approach was fragmented, responding to isolated requests for support for vehicle use, or small non-viable sub-projects. The highly stratified administrative set up under the MAF, used by the project was at odds with the original design and made decision making slow. Procurement processes were a consistent issue with the project, in terms of overly bureaucratic documentary requirements, practical difficulties in complying with requirements due to low availability and quality of available suppliers and service providers. Poor communication processes between partners was also a continuing issue. The internal monitoring system was unreliable and incomplete for all stages of the project and the limited project data has constrained evaluation of project performance. Operations improved substantially late in the project when a Project Director (PD) was recruited who had project management experience and who was able to manage the coordination and communication mechanisms of the PMU more effectively.

C. Assessment of Project Performance

Relevance

14. The design of the CARD project was found to be relevant to the target group and the Belize National Poverty Elimination Strategy focusing on the poverty “hotspot” of the Toledo District; supporting ecologically sustainable agricultural practices and addressing concerns with the traditional *Milpa* agricultural system. The focus on areas of highest poverty, on small farmers operating at subsistence level and indigenous people was also consistent with the policy directions of the GoB, the IFAD Strategic Framework and, retrospectively¹², the IFAD Regional Strategy for Latin America and the Caribbean. The design project responded to the stated interests of the communities that had participated in the design phase. The community-initiated approach allowed the communities to have a say in their own development and was designed to build from the activities of previous projects. The issues with the results of the project design are more in relation to underestimation of the capacity for translating the design into implementation. Similarly, some sub-projects were supported by CARD that were not relevant to the communities, but this was due to operational deficiencies rather than a lack of relevance of the project *per se*.

Effectiveness

15. There was potential for the project to be effective but the potential was not realized for most initiatives within the project period. At the community level, based on the sample of project activities reviewed, the effectiveness was minimal. Feedback from the communities was that CARD wasted their time with unproductive meetings, did not respond to their articulated needs and provided small, inconsequential sub-projects that made no difference to their living conditions. This is confirmed by the sparse project information showing that CARD financed small-scale, fragmented activities over a large number of communities rather than following the recommended phased, intensive interventions in a gradually increasing number of communities. In contrast the interventions at the organizational level, by the end of the project, had proved more effective. Credit unions have grown and expanded their activities and are showing signs of combating their issues with high arrears. The support for the TCGA has been very effective and has been the main contributor to progress towards achieving CARD’s development objectives. Hence, CARD is assessed as moderately ineffective.

Efficiency

16. As had been identified during the project design process, human resource issues were a major risk to efficiency. Experienced and capable staff is known to be difficult to attract and retain in projects in southern Belize. The risk became reality in implementation. Delayed recruitment of staff, poor installation of basic procedures and lengthy procurement procedures meant that the project started badly and was never able to recover. Most major operational issues were not resolved until late in the project period. After the MTR, substantial efforts were made by all partners to improve efficiency by provision of short-term training and technical consultancy. However, few results were evident from the support provided apart from the increased performance with the credit and cacao development activities. The long periods without key staff such as the PD, Accountant and Monitoring and Evaluation Officer meant that internal project processes were inadequately installed, new staff members were insufficiently oriented, vital management information was not generated, and decision-making was not strategic. Loan disbursement only reached 58 per cent by time of loan closing. Overall economic analysis for the project is not possible in relation to the community sub-projects, or the economic results of the rural finance as sufficient data is not available. However, analysis of the cacao production suggests a positive economic benefit of over 40 per cent return on investment (ROI) given the prevailing production system, levels and market. However, even though the cacao production strongly contributed to the success of cacao project, success cannot be solely attributed to CARD. Also, by the time of evaluation, this potential economic benefit has only been achieved by a limited

¹² The Regional Strategy for Latin America and the Caribbean was produced in 2002 and highlighted strategies for empowerment of the rural poor, taking advantage of market opportunities and partnerships; these were already incorporated in the CARD design.

number of farmers. The estimated average costs per beneficiary are in line with other IFAD projects (US\$387) but the operating costs to total investment are high (43 per cent of loan amount). Therefore, the project is rated as moderately inefficient. It is likely, given the improvements later in the project, that if an extension had been granted, a greater level of efficiency would have been achieved.

Performance of Partners

17. CARD had a complex stakeholder mix. All three financing partners must share a level of responsibility for the divergence of the project operations from the design and the resulting poor performance. Much valuable project time was lost at the project management level in delayed recruitment, in unclear procedures and in insufficient orientation and training. Unclear definitions of roles and responsibilities and lack of clarity in communication between the partners was a continuing issue.

Performance of IFAD

18. IFAD played the predominant role in the design of the project but did not sufficiently follow up the issues in translating the design into implementation early in the project. The elements of policy dialogue identified in the design were not progressed in implementation. Given the known lessons from the TSFD, and the re-emergence of the same issues, as well as the need for IFAD to take responsibility for the designs proposed, IFAD's performance is assessed as moderately unsatisfactory. IFAD responded well after mid-term when the need for more intensive support was identified and the technical assistance (TA) for the microfinance activities was helpful. However, the TA provided for the staff training and Monitoring and Evaluation (M&E) was of limited effectiveness due to lack of follow-up to identify whether the theory was being put into practice.

Performance of CDB

19. CDB acted as the IFAD cooperating institution¹³ for the whole project period. CDB financial processes were conducted in accordance with the agreed procedures and financing flowed effectively once the required documentation had been submitted by PMU. However, those procedures were found to be unduly complicated and bureaucratic for the small level of financing required for individual contracts. Insufficient orientation was provided to the incoming staff. As a result, procedures were not adequately understood or followed. This proved a major bottleneck in expediting implementation and hence performance is assessed as moderately unsatisfactory. After MTR, CDB also responded by providing a more intensive support with improved processes; and by reducing delays of payments when cashflow was constrained, through the provision of some direct payments to suppliers.

Performance of GoB

20. The GoB was effective in complying with most of the provisions of the loan agreement except for effective recruitment processes. In terms of financial commitment, allocation of the agreed counterpart funding during the initial stages of the project was satisfactory. Yet, the performance of the PSC, under the Chair of MAF was patchy. At times, the PSC was seen by the PMU as attempting to micro-manage the project¹⁴. At other times, MAF did not call a meeting for close to 12 months, between year 2003 and 2004 and again with a large gap in meetings towards the end of the project, with inconsistent attendance from representative agencies. The PSC was responsible for the unsatisfactory staffing performance of the project, including appointment of inexperienced PDs for the majority of the project period. The government improved the policy and regulatory environment for microfinance. As a result, the performance of GoB was also considered moderately unsatisfactory.

¹³ CDB as a cooperating institution is contracted by IFAD to handle the fiduciary aspects and conduct the required supervision missions for the project. IFAD also undertook supervision missions sometimes with CDB, at other times without.

¹⁴ Such as the case of distribution of coconut seedlings which was approved by the PSC in 2001, yet had not even been requested by the communities targeted. (See Monkey River Case Study in Annex IV).

Performance of Other Partners

21. **Other partners.** The relationships with services providers in the early stages of the project was not adequately handled by CARD, nor adequately supported by the three financing partners. Service providers, in the main, fulfilled the requirements of the terms of reference but those requirements were rigid and not always in the best interests of the communities or groups. Yet, in the later stages of the project, the partnership between service providers and producer groups was considered to be instrumental in achieving substantial benefits. The communities themselves showed tenacity in endeavouring to become involved with the project but frustration and cynicism set in, when support for priorities was not forthcoming. Local organizations were largely by-passed in project activities.

III. PROJECT IMPACTS

A. Rural Poverty Restriction Impact

22. In reviewing the impact of CARD, there are several over-riding factors that need to be highlighted. The overall impact at the community level was very poor. The expected impact in terms of rural poverty was not achieved, and in some cases, negative social impact such as failed community groups, disillusioned leadership, frustration and confusion were noted. The few community-based activities that have been successful are those that are closely linked to the culture and to income generation, particularly the deer dancers and the community-based natural resource management activities. The three impact indicators related to social, human, gender and institutional developments are rated as moderately unsatisfactory. Conversely, activities that were more intensively supported at the latter stage of the project through the rural finance activities, or producer organizations such as the cacao production and honey production generated more benefits. The four indicators related to economic development are rated as moderately satisfactory. Consequently, overall the project impact has been rated as moderately satisfactory.

23. Physical assets have been improved through the road infrastructure improvements but outcomes are limited. The project made minimal contribution to improve food security, despite interests of community to strengthen and diversify food sources. Social capital development through training and skills development was exceptional in the case of the organic cacao industry where traditional knowledge and technical skills combined to generate a quantum leap forward in industry development. Other aspects of training and skills development were dismal. Training was inappropriate, inappropriately delivered and in the main, was not followed-up or assessed. Activities designed for institutional development only showed noticeable outcomes for the TTCU and the TCGA. Both organizations had long-term support from the project and this is clearly displayed in the robust growth of both organizations. Human capital improvements were again achieved mainly in the case of rural finance and the cacao industry.

24. Agriculture development impact in terms of basic crop production, has been low in comparison to expectations. Yet, the commercialization of the cacao production has had a very positive result in encouraging agricultural production on individual farms that is consistent with the culture and current production systems as well as being commercially viable. Financial assets have been strengthened through the increased access to rural finance and as a result of the income generated through cacao production. Access to markets has also been increased, particularly for cacao and livestock. For most other sub-projects, the marketing aspect has been neglected. Few of the sub-projects implemented directly targeted environmental protection. Yet, those targeted at ecotourism, organic production or tree planting have demonstrated positive outcomes.

B. Sustainability, Innovation and Replicability

25. The likelihood that the small initiatives supported at the community level will be sustained or replicated is varied. Few of the activities reviewed by the evaluation are considered as fully

sustainable. Just over 50 per cent were considered moderately sustainable¹⁵. The main thrust for sustainability will be realized through the cacao industry where the known market potential is considerable and the system is already fully operational. Few project initiatives were innovative, yet there are a few successful innovations that will be both sustained and have potential for replication resulting in a rating of moderately satisfactory. The cacao production and the complementary organic production system is an improved traditional process that is now being replicated by most of the TCGA members. There is potential for using the system for other organic crops. Some initiatives commenced by CARD have the potential for implementation/scaling up under the current European Union (EU)-financed Belize Rural Development Project (BRDP). The BRDP design has incorporated some lessons from CARD and yet is still experiencing similar implementation issues. The communities visited during the evaluation already perceive it as a continuation of previous failures – a project that has ostensibly been designed for them but to which they cannot access.

IV. OVERALL ASSESSMENT

26. CARD has been largely perceived in Belize as an unsuccessful project by the Government and by the beneficiaries. The investments in the communities did not generate the expected performance in terms of outputs. Overall, the magnitude of project benefits for the communities has been below expectations. Yet, there were several initiatives that were rated as highly satisfactory and which have far reaching potential for southern Belize. Aggregations of the impact, sustainability and innovation ratings show that where outputs were generated, results were positive. The overall project achievement for CARD is assessed as moderately satisfactory.

27. The table below shows the rating of the CARD project.

Performance Ratings of the CARD Project¹⁶

Evaluation Criteria	Ratings
Relevance	5
Effectiveness	3
Efficiency	3
Project Performance ^{*/}	3.6
Impact	4
Sustainability	4
Innovation, Replication, Up-scaling	4
Overall Project Achievement ^{**/}	4
Performance of IFAD	3
Performance of CI	3
Performance of Government	3

Source: IFAD evaluation mission 2007

^{*/} This is an average of relevance, effectiveness and efficiency.

^{**/} Determined based on the ratings for relevance, effectiveness, efficiency, impact, sustainability, innovation, replication and up-scaling.

¹⁵ Of the 17 communities visited by the evaluation mission, nine communities were able to confirm that the activities that had been supported by the project had been partly sustained. The range of activities was varied, ranging from infrastructure (culverts installation) to livestock, sewing, and ecotourism. The definition of sustainability was merely that the impact of the specific activity could be discerned as continuing, and likely to continue. This needs to be considered in the context that the benefits to be sustained were at a low level, apart from the cacao production.

¹⁶ As per OE's project evaluation methodology, a six-point scale has been used to attribute ratings to each of the evaluation criteria. Six-point rating scale reads as follows: 6-Highly satisfactory, 5-Satisfactory, 4-Moderately satisfactory, 3-Moderately unsatisfactory, 2-Unsatisfactory, 1-Highly unsatisfactory.

V. CONCLUSIONS

28. Project success was seen where suitably qualified staff members with practical experience in field-based rural development were appointed, where community interests were supported, and where ready markets were available. Although the design was assessed as valid, there were several major gaps in project implementation that were instrumental in the poor performance including: (i) poor human resource management; (ii) a fragmented, externally driven approach, rather than the recommended strategic, phased approach; (iii) lack of timely and sustained follow-up on project interventions; and (iv) ineffective monitoring and evaluation. There were other weaknesses in the project, but if these four aspects had been adequately addressed, most of the other challenges could have been more easily overcome.

29. **Lost opportunities.** Cases of lost opportunities abound throughout CARD implementation. Some sub-projects stimulated activity but when support was not sustained, momentum declined. Provision of sub-projects that had not been identified or prioritised by the communities resulted in loss of ownership. The model proposed for the community development aspect was never adequately implemented and therefore at this stage cannot be correctly judged as successful or not.

30. **Access to markets and market potential.** Marketing support was seen as a major need by both groups and individuals; by men and women. Once the markets have been opened, producers were ready to actively invest their own time and resources in production. Poor to no results were seen in all supply-driven initiatives where there was no specific market and/or marketing process identified. One of the reasons for the exemplary success of the cacao production was because there was a confirmed buyer for the production that was not only willing to buy, but who was also an active partner and financier in the cultivation process. There are other products in the south, particularly organic products that have substantial market potential, and which are appropriate to the local culture and environment. More could have been done to harness that potential.

31. **Local institutional development.** CARD has left an institutional legacy amongst the IFIs and TCGA that is likely to be sustained. Long term inputs to producers' organizations, particularly the TCGA, yielded multiple benefits in social capital generation as well as in economic and institutional development. The credit unions were an effective mechanism for developing rural credit for small farmers in the south and have potential for further growth. Yet they are still at a vulnerable stage of development. The development of the local community institutions is still well below that envisaged at appraisal. Community group expectations were unduly raised due to the repeated failure of sub-projects to deliver on the expectations that had been raised. The process of planning in the community was taken as a "promise". Training and skills development did not meet the needs of the groups.

32. **Complexity and accountability.** The CARD structure was too complex and was unable to function effectively. Decision-making was too centralized and remote from the operations of the project. The role of the PSC should have been to support and enable, rather than control and manage. Lack of orientation and accountability processes installed in the project decision-making committees, and between stakeholders meant that each did not adequately fulfil their role, or require that the project fulfilled its role effectively. Similarly, a project must maintain supervision over the delivery of services, must check with the project participants to ensure satisfaction with the service and follow up to ensure that the service yields the required results. The partnership arrangements between GoB, CDB and IFAD were appropriate but communication and lack of clarity in roles affected the responsiveness of the partnership.

33. **Outstanding policy issues.** There were larger national issues which impacted upon the project and were not addressed. In particular, land tenure issues were identified in the logical framework as an important factor that would influence the eventual benefits of the project. Land speculation is increasing across the country. Those with more capability to access and pay for lands are leading the processes of surveying land with a view to obtaining land titles. The indigenous communities in particular fear loss of traditional lands and elements of conflict over land. Observations during the

evaluation highlight that this is an escalating issue¹⁷. Similarly, recognition of ethnic diversity, and its relation to poverty was an issue raised by both the Government and the community. Some activities of CARD demonstrated effectively how cultural practices can be harnessed for economic good, and how ethnic diversity can be seen as a potential rather than a challenge. Lack of decentralized decision-making in both governance structures and support organizations creates a barrier to development for the south.

VI. RECOMMENDATIONS

Recommendation 1

34. **Investment in the southern districts of Belize.** The advances made through CARD show that southern Belize has potential that is firmly in line with the GoB strategic objectives towards economic development through niche export marketing and ecotourism as well as in poverty reduction. The unrealized potential that was present in the south at the commencement of CARD remains unrealized but still realizable. There are a number of social and economic assets developed through the project which still require support to ensure that the full benefits from project investments can be realized. There is a need for detailed negotiations with the BRDP to definitively assess whether or not these priorities can be accommodated. At present, there is a general statement that this will occur but no mechanism for transfer of the knowledge from one project to the next.

35. **Niche marketing** in organic products has substantial economic potential for the south and requires further investment. This requires an enabling environment by the Government including: careful consideration of developments that may compromise the organic certification of the area; continued support to the TCGA, possibly in extending their activities to market other organic production; and/or establishment of similar producers organizations for other organic products; facilitation of export approvals and other documentary requirements for export of organic products.

Recommendation 2

36. The reflows from the **Rural Credit Fund** need to be quarantined for continued support to the two participating credit unions. The Belize Credit Union League (BCUL), with the Central Bank, is likely to play a major role in future nurturing of the credit unions in the southern districts. Policy dialogue is required to support the professional development of the credit unions' needs. There is still additional credit funds required. Given the positive performance of the credit unions and the identified issues concerning future development, the GoB can assist in further development in the southern districts of Belize by ensuring that the funds are available to the south in perpetuity.

Recommendation 3

37. **Realistic implementation.** There are a number of recommendations in relation to improved support to development projects in Southern Belize. These include: (i) intensive support at the start-up of a project to ensure that the design is effectively translated into implementation; (ii) more emphasis at the start-up of the project to install and *operationalise* an appropriate monitoring system that will respond to the management information needs of the implementers, partners, and assist in detecting when a project deviates from its planned approach; (iii) there is a need for future project initiatives to clearly state intentions and gauge and manage the level of expectations generated; (iv) the groups to be financed need to either be in existence prior to the project and/or have specific self-generated objectives and a common cause. The methodology that requires communities to form small groups specifically to access funds is not viable; and (v) long-term investment, similar to the one given to the TCGA, should be provided to develop local institutions - both local governance structures and specific interest groups - which is likely to yield better results than short-term fragmented sub-projects.

¹⁷ Such as credit being accessed for survey of land, only to have more powerful people sequester the surveyors and submit alternative claims for land; new owners preventing villagers access to traditional hunting grounds, amongst others.

Recommendation 4

38. **Investment in people.** Improved communication mechanisms and opportunities for cultural exchange need to be encouraged so that there is an increased mutual understanding of the different cultures that comprise the national identity of Belize. Supporting cultural initiatives like the deer dancers and the community-based national park management initiatives contribute to economic benefits as well as transforming cultural differences into an advantage rather than a challenge and there are other opportunities that can be similarly developed. Future initiatives must not ignore the traditional processes but can learn from and integrate the traditional processes, melding them with available technologies to provide lasting changes in agricultural systems. It is not a matter of stimulating these processes, but rather of supporting the evolution that is already occurring.

39. Policy level review in decentralization is needed to assess the representation of different ethnic groups in decision-making for their own development and the relationship between the roles and responsibilities of different government and non-government institutions needs more definition. At the same time, there is a need for community leaders, both traditional mayors and local councils to receive more orientation, training and basic tools for leadership. Lessons learned from other countries are that the connection of indigenous people to land and other forms of self-determination is a sensitive yet highly important issue. It is not an issue that was addressed by CARD, yet it is an issue that continues to face many of the communities that it aimed to assist.

Recommendation 5

40. **Professionalizing project processes.** Project procedures were too complex and cumbersome. The allocation for appropriate procurement procedures needs to be in line with the expected type of sub-projects. Staff and communities must be guided by an overall strategy that is “user and culturally oriented”. Introducing a skills transfer clause into the contract for a service provider can greatly increase the long term benefits to the project participants. There has been a recurring theme in project evaluations for Belize that poor recruitment processes and human resource management compromises project effectiveness. Experienced rural development implementers at the management and field level are needed to serve as mentors and provide on-the-job training to local project staff. Good practices for project management, procurement, field implementation and monitoring and evaluation could be transferred within the country. When staff turn-over does occur, the project partners need to have a commitment to proper orientation of newly appointed staff.

Recommendation 6

41. **Productive partnerships.** The partnership between CDB, IFAD and GoB was an appropriate arrangement that brought together expertise and resources towards a common objective. Some amendments in the implementing arrangements may have been of assistance to make the partnership more productive, for instance: (i) clearer distinction in the roles and responsibilities, particularly for CDB fulfilling a dual role as a financing partner of CARD, and as a cooperating institution for IFAD supervision; (ii) greater investment in establishing the PMU at the commencement of the project; (iii) more review of the specific procurement processes for CARD to fit with the small-scale procurement required; (iv) better communication mechanisms and practices to expedite critical correspondence, exchange views more regularly, increase mutual understanding of the challenges faced by the project and lead to more rapid identification of solutions.

Belize

Community-initiated Agriculture and Resource Management Project (CARD)

Completion Evaluation

Agreement at Completion Point

I. BACKGROUND

1. The Government of Belize (GoB), the International Fund for Agricultural Development (IFAD) and the Caribbean Development Bank (CDB) co-financed the Community-initiated Agriculture and Resource Management Project (CARD) in Southern Belize. In 2007, the IFAD Office of Evaluation (OE) conducted a Completion Evaluation of the CARD project. The evaluation was conducted in line with the IFAD evaluation Policy and the general provisions contained in the evaluation Approach Paper. A close collaboration was maintained with the Evaluation and Oversight Division of the CDB throughout the evaluation. After a preparatory mission in April 2007, evaluation field work was conducted in Belize in May 2007. A workshop to present the initial findings was presented in Punta Gorda on 24 May 2007. A final National Roundtable Workshop was held in Belmopan on 8 November 2007.

2. As per usual practice for OE evaluations, a Core Learning Partnership¹ (CLP) was established providing critical input at key stages in the evaluation, including towards the preparation of the Agreement at Completion Point (ACP).

3. The ACP reflects an agreement between the GoB and IFAD management (represented by the Programme Management Department/Latin America and the Caribbean Division) on the main findings of the evaluation, as well as the evaluation recommendations that they agree to adopt and implement. The ACP builds on the evaluation's results as well as the discussions that took place during the workshop.

II. MAIN EVALUATION FINDINGS

4. **Relevance of project design.** The design of the CARD project was found to be *relevant* to the target group and the Belize National Poverty Elimination Strategy focusing on the poverty “hotspot” of the Toledo District; supporting ecologically sustainable agricultural practices and addressing concerns with the traditional *Milpa* agricultural system. The focus on areas of highest poverty, on small farmers operating at subsistence level and indigenous people was also consistent with the policy directions of GoB and the IFAD Strategic Framework. The CARD project was designed to build from the activities of previous projects and it aimed to respond to the stated interests of the communities that had participated in the design. The project's design was based on the community-initiated approach that in theory allowed the communities to have a say in their own development. Unfortunately, due to both the context in Southern Belize, and difficulties experienced in implementation, the potential of the design was not fully realized.

5. **Implementation and outputs.** The project targeted coverage of 50 community sub-projects (one per community)² and 2 000 households. In addition, credit access was to be improved for a

¹ Members of the CLP include: Ministry of Agriculture and Fisheries (MAF); Ministry of National Development (MND); Ministry of Finance (MoF); Development Finance Corporation (DFC); Belize Credit Union League (BCUL); Toledo Teachers Credit Union (TTCU); Citrus Growers and Workers Credit Union (CGWCU); Belize Rural Development Programme (BRDP); Evaluation and Oversight Division of the CDB; Director of the CARD project and the IFAD Country Programme Manager (CPM).

targeted 2 600 borrowers through the Rural Financial Services (RFS) component. Although the project reached out to 50 communities, few community sub-projects were successful. Community planning activities rarely led to implementation of preferred sub-projects and so few sub-projects were continuing at the time of the evaluation. Nevertheless, ten detailed community profiles were generated through a community-based planning process. Several are now being actively used by the communities.

6. The total number of active borrowers in the RFS was only about 26 per cent of the revised mid-term target. However, two local credit unions (CUs) were strengthened through the project and will continue to lend to project participants beyond the project period.

7. The most successful component in terms of output was the Technical and Marketing Services where producer groups were assisted. The Toledo Cacao Growers Association (TCGA) generated the greatest outputs with 300 000 cacao grafted plants transplanted, expanding the total organic cacao acreage by about 800 acres. TCGA has expanded from 130 to 937 members. In 2006, TCGA exported 96 000 lbs of cacao, its highest production to date. Market demand is high and, as the transplanted trees mature, production is expected to increase substantially by 2010.

8. **Strengths.** There were several initiatives that were rated as highly satisfactory and which have far reaching potential for Southern Belize. Project success was seen where suitably qualified staff members with practical experience in field-based rural development were appointed, where community interests were supported, and where ready markets were available. CARD has left an institutional legacy amongst the IFIs and TCGA that is likely to be sustained. Long term inputs to producers' organisations, particularly the TCGA, yielded multiple benefits in social capital generation as well as in economic and institutional development. The cacao production and the complementary organic production system is an improved traditional process that is now being replicated by most of the TCGA members. There is potential for using the system for other organic crops. The CUs were an effective mechanism for developing rural financial services for small farmers in the south and have potential for further growth.

9. **Weaknesses.** Overall, the CARD design was assessed as valid, but there were several gaps in project implementation that contributed to the project's weak performance including: (i) poor human resource management; (ii) a fragmented, externally driven approach, rather than the recommended strategic, phased approach; (iii) poorly implemented training and skills development activities; (iv) lack of timely and sustained follow-up on project interventions; and (v) ineffective monitoring and evaluation. There were other weaknesses in the project, but if these five aspects had been adequately addressed, most of the other challenges could have been more easily overcome.

10. **Lessons learned.** The project started slowly in terms of both implementation and disbursements. Only 58 per cent of IFAD funding had been used by loan closing. As identified during the project design process, the limited availability of key human resources was a major constraint to project implementation. Experienced and capable staff are known to be difficult to attract and retain in projects in Southern Belize. The risk became reality in implementation. Long periods without key staff such as the Project Director (PD), Accountant and Monitoring and Evaluation Officer meant that internal project processes were inadequately installed, new staff members were insufficiently oriented, vital management information was not generated, and decision-making was not strategic. Delayed recruitment of staff, poor installation of basic procedures and lengthy procurement procedures meant that the project started badly and was never able to recover. A greater investment in human resource development would contribute to improved effectiveness.

² The number of 50 communities in the Project Logframe differs from the appraisal estimate of 54 communities.

III. RECOMMENDATIONS AGREED UPON BY ALL PARTNERS

Recommendation 1

11. **Continued investment in the southern districts of Belize.** Investment is required across all Belize but the level of poverty in the south is still recorded as the highest in the country. The view that CARD was not successful could prevent further investment in the south. Yet, advances made through CARD show that Southern Belize has potential in niche export marketing and ecotourism which is realizable with technical support. There are a number of initiatives developed through the project such as livestock development and bee keeping which still require support to ensure that the full benefits from project investments can be realized. There is a need for detailed negotiations with the European Union's BRDP and other sources of funds to definitively assess whether or not, and how, these priorities can be accommodated.

12. It is important to make sure that the communities can access national programmes. Thus, investment needs to be more targeted in relation to the lessons learned regarding greater involvement of local leaders in decision-making, building local capacity and longer term investments.

Responsible institutions: The lead institution for this recommendation is Ministry of National Development (MND), in collaboration with other Ministries (such as the MAF; Ministry of Human Development; Ministry of Natural Resources and Environment; Ministry of Works). IFAD will explore ways to consolidate the rural financial services experiences with credit unions under CARD in the southern region as well as its scaling-up in other areas of Belize. BRDP should consider and incorporate lessons learned from CARD as far as possible. There are also opportunities with Beltraide Network Brokerage Program.

Time frame: On-going focus of the agencies in line with the GoB's National Poverty Elimination Strategy.

Recommendation 2

13. **Continuing support for rural finance.** Reflows from the Rural Credit Fund need to be quarantined for continued support to the two participating credit unions. The GoB can assist in further development in the southern districts of Belize by ensuring that the funds are available to the south in perpetuity.

14. There is still a need for additional credit funds throughout Belize. Current projects are supporting investment but not working capital. Marketing support, recognition of collateral (particularly land) and decreasing delinquency need improved strategies.

15. The Belize Credit Union League (BCUL), with the Central Bank, is likely to play a major role in future nurturing of the CUs. Investment is required in capacity building of the CUs to develop a stable financial market for rural financial services. Policy reviews are required of broader financial processes such as taxes, incentives, trade finances, rural credit policies, etc. to support the microfinance sector.

Responsible institutions: The DFC and the Central Bank to identify how the CARD re-flow funds can be used. The options for expanding credit funds and a wide range of rural financial services will be considered in the preparation of a new potential IFAD project. The Inter-American Development Bank (IADB), through the Multilateral Investment Fund (MIF), is planning to support the BCUL, the 2nd tier institution of the CU movement. GoB has expressed its interest in supporting the Small Farmers and Business Bank.

Time frame: IFAD, the MND, MAF, Ministry of Finance (MoF) will jointly explore the opportunities for collaboration in developing rural financial services during 2008.

Recommendation 3

16. **Realistic implementation.** There are a number of recommendations in relation to improved support to development projects in Southern Belize. These include:

- (i) Involve participants in design, implementation and review³ with particular recognition of the influence of culture (traditional and political);
- (ii) Intensive support at the commencement of a project to ensure that the design is effectively translated into implementation and that the appropriate capacity is built;
- (iii) Recognition of the long time frame required for community development;
- (iv) Institute procurement processes that are cognizant of the limited markets and which have appropriate levels of bureaucracy for small contracts;
- (v) More emphasis at the commencement of the project to install and operationalize an appropriate monitoring system;
- (vi) There is a need in future initiatives for projects to clearly state their intentions and potential time frames, gauge and manage the level of expectations generated;
- (vii) There should be a clear counterpart required by project participants in terms of cash and labour equity for specific sub-projects;
- (viii) The groups to be financed need to either be in existence prior to the project and/or have specific self-generated objectives and a common cause. The methodology of requiring communities to form small groups specifically to access funds is not recommended; support to individuals may also be appropriate;
- (ix) Long term investment is recommended, similar to that provided to the TCGA, to develop local institutions both local governance structures and specific interest groups;
- (x) Project processes need to be sufficiently flexible to respond to changes in project situation, particularly after the mid-term review (MTR).

Responsible institutions: These recommendations will be considered as lessons learned by MAF and be incorporated in the development of subsequent projects, particularly in the design of the proposed IFAD-funded project.

Time frame: Commencing immediately, MND and MAF to provide oversight to ensure that projects, particularly a potential IFAD follow-on project, adequately consider these recommendations in project design.

Recommendation 4

17. **Investment in people.** The project highlighted aspects important to targeting, recognition of ethnic diversity and local leadership development. Improved communication mechanisms and opportunities for cultural exchange need to be encouraged so that there is an increased mutual understanding of the different cultures that comprise the national identity of Belize. Supporting cultural initiatives like the deer dancers and the community-based national park management initiatives contribute to economic benefits as well as transforming cultural differences into an advantage rather than a challenge.

18. Targeting needs to focus on the poor but specifically those people with commitment to participate. The mechanism for targeting needs to consider cultural/area specifics and not just formal

³ This did occur in CARD during design processes but was not continued through into implementation.

poverty indicators. Criteria that are too rigid can exclude people with capacity e.g. community leaders who can support others in achieving change. There is a need for local organizations to be made aware of their roles and responsibilities in the project so that there is greater likelihood of them being able to take full advantage of available opportunities. Projects must include personnel to work with project participants to link participants effectively into required project processes.

19. Policy level review and practical support for decentralization is needed to assess the representation of different ethnic groups in decision-making for their own development. The connection of indigenous people to land and other forms of self-determination is a sensitive yet highly important issue. It is not an issue that was addressed by CARD, yet it is an issue that continues to face many of the communities that it aimed to assist. There is a need for community leaders, both traditional mayors and local councils to receive more orientation, training and basic tools for leadership.

Responsible institutions: MND and MAF need to consider the targeting of projects to make sure they are appropriate. Within the framework of its overall targeting policy, IFAD needs to carefully consider targeting mechanisms within the proposed project to better tailor future project activities to the needs of the rural poor. There are opportunities to increase collaboration with local NGOs to assist in targeting and implementation.

Time frame: Already commenced with the implementation of the National Poverty Elimination Strategy and preparation of potential IFAD follow-on project but could be refined in formulation of a Rural Development Policy as part of the Vision 2025 planning process.

Recommendation 5

20. **Professionalizing project processes.** Project procedures were too complex and cumbersome. The processes were not appropriate to the capacity of the local community e.g. language, style, culture. The allocation for appropriate procurement procedures needed to be aligned with the expected type of sub-projects. There has been a recurring theme in project evaluations for Belize that poor recruitment processes and human resource management compromise project effectiveness. Experienced rural development implementers at the management and field level are needed to serve as mentors and provide proper orientation and on-the-job training for local project staff. M&E needs to be given greater importance as a management tool rather than just reporting. This requires dedicated resources at the project level and within Government to oversee monitoring. Political interference tends to lead to reports being too positive. So, aide-memoires (for example of supervision missions) that openly and explicitly highlight concerns with projects would help to overcome political influence.

Responsible institutions: GoB needs to take greater ownership and responsibility to hold donors, projects and themselves more accountable. IFAD will produce aide-memoires to highlight concerns as clearly as possible and will follow up with technical assistance to implement its recommendations, when needed. Civil society can take a stronger role in holding government, donors and projects more accountable and promoting transparency. Establishing fully operational Monitoring and Evaluation Unit (M&E) systems at project commencement is an important action that is the responsibility of both the responsible implementing agency and the financing institution.

Time frame: To be considered in design of next IFAD-funded project, as well as other projects of the GoB.

Recommendation 6

21. **Productive partnerships.** The partnership between CDB, IFAD and GoB was an appropriate arrangement that brought together expertise and resources towards a common objective. Some amendments in the implementing arrangements may have been of assistance to make the partnership more productive, for instance, clearer distinction in the roles and responsibilities, particularly for CDB fulfilling a dual role as a financing partner of CARD, and as a cooperating institution for IFAD supervision and implementation support activities. There is a need for GoB and donors to consider more public/private partnerships in project management and implementation. The mechanism of a

Project Steering Committee (PSC) is a critical partnership for project implementation and at this regard, issues such as selection of members, conflict of interest, incentives, etc. must be realistically addressed. The GoB should make election to PSC/Boards more transparent. There is a need to orientate and strengthen the Steering Committee/Board at an early stage in the project so all members understand the culture, responsibilities and requirements as a member and to make sure that they are capable of making the necessary decisions. Better communication mechanisms and practices are required at all levels to expedite critical correspondence, exchange views more regularly, increase mutual understanding of the challenges faced by the project and lead to more rapid identification of solutions.

Responsible institutions: MND to provide more coordination between agencies. Donors should actively seek more opportunities for inter-agency input to project design and implementation. The Beltraide Network Brokerage Program expressed interest in being more involved with coordination activities to assist with strengthening public-private partnerships.

Time frame: To be considered in design of next IFAD-funded project, as well as other GoB projects.

Belize

Community-initiated Agriculture and Resource Management Project (CARD)

Completion Evaluation

Main Report

I. INTRODUCTION

A. Country Background

1. **Geography.** Belize is a country of 22 965 km², located in Central America, bordering the Caribbean Sea, between Guatemala and Mexico. The coastal areas are lowland plains, and the Maya Mountains (300 to 1 000 m in altitude) occupy the south-centre and dominate much of the remainder of the country. Belize is a unique case of a very small country with a rich endowment of natural resources, as 69 per cent of the total area was still covered by forest in 1998. In 2004, 42 per cent of the area was protected, including forest, wildlife and marine reserves. Belize is vulnerable to climatic and environmental disasters. During last decade, the country has been struggling against the severe damage of several hurricanes: Mitch (1998), Keith (2000), Chantal and Iris (2001) causing considerable impact on socio-economic assets and development.

2. **Population.** Belize has one of the lowest population densities (12 inhabitants/km²) in Latin America, yet has a high level of ethnic diversity as traditional inhabitants are added to by immigrants from surrounding countries, which have been drawn to the relative peace and prosperity in Belize. Historical ties have led to concentrations of the main ethnic groups in each of the six administrative districts. Mestizos (mixed race) comprise 53 per cent of the population and are concentrated predominantly in the Northern Corozal and Orange Walk and Western Central Cayo District. The Creoles (25 per cent) reside mainly in the Belize (East Central) District, the Garifuna (7 per cent) in the Stann Creek District and the Maya (10 per cent) and East Indians (4 per cent) in the Toledo District. The population of the country stood at 291 800 inhabitants in 2005, up from 211 000 in 1994. A rapid annual average population growth rate is partly the result of a high birth rate, but also attributable to the large immigration flows. The rural population was estimated at 51 per cent of the total, one of the highest rates in the Americas. Around one-half of the rural population lives in large villages in the north, whereas inland areas in the centre and the south are sparsely inhabited¹.

3. **Recent history.** Belize has a history of successive colonization but gained independence in 1981. Since that time, the country has been working towards growth of national institutional, economic and social maturity. There is a strong recognition of the unique environmental assets of the country such as the national forests and extensive coral reef area. Traditionally, main industries have been primary resource-related, with forest products as a major export for many years. Now there are large tracts of protected forest areas and commercial fruit production has increased in prominence.

4. **Institutional context.** Belize has strong historical and socio-political links to the Caribbean region and is a full member of the Caribbean Community (CARICOM). Since the mid 1990s, it has also increasingly presented itself politically and economically as part of the Central American region, resulting in full membership of the Central American Integration System in 2000. Historically, policy formulation and decision-making power in Belize has resided with the central Government, with political representatives having strong autonomy. Village councils were legally recognized in 2000 but limited powers and resources have been assigned to city and town councils. Belize is one of the top twenty countries in the world with the highest emigration rates. Roughly 30 per cent of Belize's labour

¹ The Economist Intelligence Unit (EIU) (2006), Belize's Country Profile.

force has migrated to the developed world over the past several decades. The drain of skills has a negative impact on the human resource capability of the country in both the workforce and in local institutions. As a result, development initiatives have been mainly government-driven. While development projects in the north of the country have been successful, the southern areas of the country have lagged behind.

5. **The economy.** Since independence from the British in 1981, the Belizean economy has shown one of the best performances of the region in the past decades and until 2000, the macro-economic performance of Belize ranked among the higher scoring countries of the Latin American and Caribbean region, placing Belize in the category of middle-income countries. However, the economy's growth has been far from stable. Over the past decade the average economic growth rate stood at 4 to 5 per cent, while from 2003 to 2005 the average economic growth of Belize decreased from 9.3 per cent in 2003 to 4.6 per cent in 2004 and to 3.1 per cent in 2005. The Gross Domestic Product (GDP) per capita has grown 18 per cent since 2000 to US\$664 in 2005. According to 2005 GDP figures, the tertiary sector² is the most important for Belize's economy, accounting for 63.5 per cent of GDP (up from 58.8 per cent in 2001), followed by the primary sector with 12.7 per cent, the manufacturing sector (traditionally centred on agricultural processing and food and beverage production) with 7.8 per cent, and fishing sector accounting for a further 3.3 per cent of GDP. Economic growth strategies between 1998 and 2004 based on increased Government spending and borrowing, privatization of major State-owned enterprises and tax reforms, led to fiscal challenges of high public indebtedness (93 per cent of GDP in 2005), budget deficits and downturns in international financial markets. In 2005, a tighter policy stance was taken by the Government to reduce debt burden and improve national financial management.

6. **Poverty profile.** Based on 2003 data, Belize ranked 91 on the global Human Development Index (HDI) scale, i.e. in the mid-level range of countries with medium human development. According to the 2002 Poverty Assessment Report³, 24.5 per cent of households (or 33 per cent of individuals, classed as unable to meet basic food and non-food needs) live under the poverty line. Poverty has a much greater incidence in rural than in urban areas: 33.7 per cent of poor people versus 17.2 per cent. Poverty is almost equal among males and females with 34 per cent and 33 per cent respectively. Children are more likely than any other population group to suffer from poverty (39 per cent), especially in rural areas (51 per cent) than urban areas (27 per cent), and for Maya children (83 per cent). The high level of poverty is thought to contribute to the high level of emigration from the country.

7. Extreme poverty can be directly attributed to ethnicity⁴: the Mayas are the most heavily represented among the poor of the country (77 per cent poor and 54.8 per cent very poor), while the other four ethnic groups all have moderate poverty rates between 24 per cent and 30 per cent. Yet, the basis for poverty classification is contested by some groups, given the traditional ethnic lifestyle which is uniquely adapted to the environment. Nevertheless, on all poverty indicators, such as malnutrition, life expectancy, education, etc, the southern districts of the country consistently feature as having high poverty incidence. The Government of Belize continues to put the primary focus of its strategies on the fight against poverty – foremost through intended improvements in the education, health and productive sectors. With the support of the United Nations Development Programme (UNDP), it is in the process of updating its National Poverty Elimination Strategy and Action Plan and Medium-term Economic Strategy.

8. **Agricultural sector.** The economy has traditionally been oriented towards agriculture. Together with forestry and fishing, share in total GDP has declined in recent years, reaching 12.7 per cent in

² EIU (2006), within the services sector, tourism is one of the fastest growing sub-sectors.

³ The Central Statistical Office of Belize conducted two Living Standard Measurement Surveys based on consumption; the first one in 1996 and the second one in 2002. The poverty indexes were estimated based on the level of household expenditures together with poverty and indigence lines defined by the Central Statistical Office for each district.

⁴ IFAD, Belize (2002), Poverty Assessment Report.

2005 down from 14.8 per cent in 2003⁵. Output growth in recent years has primarily been driven by increased production of citrus fruits, bananas and farmed shrimp, these products being destined mainly for USA, UK and CARICOM. Over recent years there has been a steady increase in food exports while at the same time food imports have declined. Access to food however is a problem for those Belizeans who live in poverty and are at risk of food insecurity due to a lack of purchasing power and vulnerability to economic shocks.

9. According to the latest 2005 Labour Force Survey, 22.5 per cent of the total economically active population work in agriculture as opposed to 28 per cent measured in 2000 and 32 per cent measured in the 1991 Census. In addition to commercial plantations run mainly by medium and large farmers, the majority of small farmers⁶, particularly in the south, mainly produce maize, beans and rice, practicing a shifting (slash & burn) cultivation system called *Milpa*. The plantation farmers in Stann Creek use highly commercial farming methods, while organic *Milpa* farming is prevalent in Toledo. The traditional *Milpa* system which was based on an approximately ten year regrowth pattern between burning has been impacted on by encroaching population growth. The intensified cropping patterns have led to increased degradation of soils and water resources. However, in response to the pressure, the *Milpa* system has been evolving towards a more sedentary pattern in recent years. The adapted *Milpa* uses a combination of perennial crops and food crops, and shorter periods between burns in some areas but with planting of nitrogenous ground cover plants and use of organic fertilizing techniques. *Milpa* agriculture contributes significantly to domestic food production (particularly in poorer remote rural areas).

10. **Land tenure.** Land ownership and land tenure are important issues in Belize. A specific land issue relates to land rights of the Maya communities, mainly those in the Toledo district. Land ownership historically has been an impediment to economic development in the southern region, especially in Toledo where customary and legal freehold tenure systems are contested. About half of Maya communities reside on reservation lands to which they have only usufruct rights. Other Maya communities in both Stann Creek and Toledo are located on national or sometimes private land to which they have no legal title. Non-Maya (and some Maya) small farmers in both districts usually purchase or lease land. In both districts competition for land is intensifying between small farmers and agro-industry with added pressure from migrants from surrounding countries seeking land, often by squatting. Government is currently considering initiatives for a national land regularization programme that could secure the tenure of small farmers. However, the process for traditional, shifting communities, particularly those who gain their livelihood from natural resources is by no means clear.

11. **Rural finance.** GoB established the Development Finance Corporation (DFC) and the Small Farmers and Business Bank as the two public financial institutions whose original mandate was financing the productive sector⁷. However, at present, only a small part of their portfolios are funding agricultural-based activities: 9 per cent in the case of DFC and 23 per cent for Small Farmers and Business Bank. Moreover, these portfolios show high arrears rates and their future, especially in the case of DFC, is uncertain. The private sector commercial banks, even with excess of liquidity, are not interested in the risky agricultural productive sector or in very costly small rural clients. CUs, though concentrated in the urban areas, have willingness to provide services in rural areas and play an important role in rural development.

12. **IFAD in Belize.** IFAD supported the Toledo Small Farmers Development Project (TSFDP) which was implemented in Toledo between 1987⁸ and 1995. The project's total budget was

⁵ Data from the Central Statistical Office of Belize.

⁶ Defined as those having less than 20 acres of land.

⁷ EIU (2006), Belize's Country Profile.

⁸ The appraisal Report for TSFDP was originally conducted in 1985. The TSFDP was designed to coordinate with the United States Agency for International Development (USAID) financed project, the Toledo Agricultural Marketing Project; the loan agreement was signed in 1987 and the project did not become effective until August 1988. The project was extended twice, initially until October 1993 then a further extension to the closing date of October 1994 and completion by April 1995.

US\$2.9 million, with US\$2.2 million contributed by IFAD. The overall disbursement was relatively poor, reaching only 75 per cent, even with the two year extension. Project implementation performance was also considered to be poor due to several misconceptions in project design, policy issues with regard to rice market, inadequate design of the rural credit mechanism and major staffing issues⁹. Important recommendations were generated from the project and a second phase was recommended with the provision that pre-project design studies be considered on inter-agency coordination, quality and quantity of staffing, political commitment of GoB to project objectives, credit delivery, extension, *et al.*

B. The Project

13. The project was designed to respond to the persistent poverty issues in the Stann Creek and Toledo districts and to address the weaknesses that had been identified in the TSFDP. CARD introduced several innovations that were considered important to overcoming the consistent failure of projects within the southern areas of the country. CARD proposed a more integrated and participative approach for the rural poor and the indigenous communities to become involved in their own development, rather than relying on a “top-down” identification of needs. It recognized that technical support for agriculture development was insufficient to address the complexity of poverty and that an approach was required that acknowledged the interplay between resource management, production systems and culture.

14. The project was co-financed by IFAD, the Caribbean Development Bank (CDB), the Government of Belize (GoB) and community members. The estimated total cost of the project was US\$6.76 million, comprising US\$2.293 million contributed by IFAD; US\$3.4 million by CDB and US\$1.066 million by GoB. CARD became effective on 30 June 1999 and the IFAD loan closed on 30 June 2006. The CDB loan operated under a different completion date which was 31 December 2006.

15. CDB¹⁰ was designated Cooperating Institution and assumed major responsibility for project supervision. The Ministry of Agriculture and Fisheries (MAF) was the Executing Agency (EA). The DFC acted as the financial agency for the implementation of the Rural Financial Services (RFS) component. A launch workshop was conducted by IFAD and CDB in March 2000. The PCR mission was completed in July 2006. Although there are still CDB funds remaining, active project operations ceased in December 2005 apart from gradually completing existing commitments. A skeleton staff complement has remained to manage the current contracts and complete the final fiscal processes.

16. **Project area and target group.** At IFAD appraisal, the target population¹¹ was defined as rural communities in Toledo and Southern Stann Creek districts, with 24 000 inhabitants or 3 900 households located in 72 rural communities, some two-thirds of which were located in Toledo, which had the greatest concentration of poor households and a predominantly indigenous Maya population. The IFAD project appraisal projected that CARD direct interventions would reach 2 500 farmers, support 100 non-agricultural micro-enterprises, and would increase credit access for 2 600 small producers, women and youth. A minimum 35 per cent participation rate for women was also targeted. A phased approach for targeting was proposed, with an aim to commence a pilot process in eight communities and gradually increase by ten communities per year to reach 54 communities selected among the poorest sections of the population, with net incomes lower than the poverty line estimated at US\$644 in 1996¹². Targeted households were classified according to three groups:

⁹ IFAD, Office of Evaluation, (1994), Belize Toledo Small Farmers Development Project Interim Evaluation.

¹⁰ IFAD (1980), CDB Memorandum of Understanding.

¹¹ There were slight differences between the IFAD and CDB appraisal documents for targets. The CDB appraisal proposed that CARD would work with the 48 poorest of the 72 targeted communities; not 54 according to the phased approach proposed by IFAD.

¹² According to Belize, (2002) Poverty Assessment Report: poor is defined as *not able to meet basic food and non-food costs*; and, indigent is *not able to meet basic food costs alone*. In 2002, Toledo's poverty line is drawn

(i) smallholders and artisanal fisheries households; (ii) subsistence *Milpa* farmers and (iii) women from smallholder families.

17. **Goals and objectives.** The overall goal of the project was to reduce rural poverty in Southern Belize and raise production, employment and income of the rural poor. The purpose was to develop the productive potential of balanced sustainable land use systems and ensure support services to poor smallholder families in the southern region. During the mid-term review (MTR), the overall goal of CARD was re-defined as “the enhanced capacities of communities to contribute to their social and economic development in the southern region of Belize”.

18. **Project components.** The project financed four components: (i) Community Promotion and Local Organizations Strengthening to assist communities to understand their current social, demographic and physical resource constraints and opportunities, and develop plans and priorities suitable for investment; (ii) Technical and Marketing Support Services and Small-scale Infrastructure Investments (TMS) to support the capacity of community and local organizations to finance and implement their prioritized sub-projects, especially related to income-generating activities, and to provide technical and marketing support services; (iii) Rural Financial Services to increase the access of target population to financial services, both saving and credit, for investment in agriculture and micro-enterprise; and, (iv) Project Coordination to manage the overall programming and activities of the project. Table 1 shows the distribution of planned costs for each component and the allocation of components across financiers. For more detail on project subcomponents and activities, see Appendix 5.

Table 1. Project Costs by Component and Financier (US\$)

Component	IFAD	CDB	GoB	Total	%
Community Promotion					
Institutional Strengthening	744	222	203	1 169	17.3
Pre-investment	--	200	--	200	3
Sub-total US\$	744	422	203	1 369	20.3
Rural Financial Services					
Institutional Strengthening	108	248	35	391	5.8
Credit	500	--	550	1 050	15.5
Sub-Total US\$	608	248	585	1 441	21.3
Technical & Marketing					
Agricultural Development	190	1 460	68	1 718	25.4
Marketing Services	250	--	--	250	3.7
Small-scale Infrastructure	--	500	--	500	7.4
Sub-Total US\$	440	1 960	68	2 468	36.5
Project Management					
PCU	376	595	143	1 115	16.5
M&E	125	175	66	367	5.4
Sub-Total US\$	501	771	210	1 482	21.9
Total Financing US\$	2 293	3 401	1 066	6 760	100
Percentage Contribution	33.90%	50.30%	15.80%	100%	100%

Source: IFAD Appraisal Document, April 1998.

19. **Implementation arrangements.** The project was executed by the MAF on behalf of GoB. CARD management structure comprised a Project Steering Committee (PSC), a Local Approval Committee (LAC) and a Project Management Unit (PMU). The PSC comprised 12 members; five representing line Ministries, one from the DFC and six representing local communities and organizations. In keeping with the project’s participatory approach, the local community representatives were elected. The PSC was responsible for overall project policy, approval of its Annual Work Plan and Budget (AWPB), staff appointments and for ensuring effective performance by CARD. The LAC was a sub-committee of the PSC empowered to recommend to the PSC sub-projects

at BZ\$2 842/year (US\$1 421) and indigence level is drawn at BZ\$1 544/year (US\$722). Poverty was measured against minimum cash income and average household consumption interlaced in the 2006 Poverty map with a Housing Quality Index.

up to a value of US\$50 000. Its membership was representatives of three regional offices of line ministries and three PSC members. In addition to its role in the PSC, the DFC operated as an agency, managing the channel for funds for disbursement to the credit unions. The PMU coordinated and managed the day to day operations of CARD. It comprised the Project Director (PD), technical staff for the Community Development and Technical and Marketing Services components, the Rural Financial Expert (RFE) responsible for the RFS component, a Project Monitoring Officer, a Gender specialist, and the Administrator/Accountant.

C. The Evaluation

20. According to the IFAD evaluation Policy, a number of projects are selected annually¹³ for evaluation to contribute to: (i) ensuring accountability in relation to IFAD investments; (ii) providing feedback to project stakeholders on the success and challenges of the project; (iii) offering an overview of good practice and lessons learned to IFAD and the wider development sector. The objectives of the evaluation were to assess: (i) the performance of the project measured in terms of relevance, efficiency and effectiveness; (ii) the rural poverty reduction impact of the project; (iii) sustainability and innovation; and, (iv) the performance of IFAD, CDB, the GoB and other implementing partners. The evaluation was conducted in line with the evaluation Approach Paper¹⁴ as a collaborative process by IFAD and CDB. A core learning partnership was established to facilitate agreement on the recommendations from the evaluation and incorporation of lessons learned into future initiatives. Field work was conducted in Belize from 7 to 25 May 2007, after a preparatory mission in April 2007. The field work was conducted jointly¹⁵ with both the IFAD and CDB contributing to the synthesis of the preliminary findings. Separate evaluation reports are being generated by each organization in line with the specific institutional requirements. This report is based on the IFAD OE evaluation guidelines and focuses on the IFAD perspectives in assessing project performance.

21. **Evaluation methods.** The evaluation reviewed available documentation and conducted primary assessments. The available secondary documentation was very sparse as there had not been a functioning monitoring and evaluation system. Data that was available was of poor quality, and often could not be substantiated. The dearth of data was identified during the IFAD preparatory mission. Consequently the field assessment was conducted on three levels to maximize the potential of triangulation as follows: community level assessment through a representative sample of 17 communities, microfinance borrowers and sub-projects participants that are still operational such as the Bocawina-Mayflower National Park Community Group (ecotourism); Otoxha traditional Mayan Deer Dancers.

22. The team also met with community members who had participated in sub-projects that are no longer operating, e.g. women's sewing groups, pig producers, and cassava bread making¹⁶. Case studies of the communities were compiled and assessed to provide a basis for the rating of project performance (See Annex IV); (ii) organizational assessment covering organizations receiving support from the project, including the participating credit unions, the Toledo Cacao Growers Association

¹³ The CARD project was selected on the basis of balanced regional coverage in project evaluations; the project had recently been completed and that there was an opportunity to feed the findings of the evaluation into the preliminary work towards generation of a sub-regional strategy including the Caribbean countries.

¹⁴ IFAD, Office of Evaluation (May 2007), CARD Project, Evaluation Approach Paper. Ms C. Grimaldi, Lead Evaluator, OE, prepared the evaluation Approach Paper.

¹⁵ The IFAD team included Ms D. Lucks, Team Leader; Ms M. Speelmans, Community Development and Gender Specialist; Mr J. Drielsma, Technical and Marketing Specialist; and Mr R. Quinones, Rural Finance Specialist. The CDB team comprised of Ms A. Bramble, Deputy Director and Mr P. Morgan, Economic/Analyst; Evaluation and Oversight Division.

¹⁶ Two cassava bread making enterprises were visited, one had been operational before the project and was operated by a family that did not fall into the small farmer category; CARD financed a marketing study that was not implemented because it required too high an investment. The other was a community based sub-project, modelled on the former that did not prosper, although the facilities are still occasionally used for community events.

(TCGA); the Livestock Producers, Honey Producers, Coconut Growers Association, amongst others and contracted service providers such as the Belize Enterprise for Sustainable Technology (BEST), Sarstoon-Temash Institute for Indigenous Management amongst others; and (iii) project level, covering policies, partnerships, management and operations, reviewing the structure, the operations of the PSC and other project mechanisms.

23. As an evaluation tool, important aspects of the project such as impact, relevance, effectiveness and efficiency were rated based on a six-point rating scale. There were three¹⁷ communities visited where there had been no identifiable activities by CARD apart from an initial participatory rural appraisal to assess the priority needs of the community. In this regard, this small sample, while not a formal control group provided indications of the with/without project situation. Stakeholder meetings were conducted with key project partners such as CDB and IFAD/PL Division staff¹⁸, GoB agencies, the Toledo Development Corporation¹⁹ (TDC), local and national NGOs, some of which had operated as service providers, and some which had been recipients of project support, and some which had taken both roles. On 23 May 2007, a stakeholders workshop was held in Punta Gorda to discuss the mission's preliminary findings. The workshop was attended by the IFAD Belize Country Programme Manager (CPM), MAF national and district representatives, TDC, representatives of other line agencies, NGOs, amongst others. A formal wrap-up had also been scheduled on 25 May 2007. However, due to civil protests on that day all Government offices were closed and the meeting was unable to proceed. However, the draft Aide-Memoire was formally circulated to national stakeholders for comments.

II. PROJECT PERFORMANCE

A. Design Features

24. **Rationale.** The rationale for continued investment in Stann Creek and Toledo was valid. Poverty in the region is consistently ranked higher than the rest of the country. The communities generally are not resource-poor but generally operate at subsistence level, are highly vulnerable to climatic conditions and have few reserves to allow them to recover in the face of a calamity. The IFAD project appraisal articulated a rationale that is still legitimate: that of supporting the local communities to understand the changes that are occurring within their localities, such as: increasing population pressures, opening of new/improved access roads; and change to a market economy. The significant features of the design were conceived to assist communities to address change by sustained, improved livelihoods, while at the same time safeguarding cultural identity and increasing involvement in national development processes²⁰.

25. **Relevance of project design.** The project was initially conceived as a follow-up and improvement of the TSFDP. The performance of the TSFDP was disappointing, and mirrored the failure of other development initiatives in the southern region. For this reason, there was an in-depth assessment with the communities and with potential development partners to identify a more relevant and appropriate project design. CARD proposed a more participatory approach for enabling the communities to draw better benefits from development opportunities. There was a pre-project participatory rural appraisal mission who contributed to the design of the community development and participatory processes component. The design incorporated many of the lessons from the TSFD. It aimed to reach out to the more economically isolated communities and farmers in the districts; there was greater focus on transition of current agricultural practices to more sustainable agricultural practices rather than introducing radically new farming systems; the rural services component aimed to

¹⁷ Mafredi and Jordan, Corazon.

¹⁸ These interviews were conducted prior to and after the field mission stage.

¹⁹ TDC is the Toledo District Governance structure that was instituted as a result of the Inter-American Development Bank-funded Environment and Social Technical Assistance Project (ESTAP) between 1997 and 2001. It included resources for community planning. CARD was supposed to liaise closely with ESTAP, TDC, and continue to support the activities commenced.

²⁰ IFAD (1998), Appraisal Report, Volume I.

introduce innovations that would make credit more accessible to the poorer members of the community; and, there was greater opportunity for communities to be involved in identification and planning of their own priorities.

26. The focus of the project on areas of highest poverty, on small farmers operating at subsistence level and indigenous people was consistent with the IFAD Strategic Framework. IFAD's Regional Strategy in Latin America and the Caribbean had not been compiled at the time of design, but retrospectively, the design can be considered as compatible with the main strategic thrusts of the Strategy: particularly in empowerment of the rural poor; taking advantage of market opportunities, promoting sustainable agriculture production and use of natural resources; and building of partnerships. Similarly, the draft Country Strategic Opportunities Paper (COSOP) that was prepared in 2005 affirmed that the design was appropriate in regard to IFAD's strategic thrusts for Belize, particularly in ensuring continuity in development initiatives for southern Belize. The design was also in line with the policy directions of the GoB: the focus was in one of the identified poverty "hotspots" for the country, the Toledo District; it supported ecologically sustainable agricultural practices and addressed concerns with the *Milpa* agricultural system.

27. **Incorporation of previous lessons in design.** CARD was designed to follow on from the Inter-American Development Bank Environment and Social Technical Assistance Project (ESTAP) which was designed to take a collaborative approach to developing a land use plan for the district, make recommendation for land tenure and assist in institutional development in the south²¹. It also recognized the work of the [then] World Bank and European Union-financed Social Investment Fund (SIF)²² which was largely installation of essential public infrastructure and aimed to work in parallel with SIF so that no duplication would occur. The lessons from IFAD's TSFDP were very pertinent and were largely included in the design, particularly in emphasizing improvements in marketing, drainage, and community involvement and monitoring. The feedback of the IFAD Technical Working Group and Operational Strategy Committee (OSC) were also largely addressed in the design, again emphasizing the need for appropriate staffing and strong management systems. Several aspects that were not followed through were the recommendation to have a stronger link between MAF field operations and CARD, and to present a grant to the President to assist with project start-up²³. The start-up grant was proposed due to the broader rural development approach of the project, and the focus on small farmers. It was also thought to be necessary because of the lessons learned from previous projects that project management and staff capability was a pervasive issue in rural development projects. The difficulty in finding and retaining skilled staff was a particularly recurrent theme of projects in the Toledo District due to the relative isolation and poor facilities available. Eventually the request was not included in the report to the President for CARD. Also the encouragement to address the policy issues related to land tenure was not incorporated in project operations.

28. **Innovations in design.** CARD introduced a community-based developmental approach that was innovative but not well understood by the various partners. Despite the fact that the design was based on known community-based processes that have been applied globally and in the region, no similar project had previously been implemented in the south of Belize. Each component in its own design introduced different approaches and innovations. The design overestimated the capability of the implementing partners and of the PMU to understand and translate the innovations in the design into implementation on a per-component basis, much less as an integrated project.

²¹ ESTAP resulted in the establishment of the Toledo Development Corporation that has recently released the Toledo Development Action Plan with support from the UK Department for International Development (DFID).

²² This is now supported by CDB after completion of the World Bank and EU financing.

²³ A Grant of US\$45 000 was proposed by OSC to assist with start-up, recommending that it was presented in parallel with the Report to the President. The Executive Board Sixty-Third Session 1998, Project and Grant Approvals does not record any grant for Belize at the same time as the loan approval, nor is there any evidence that the grant was sought from other sources.

29. **Acknowledging ethnicity.** Emphasis was placed in the appraisal document to include “cultural awareness” and a multi-lingual, racial and gender mix in the array of activities at community level and in the project’s field staff composition. The indigenous Mayan communities make up a significant proportion of the population (65 per cent in Toledo, and 11.5 per cent in Stann Creek). Nevertheless, there are also other ethnic groups which also fell into the selection criteria for CARD. As a result the project aimed to respect cultural diversity and respond to the specific needs identified by each group. Community based assessment of their own (human, social, institutional, ecological) assets, needs and potentials, community planning and overall involvement in the choice and monitoring of field activities were seen as the first steps towards the implementation of most of the other project components. Training and communication - in native languages, empowerment of community members and capacity building of local groups and representatives, were also seen as essential to the project’s success, replicability and sustainability.

30. **Logical framework.** The logical framework for the project added to the complexity because there were two different logical frameworks generated for the project, one each for the IFAD and CDB appraisal documents. The two logframes were not substantially different but the difference added to the lack of clarity in how the design should be implemented.²⁴ A combined lograme was generated, but was not adequately used to guide project implementation. The project Monitoring Information System (MIS) was not functional at any stage of the project. As a result project reports were descriptive and insufficiently analytical in relation to the project performance in relation to the original design or the outputs and objectives of the log frame.

31. **Changes in design during implementation.** The essential elements of the design did not change during implementation but the implementation mechanisms were continually adjusted. The fundamental change in the project implementation was that the recommendations to appoint appropriately skilled staff to the PMU did not eventuate. As a result, particularly in the initial stages of the project, senior staff was appointed that did not have sufficient project management experience and were not able to translate the design from concept to practical implementation. The design was so well researched and comprehensively documented that, while agreeing with the conceptual approach, it was considered by some country stakeholders to be highly complex and difficult to implement. A straightforward Operational Manual was produced with external technical assistance (TA), but this Manual was not widely distributed or used by project stakeholders.

32. Furthermore, as part of IFAD’s support to management, the concept of co-execution was introduced to the project during 2000. This was a further complex conceptual approach which led to a misconception that the PMU was no longer responsible for implementation of projects but rather that it was responsible for contract management of direct implementers. Supervision missions were a continuing litany related to management issues rather than on the practical and technical aspects of project design. The occurrence of hurricane Iris²⁵ in 2001 led to further confusion and delayed implementation as project staff and resources were diverted to address emergency needs. A major project restructure was required at MTR that could be considered as a natural turning point in the project’s life. The MTR recommended a “trial period” of change but changes proposed were mainly in the management²⁶ processes rather in technical design. In addition, the project coverage was reduced

²⁴ For the purposes of this evaluation, the Logical Framework referred to is the IFAD Appraisal Document Logframe (Appendix 1). A revised, combined Logical Framework was generated following the MTR in 2002, but was not operationalised into a monitoring system. The CDB Logical Framework and the MTR alignment of logframes is also shown for reference.

²⁵ After hurricane Iris, some project staff members were deployed to assist with the hurricane relief efforts and some emergency response activities were included as sub-projects. Some of these activities were carried out in communities that were not yet targeted for project coverage. It was then not clear if these were then considered as project covered communities or not.

²⁶ The MTR recommended a period (12 months) be established within which CARD must be able to demonstrate to financiers that the main problems affecting implementation have been in fact overcome by: (i) specific time benchmarks be established to measure performance in achieving the recommended actions; (ii) CARD develop improved staff internal supervision at all levels and includes performance measures as part of the Project Operations Manual; (iii) strong external project supervision effort be made by all parties (GoB, CDB

with an aim to target 12 communities in 2003. The target for number of borrowers was also reduced from 2 600 to 1 525. The number of new branches was reduced from four to two; and the target putting a maximum size on the initial loan (US\$500) was replaced by the average loan amount of US\$1 500. The recommendations made for redressing the deficiencies in implementation at MTR were valid. During 2003, a considerable effort was put into supporting the PMU to implement the recommendations of the MTR trial period action plan. Additional TA was funded by IFAD and the Regional Unit for Technical Assistance (RUTA) to provide intensive assistance in development of a project strategy and revised approaches. Unfortunately, without a strong PD, the staff did not have the capacity or guidance required to get the project back on track and thus little progress was achieved. Following continued slow progress, a decision was made by the PSC in early 2004, not long after a new PD had been appointed, that the focus of the project should not be on attempting to implement the project as designed but rather to focus on limited activities that had been showing potential for success. This led to virtual cessation of work within the communities and a focus on activities with producer organizations and the two participating credit unions.

33. **Project extension.** Due to the delays in project implementation, a project extension was proposed by IFAD. A Feasibility Study²⁷ into the potential for extension was carried out in 2005 which concluded that extension would be viable and would assist in capitalizing on the earlier investments in the project, some of which were on the verge of moving forward in a more positive direction at that stage. The feasibility study was comprehensive and made a strong case for extension. However, due to the fiscal constraints of the GoB at that time, and the concerns over the poor performance of the project, the extension was not granted and the IFAD financing of the project was closed in June 2006, a six-month extension for finalizing of accounts, although activities financed by the IFAD loan ceased by December 2005. The CDB financing has continued for a further one year and is now in the process of completion.

B. Implementation and Outputs

34. **Project scope.** The IFAD Logical Framework outlines a target for coverage of 50 community sub-projects (one per community)²⁸ and 2 000 households supported through the TMS component. In addition, credit access was to be improved for a targeted 2 600 borrowers through the RFS component. The RFS fell short of its outreach targets. As of March 2007, the total number of borrowers that have accessed loans from the IFIs has reached 780, or about half (51 per cent) of the MTR revised target of 1 525 borrowers. However, the total number of active borrowers of both IFIs, or those with outstanding loans, was 402 or only about 26 per cent of the revised target. The low number of active borrowers can be traced to the high drop out rate which averaged about 48 per cent. About 28 per cent of the total number of loans was granted to women-borrowers, which fell short of the target of 35 per cent.

35. The IFAD Project Completion Report (PCR) records an achievement of 9 377 direct beneficiaries, (Tables 2 and 3) including 2 200 women (or a coverage rate of 22 per cent for women compared to the target of 35 per cent). It also records involvement of 2 000 young people. The number of communities “touched” by the project does seem to have reached the targeted 50 communities and population and the projected number of sub-projects has been exceeded.

and IFAD); (iv) strong external TA as support for CARD be provided, including additional resources from the funding agencies.

²⁷ IFAD (2005), CARD Assessment of the Feasibility of a Project Extension.

²⁸ The number of 50 communities in the Logframe differs from the appraisal estimate of 54 communities.

Table 2. Community Sub-projects: Project Participants by Area

	Number of Sub-projects	Men	Women	Youth	Total
Toledo	50	N/A	N/A	N/A	
Stann Creek	19	N/A	N/A	N/A	
Total Table 2	69	2 634	1 807	1 933	6 374

Source: Extracted from CARD Project Completion Report and CARD M&E system

Table 3. Industry Sub-projects Estimated Participants Deriving Benefits 2002 to 2004²⁹

	Number of Sub-projects	Men	Women	Total
Toledo	3	1 365	128	1 493
Stann Creek	4	1 388	122	1 510
Total Table 3	7	2 753	250	3 003
Overall Total Tables 2+3				9 377

Source: Extracted from CARD Project Completion Report and CARD M&E system

36. Nevertheless, this evaluation confirmed the findings of the PCR team that the internal monitoring system was unreliable and incomplete for all stages of the project and that the limited project data available had to be treated with caution. The lack of internal project data meant that it was not possible to verify the absolute number of communities that had received support from the project; nor grasp the full extent or type of activities that were carried out within the communities due to lack of information in either the monitoring reports or other project documentation. The following findings on outputs and later impact have been generated by triangulating the available data with the secondary data available through supervision mission and other project reports, and thirdly with the results from the sample field survey conducted as part of the evaluation. As noted later in this report and through the case studies in Annex IV, the field investigations demonstrated that the extent of intended project participant involvement and resultant outcomes has not been achieved.

37. **Loan disbursement.** At the time of closing, the IFAD portion had only reached 58 per cent disbursement with disbursement of US\$1.336 million compared to the approved loan amount of SDR 1 750 000³⁰. The pattern of expenditure by component is shown in Figure 1. The expenditure implies that for IFAD there is a very high expenditure on Project Coordination compared to the expenditure on the technical components. The amounts were counteracted by a lower expenditure on Project Coordination from the CDB funds. There was no formal reallocation, but there was a strategy by the project to utilize as much as possible IFAD funds before loan closing, leaving the CDB budget allocation available for the final year of operations.

²⁹ Projects include the extended TCGA project; the RFS CU membership; Toledo Livestock Association and the Coconut Rehabilitation Project which included four Stann Creek villages.

³⁰ CARD (June 2006) Audited Accounts.

Figure 1. Actual Expenditure Compared to Approved IFAD Allocation by Component

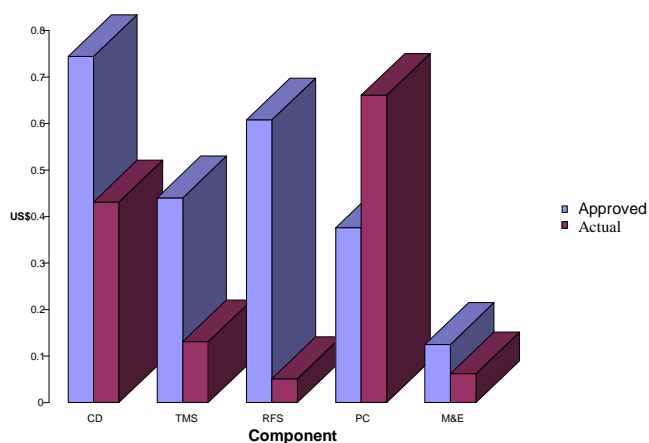
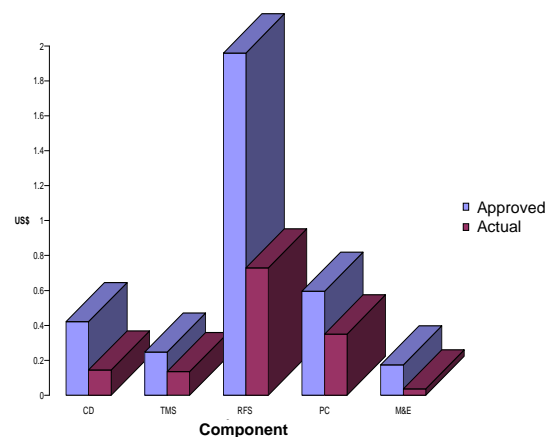
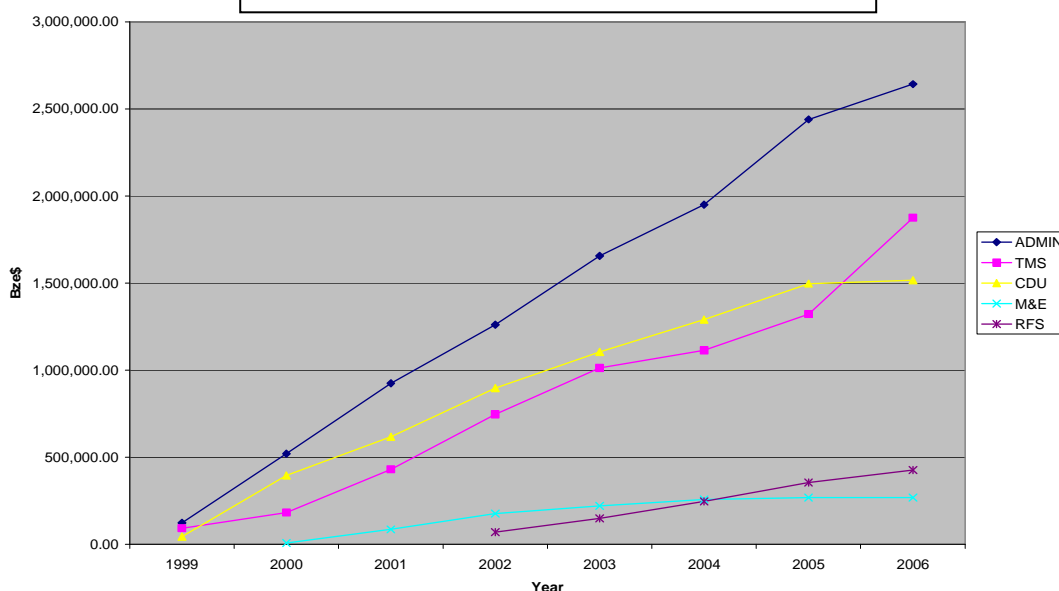


Figure 2. Actual Expenditure Compared to Approved CDB Allocation by Component



38. The disbursement of funds per component over time demonstrates that the administration expenditure continued to be the highest area of expense throughout the project period. Expenditure across the other components followed the line of physical performance with a steady increase in the Community Development and Technical and Marketing Services components, but a late start for the Monitoring and Evaluation and the RFS due to issues with recruitment. There is a distinguishable improvement in the RFS component after the MTR. The expenditure for Community Development Activities tailed off towards the end of the project.

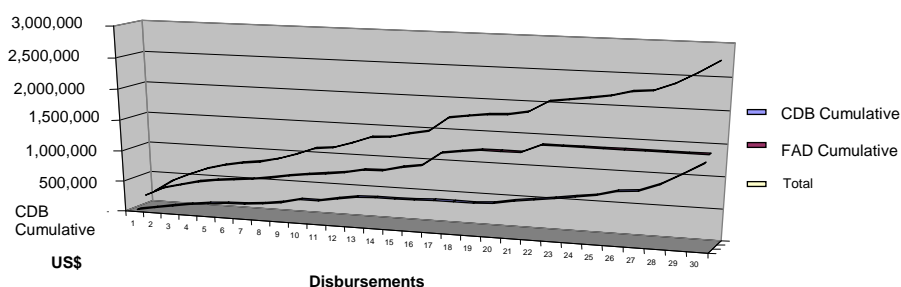
Figure 3. Expenditure by Component by Year



Source: CARD Project Completion Report data, 2006.

39. Disbursement trends as a whole for the project show that there was a slow start to disbursements and then a greater focus on drawing down IFAD funds, which was then redressed once IFAD funding reached the plateau at loan closing.

Figure 4. Disbursement by Financier



40. **Community promotion and participation.** Strong support by community leaders and the community itself was first harnessed at the beginning of CARD (2000-2001) through the Participatory Rural Appraisal (PRA) exercises, developed for the initial eight communities. It was not clear how the PRAs were conducted as most of the records have been lost. However, with the few examples that remain, it seems that the PRAs involved a single consultation with the community. For instance, in the community of Trio, 98 community members distributed in separate gender/age groups participated in a day long exercise. The PRA document was several pages outlining the aspirations and priorities of the community. In a few cases, the PRAs led to a Community Profile that enabled the community to document its natural and human resources and development goals in order to participate in further project activities. Eight Community Profiles³¹ were produced by CARD in 2004. These were of high quality and can be considered to be an asset to the community gained through CARD's intervention. However, most of the Profiles and all of the PRAs were not being used by the community as a tool to guide present and future development plans for interventions at community level as had been proposed in the design. The mission found just one case (San Benito Poité) where community leaders were fully aware of the potential of such documents. In most other cases, community leaders either ignore their existence, or do not know what to do with them, or have misplaced them. The evaluation found that the potential of the local councils to become more active in development processes was not being harnessed to the extent possible. The turn-over [and relative youth] of leaders in the communities present the opportunity that the leadership is active and enthusiastic. At the same time, there is a need for community leaders, both traditional mayors and local councils to receive more orientation, training and basic tools for leadership; e.g. documents were not passed from one leader to the next because there are no local offices, or even a box, in which to keep important papers; many communities could not even afford to have a copy of the relevant national laws for local governance; few had received any training.

41. The priorities that were identified by the planning truly emerged from the community but in the case of 15 out of the 17 communities visited, the communities felt that the identified sub-projects had not been supported by CARD. Instead, financing was provided for activities that were not considered priorities and/or which were too small to achieve the desired results. Communities recorded that their needs were being "voiced but not heard" through the participatory planning processes. The lack of project response to their articulated needs progressively sedated the initial enthusiasm of both field staff and community members³². This has also contributed to push further away the sense of 'ownership' that has eluded most project activities but which did have potential in CARD. Community members were required to form "groups" to access funds. Often these groups were formed solely for the purpose of writing names on the application form. The groups had no function, did not meet, and were not all supporting the activity; rather they were supporting the individuals who were interested in the activity. These groups had no social or economic context and thus quickly evaporated.

³¹ San Benito Poité, Santa Ana, Santa Elena, Otoxha, Dolores, Indian Creek, Silk Grass, Trio.

³² Evidence of community's exasperation with the forays of aid agencies and government staff and their demands on villager's time at meetings, workshops and information gathering sessions has been apparent and documented since 1981, in all field research documents including the 1998 appraisal and the present mission's findings.

42. The training³³ provided - to both field staff and communities - lacked an overall strategy that identified the main thrusts of the training, blended them into logical programming and pace. Training was mainly conceived as one-off, top down, educational activity³⁴. The councils or service leagues³⁵ that are trying to provide a higher level of association and a direct contact with government and society had insufficient support from the project. Instead, external service providers were used to work directly with the communities³⁶.

43. The project database records show that a range of training was provided to the community members, approximately 26 courses in 2002 and 13 in 2003. The evaluation found few that could remember the training provided from the earlier years of the project. Any records had been kept with the service providers, so were lost to the project. No formal training evaluations had been conducted. In 2004, a useful assessment of results was carried out and confirmed that the previous training for community members had been largely unsuccessful. From 2004, at least nine women and youth groups received institutional strengthening support (i.e. bookkeeping, organization management, technical assistance, financing). However, in just two cases, Otoxha and Indian Creek³⁷, the mission perceived any concrete results from this assistance. In these cases, the groups had previously identified and had a clear vision of what they wanted to achieve and they had the necessary expertise to achieve it. The project provided financing to support these goals and results were very positive, with both groups demonstrating improved financial and organizational capacity, as well as recording increases in their enterprise activities.

44. An inability by the project to properly communicate with the targeted groups affected project performance. Even though much care was taken by the project to contract community mobilizers that were fluent in the local languages, high staff turnover, the lower number of female counterparts to work with women's groups, the short time allowed for field visits³⁸ created difficulties in establishing positive and productive ties with community members.

45. The evaluation found that most governmental and non-governmental organizations active in the region, had either interests that coincided with CARD's objectives, or were interested in influencing CARD to forward their own objectives. However, CARD was unable to work through them due to mainly administrative constraints (few had the technical 'excellence' required of consulting firms within international circles). Funding TA support for training was under allocation of financing from CDB and was thus subject to its procurement rules which tended to exclude smaller, local organizations with cultural knowledge that could have been harnessed by the project. The ideal combination would have been a mentoring arrangement by more experienced firms in partnership with local organizations, as occurred successfully in the TMS component. This was, in part, the concept that was attempted to be introduced by IFAD with the co-execution methodology. Unfortunately, it was misinterpreted and the project implementers were not provided with the necessary practical tools to achieve adequate institutional development through this methodology.

46. Instead, a steady flow of consultant firms and professionals received short-term, results-oriented contracts to respond to specific requests identified by the project. There was little monitoring of results

³³ See Annex 1 for more detail on training provided.

³⁴ It did not incorporate key adult education modalities. Few service providers came from the Toledo area and were conversant in Mayan Mopan, Ketchi and/or used Kriol for their training and capacity building materials. In fact, aside from SATIIM and the Cacao Growers, the mission did not find any service provider that worked through local field staff.

³⁵ Such as: the Alcalde, Ketchi, Garifuna, East Indian and Indigenous Councils and the Toledo Mayan Women's Council which were all to be targeted by CARD.

³⁶ These were usually NGOs acting as private consultancy companies, contracted to carry out specific tasks, under a time bound contract that did not allow for flexibility or changes to what was foreseen (e.g. community requests).

³⁷ The Deer Dancing Group (youth) and a tourism based Arts and Crafts Women's group.

³⁸ No overtime or Daily Subsistence Allowance was approved for project staff by the PSC.

by CARD and all responsibilities for implementation were left to the contractor. Little trace is left of the results achieved by these 'service providers'. In the communities visited, few remembered what they did or taught. However, from the few end-of-service reports available within CARD and the interviews carried out during the mission with the various contractors, it was evident that the work was done under time pressure and with few possibilities to modify the terms of the contract.

47. **Technical and marketing services.** Over the course of the project the unit worked with honey producers, cacao growers, livestock producers, coconut growers, grain growers, and a number of small scale agro-processing enterprises. Its most sustained work was with the TCGA, a Mayan farmer's organization that produces organic cacao beans under a firm, rolling contract with Green and Black, a guaranteed UK customer which has also invested their own resources in development of the Toledo cacao industry.



Full load of cacao beans ready for market in the TCGA

Source: Evaluation Mission 2007

48. **Toledo Cacao Growers Association.** The TCGA has been a major beneficiary institution of CARD funding with an investment of BZ\$310 000. Between 2002 and 2006, CARD provided the TCGA with TA to assist with: a management plan; agronomic research and extension; management and accounting; organic certification; fair trade procedures; and, helped attract other donor funding. From 2004, 300 000 cacao grafted plants were transplanted, expanding the total acreage by about 800 acres. TCGA has expanded from 130 to 937 members. In 2006, TCGA exported 96 000 lbs of cacao, its highest production to date. By 2010, production is expected to increase to 336 000 lbs³⁹ which is still within the Green and Black contract annual ceiling of 600 000 lbs.

49. **Toledo Livestock Producers Association.** The TLPA has made substantive progress. CARD assistance was for a profile assessment and business plan in 2005 and improved breeding stock was provided to members⁴⁰. However the plan has not been implemented because it was completed in the final months of the project when no resources for implementation were available. It was proposed that funding for this business plan and the others that have been completed be done through the EU-funded Belize Rural Development Project (BRDP).

50. A business profile and business plan was also produced for the Toledo Grain Growers Association (TGGA)⁴¹, but again has not been implemented as yet. The Toledo rice industry is still dominated by the Belize Marketing Development Corporation rice mill. Delayed payments by this corporation are causing cashflow problems for farmers. They are unable to meet their financial obligations or have sufficient funds for replanting. As a result there has been a decrease of area planted⁴².

³⁹ The growth of TCGA, largely resulting from the demonstration effect of guaranteed markets, has been rapid with intensive new planting in an expanded number of villages. The new plantings take about 3-4 years before producing.

⁴⁰ Total financing for the TLPA was around BZ\$200 000.

⁴¹ Envic Consulting, 2007.

⁴² Production decreased from 2 000 acres in 2001 to 800 acres in 2006 for mechanized rainfed production. For *Milpa* rice production, the number of farmers decreased from 1 500 in 2001 with a production of about two million lbs to 600 farmers with a total production of one million lbs in 2006 (TGGA consultation).

51. The Southern Beekeepers Cooperative, the Punta Gorda Beekeepers, and the Maya Mopan Beekeepers have received technical assistance in the production of organic honey, pollen, royal jelly and propolis. CARD's investment of BZ\$80 000, for appointment of a long term technical advisor, purchase of hives and other equipment helped in revitalizing the honey industry. Production increased by 6 000 lbs but then production declined due to high incidence of Varroa Mite infestation and a higher swarming rate of Africanized bees. Membership of the groups has declined as a result of the disease. A profile for each of the three groups was made by Belize Institute of Management with CARD financing, including a proposal for TCGA to market the organic products. No specific business plans have yet been completed.



Uninstalled culverts in Corazón, Toledo, 2007
Photo: Evaluation Mission 2007

52. The technical support provided to the Coconut Growers Association, assisting coconut farmers in several coastal communities was considered satisfactory and useful but the coconut trees contracted an unknown disease as they reached maturity and have died except for those in one community. The Coconut Association is no longer in existence.⁴³ However there is a high demand for coconut oil and other coconut based products at good prices so there is still potential for revitalization of the industry.

53. Other village level training, technical assistance and small agricultural and infrastructural investments were approved; such as training in the use of pesticides and fertilizers; the use of *Mucuna* species, value-adding, agri-management and processing⁴⁴, livestock improvement and production training, installation of irrigation and drainage systems. Often there was no follow-up to these activities to ascertain if the farmers had absorbed the training and there was no coordination with extension services.

54. The procurement and placements of culverts for farm roads occurred twice during the project period. These contracts were integrated as part of the program of road improvement that was undertaken by the Ministry of Works so were not distinguished by communities as being part of the CARD interventions. In addition, the sub-project design for the roads was developed as a package, including communities that had identified road improvement as a priority, and those who had not. In each case, the communities were not involved in the detailed planning or procurement; the culverts appeared and were installed. In the case of the second sub-project on road improvement, the culverts were procured in 2005, delivered to CARD during 2006, programmed for installation during the first half of 2006 but are still sitting beside the road in the respective 11 communities.

55. **Rural financial services.** Several factors delayed the start-up of component activities. These included a delay in the hiring of the RFE and the lack of eligible financial institutions willing to operate in the project area. The original plan was for the component to work with two of the biggest and most experienced CUs in Belize – Holy Redeemer and La Immaculada. Indeed, the design of the component was heavily based on the assumption that the stronger CUs would participate. The Rural Finance Fund was intended to provide lines of credit to the IFIs, but only strong IFIs would be able to fully absorb the credit risks and still repay DFC if the new credit technologies to be promoted by the project, for any reason, did not work well in the project area. It turned out, however, that both were not interested as the project area was too far from their respective offices and the type of clients to be served was perceived to be high risks.

⁴³ Village consultation with Mr MacDougall, previous Coconut Growers Association Chair.

⁴⁴ In Sarawee, a market study for cassava bread was financed; and in Barranco, cassava bread processing equipment was purchased and the group visited the Sarawee group to facilitate 'producer to producer' training.

56. When negotiations with the prospective CUs failed, other institutions with experience in financial services in the south were considered including BEST⁴⁵, Citrus Growers and Workers Credit Union (CGWCU) and Toledo Teachers Credit Union (TTCU). Of these three, only BEST was eligible; both CUs, in 2001, were new and had only been operating for less than five years which was the minimum age to qualify. BEST eventually was selected as IFI in the first quarter of 2002 after about a year of negotiations. But BEST wanted a much bigger subsidy (US\$200 000) than the project had as its budget (US\$30 000). BEST claimed that, from its experience, the cost of putting up and maintaining an office in the project area will be much higher than the amount being offered by the project. When BEST and the project could not come into agreement, the plan to work with BEST was shelved.

57. Left with only two young CUs, the project asked IFAD to reduce the minimum institutional age requirement from five years to three, which was granted. Thus, the Citrus Growers Credit Union was accredited to cover Stann Creek when its operations reached its third year in the third quarter of 2002. Likewise, TTCU was accredited the following year to cover the Toledo district, in the first quarter of 2004, when it reached its third year of operation⁴⁶. At that time, both credit unions were young, managed mostly by volunteers, and had no experience in microfinance methodologies outside of the conventional savings-based credit methodology employed by credit unions.

58. **Provision of the line of credit.** The amount of the lines of credit to the IFIs was based on their respective action plans and outreach targets but was not to exceed 25 per cent of their average portfolio in the previous six months, or US\$250 000, whichever is lower. CGWCU received a credit line of BZ\$125 000 in third quarter of 2002, while Toledo Teachers received BZ\$125 000 in the first quarter of 2004 and another BZ\$180 000 in 2005, or a total of BZ\$ 305 000. However, due to the cash flow problems of the project, disbursement of the lines of credit to the IFIs by the DFC were often times delayed. The term of the lines of credit was also extended. The original term as proposed at appraisal is two years, with six months grace period on loan principal payments. This was lengthened to five years, with one year grace period on loan principal payments. The IFIs claimed that it would be difficult for them to repay their loans fully within two years.

59. **Loan product features.** The group lending methodology proposed in the design was never tested. After hurricane Iris struck Toledo district in the last quarter of 2001, CARD supported a study contracted to BEST, to verify whether a micro credit operation would still be feasible in the project area. The study confirmed that there was still credit demand. It also reported that borrowers in the project area preferred individual loans to group loans⁴⁷. The micro credit technology that was actually promoted by the project was individual lending. The features of the loan product of the IFIs are a mix of conventional credit union lending practices⁴⁸ and some of the best practices in microfinance. However, the different loan savings multiples of 1:3 for mainstream the CU members and 1:10 for microfinance clients did cause dissension by long time members who thought that microfinance clients were being favoured.

⁴⁵ BEST is an NGO that has a wide variety of programmes. They had previously implemented a micro-credit programme in Toledo but it had not been successful due to the high transaction costs per client.

⁴⁶ Specifically the requirement that an IFI should have at least three years of operation.

⁴⁷ The respondents were asked whether they would like to join a group in order to become eligible for a loan, and most did not want that. This can, however, be expected as most people do not want to pay other people's loans. The questionnaire should have elaborated on the features of both individual lending, (which needs some form of collateral such as household appliances and/or guarantors) and group lending (which is uncollateralized but requires borrowers to form small groups of persons whom they trust and to guarantee each other's loans) and asked the respondents to choose.

⁴⁸ Conventional CU practices incorporated in the product include: (i) only CU members can borrow; (ii) members must have savings first before becoming eligible to borrow; (ii) loan amount is based on the amount of one's savings; and, (iii) interest rate is 12 per cent p.a., based on declining balance. The prescribed loan features of microfinance loans which were adopted by the IFIs include: (i) escalating loan amounts, where good borrowers are rewarded with bigger loans after each loan cycle; (ii) small but frequent instalment payments; (iii) short term; (iv) stiff penalties for delinquent borrowers; and (v) personal guarantees in place of collateral.

60. The micro credit products as designed by the IFIs also are much bigger than the amounts proposed at appraisal. The IFIs claimed that increasing the size of the initial loan (from US\$500, as proposed at appraisal, to US\$1 500) would enable them to serve a broader market and greater outreach. The maximum size of all micro credit loans was also increased from US\$5 000 to US\$10 000. The maximum repayment term of the working capital loans, likewise was extended from six months, as proposed at appraisal, to one year. Reaching out to remote communities can be costly and lending unsecured loans to poor households is risky, and, thus, can be done only when the interest rate is adequate to cover all the lender's costs and risks. For the CUs, the interest rates for normal loans are 12 per cent p.a. but higher rates are charged for "flexible" and "extreme" loans to compensate for the higher risk. The processing fee for normal loans is 5 per cent but is higher for microfinance loans. The reluctance to increase interest rates to cover high transaction costs means that the CUs minimized risks in other ways, such as reverting to requirement for higher savings balance and reducing loan follow-up.

61. **Loan repayment.** Loan delinquency was seriously high in both IFIs with a portfolio at risk ratio of about 20 per cent, for Toledo Teachers and 33 per cent for Citrus Growers in December 2004, compared with the target ratio of ≤ 12 per cent at appraisal. The primary reason for the loan delinquency at Toledo Teachers was related to delayed payments by the Belize Marketing Board, to rice farmers. The delinquency situation in Citrus Growers, on the other hand, was caused by the inability of a banana plantation to pay off its workers' salaries in cash. It would appear therefore, that the loan delinquency problems of the IFIs were caused by external factors. However, both the RFE and the manager of Citrus Growers also acknowledge that they lent out loans too fast, too soon. CARD created demand which had to be processed quickly. In addition, the IFIs were inexperienced and the new products inadequately tested. The microfinance loan products, as designed by the project, created inconsistencies in the IFI's credit policies. Strong client screening mechanisms should have been installed to make sure that the expected benefits were not captured by the better-off members of the credit union. These were not in place so there is some evidence that the selection criteria for microfinance were stretched in some cases.

62. **Types of enterprises financed.** Table 4 below shows that most of the loans extended by the IFIs went to agriculture (40 per cent), commerce or retail trade (34 per cent), and services (13 per cent). The majority (62 per cent) of Toledo Teachers' loans went to agriculture, while nearly half (46 per cent) of Citrus Growers' loans went to commerce or retail trade. Retail trading is normally an activity that is predominantly women (e.g. vending) and this is most likely the reason why Citrus Growers had a higher proportion of women borrowers than Toledo Teachers (see Table 4).

Table 4. Number and Amount of Loans by IFI

	Toledo Teachers		Citrus Growers		Total	
Number of loans	No.	%	No.	%	No.	%
Agriculture	440	61.7	87	25.4	527	40.0
Animal Husbandry	40	5.6	20	5.8	60	5.7
Commerce	205	28.8	156	45.5	361	34.2
Services	5	0.7	48	14.0	53	12.7
Tourism	1	0.1	7	2.0	8	5.7
Land Survey	22	3.1	-	-	22	2.1
Agro-Industry	-	-	4	1.2	4	0.4
Manufacturing	-	-	21	6.1	21	2.0
Land survey	2	3.1	-	-	-	-
Total	713	100.0	343	100.0	1 056	100.0
Amount of loans						
Agriculture	538 415	51.8	101 010	23.0	639 425	43.3
Animal Husbandry	60 300	5.8	23 100	5.3	83 400	5.6
Commerce	386 760	37.2	221 003	50.3	607 763	41.1
Services	28 500	2.7	55 981	12.7	84 481	5.7
Tourism	2 000	0.2	8 925	2.0	10 925	0.7
Agro-Industry	-	-	4 200	1.0	4 200	0.3
Manufacturing	-	-	25 200	5.7	25 200	1.7
Land Survey	22 800	2.2	-	-	22 800	1.5
Total	1 038 775	100.0	439 418	100.0	1 478 193	100.0

Source: Evaluation Mission

63. The Credit Fund is still operating and DFC reports that the participating CUs have been repaying the required interest instalments on time. The CUs express that they have the capacity and willingness to repay the interest and principal as the loan matures, however, the mechanism for reflow of credit from that fund has not yet been confirmed by the GoB.

64. **Project coordination and cross-cutting aspects.** The expected output that the PMU and M&E system would be installed by year 0.5 was not achieved. In fact, many of the project implementation weaknesses have sprung from the initial delays and issues in establishing an operational and effective PMU. However the establishment of a separate PMU was logical at the time, given the move towards rural development. The construction of the PMU within the MAF compound in Toledo did assist to extent in liaison between MAF and PMU operations. It also led to diversion of the PMU from the schedule as resources were requested by MAF for projects that were not directly related to community-identified priorities. If the PMU was to be established in today's context, it may have been better placed within the agencies with a multi-sectoral mandate such as the Ministry of National Development (MND) or the TDC, but at the time, the design had merit.

65. The project design included a change management process combining the external technical 'options' for market-driven development with assessment of local "demand", incorporating traditional lessons in community resource management, local experience and know-how. From the beginning, CARD's operations tended more towards the 'supply-driven' options and technical support was generally offered based on the technical expertise and knowledge at the disposal of the selected Service Providers who were expected to be at the 'high end' of the technological capability in the country.

66. **Project planning and implementation.** In implementation, the 'innovativeness' of the project's approach⁴⁹ made it difficult to find staff with the adequate experience. Project reports from early days, and even after the MTR, record that staff was unclear on practical aspects such as project approval processes and allowable activities. Overall leadership on integration of project activities was missing. Staff was not provided with basic, practical tools for implementation. Different staff members interpreted procedures differently, leading to internal office conflict. The planned, gradual phased approach of the design was never implemented, nor was the plan to intensively support the communities on an on-going basis throughout the project period. On the contrary, the project approach was fragmented, responding to isolated requests for support for vehicle use, small non-viable sub-projects or staff time. There was minimal follow-up by the project to assess the outcome of the service contracts or to assess the level to which community priorities had been addressed.

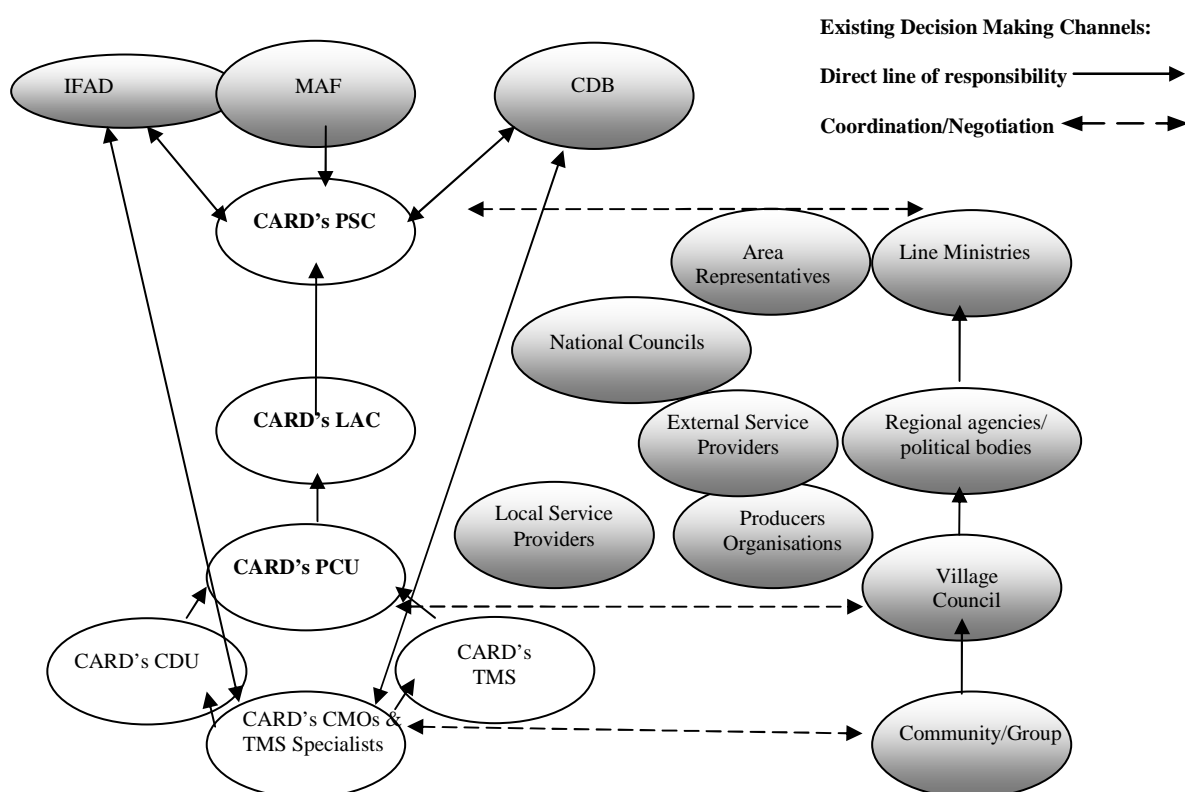
67. The highly stratified administrative set up used by the project⁵⁰ from the PSC down to the communities was at odds with the original design and made decision making slow. The original concept was for a "bottom-up" form of project management, where the communities would be the driving force behind the project inputs. The community priorities identified by the communities themselves would be reviewed by the PMU. The Local Approval Committee was designed as a knowledgeable and representative body that would be able to provide strategic input to the approval process, assessing how the local initiatives would contribute to broader development objectives of the project. The PSC was seen as an overarching policy and management body that would engage with the process and provide the necessary guidance for compliance with design features, direction in overall management, and assistance to the local PMU and LAC as required. Instead, the PSC became the centre of decision-making for the project, with the communities far removed from the decision-making process. There was inadequate communication between the local stakeholders and the PSC, regardless of the inclusion of LAC representatives in the PSC.

⁴⁹ Four phases, covering a three-year period were proposed, aimed at gradually 'empowering' the communities and local institutions to plan and monitor their own resource base.

⁵⁰ The design calls for local approval where possible. In practice, proposals had to be passed through Mayors and Village Council, submitted to the Community Development Unit (CDU) by the Community Mobilizer Organizations (CMOs), passed on to the project director for compliance with CDB procedures then to the loan approval Committee (LAC), and submitted to the PSC where it would obtain government clearance.

68. Figure 5 shows the complexity of the institutional arrangements, with the full lines denoting decision-making channels and the broken lines denoting coordination links. The PSC and the LAC did not function effectively. The PSC became unduly involved in details of recruitment and implementation in the early stages, meetings were not scheduled for almost a year in 2003/4 and even when the PSC started to meet more regularly towards the end of the project, attendance from representative agencies was inconsistent. Operations improved substantially late in the project when a PD was installed who had project management experience and who was able to manage the coordination and communication mechanisms more effectively.

Figure 5. Institutional Process of CARD



69. **Project staffing.** The project has experienced major staffing issues throughout the whole project. The initial PD was deployed on June 1999, and other initial staff members were on board by December 1999. This meant that the project launch, which had originally been planned for April 1999 was not conducted until March 2000. Although there are no formal reports available, it was clear that the staff turn-over rate was very high and staff positions were often vacant for a long period of time. Furthermore, the staff recruited did not always fulfil the required qualifications and experience of the Terms of Reference⁵¹. The initial recruitment of both the PD and the RFE created difficulties. The GoB wished to appoint local staff rather than following the proposed implementation process of appointing an international specialist with the requisite technical and management experience in community-based rural development and microfinance respectively, with a view to transfer of skills to designated local counterparts during the course of the project. The CDB rightly resisted the recruitment of insufficiently qualified staff. The first PD, the first M&E Officer and the RFE⁵² were supported to attend high quality training courses in management and rural finance respectively. It is likely that the poor performance of the project could have been mitigated by appointment of a suitably qualified Director, and performance did improve in the later stages of the project when a suitable candidate was identified. However, the current BRDP has included appointment of an international specialist and implementation is still behind schedule.

⁵¹ Inappropriate recruitment was due to a mix of (i) lack of appropriately qualified applicants; (ii) competition in remuneration rates of other projects. CARD was lower than for example Social Investment Fund (SIF); and (iii) political patronage.

⁵² The RFE was financed to attend microfinance training: the Boulder course in Turin.

70. **Service providers (SPs).** The design proposed contracting of service providers⁵³ only when the community or CARD were unable to provide the appropriate technical expertise. The design also encouraged the contracting of local SPs who could develop with the project. It was recognized that partnerships may be established between local SPs and external SPs to provide a blend of expertise and local knowledge. That process did not occur in the early stages of the project. The process for contracting of service providers became far more complex than had been envisaged at the design stage. CDB required service providers to fulfil requirements that the local organizations could not attain. “Co-execution” was introduced⁵⁴ in 2001 by IFAD and the Regional Unit for Technical Assistance (RUTA), but by the MTR there was concern and confusion about the process. Co-execution implies that service providers take a stronger role in the contract, invest their own efforts and resources and are responsible for the outcomes. While the concepts of co-execution were compatible with the CARD design, it introduced a new terminology and created misunderstanding. CARD staff interpreted this as a signal to transfer implementation responsibility to contractors. By the mid-term of the project, contracting to SPs had become a sole, project-led mechanism for implementation. Later in the project, there was greater involvement of the local community and organizations in selection of their SPs and a higher degree of capacity building by SPs.

71. **Monitoring and evaluation.** The lack of even a basic monitoring and evaluation system was a major weakness of the project. The evaluation found that the records in the project office are fragmented and incomplete. A filing system for each community and organization was established but the evaluation found that most files were empty. Records had to be reconstructed from a variety of different sources. There are not even complete records of the activities that have been conducted per community or organizations over time. Instead of a consecutive project database that could be analyzed, project information was generated as a narrative report with some (generally unsubstantiated) data that was not consistent with previous reports, and often involved double counting of results across different reporting periods. (See Annex IV for examples of the available data per sample community). The lack of a systematic approach to information management has led to duplication of effort and lack of follow-up by project staff. There was no internal mechanism to feed the synthesis of detailed project performance back into management actions.

72. There has been no tracking of the initial key performance indicators in the design documents or of operational targets set through the AWPB, despite additional TA⁵⁵ provided. The CDB procurement regulations hampered the provision of appropriate consultants for the TA due to the requirement that consultants had to come from CDB member States. The major weakness in the TA provided was that there was no specific follow-up (follow-up had been planned as part of the TA but did not occur) to identify whether recommendations had been implemented. Again, the recommendations of the TA were focussed on relying on a management team to implement the recommendations without paying sufficient attention to the inherent weaknesses in basic project management skills.

73. By the time the project had proceeded to mid-term, the staff members had become accustomed to the narrative format of reporting and were resistant to new initiatives to improve data collection. They had not been able to understand the briefing of the consultant who provided TA due to language differences and consequently could not understand the link between the data collection required and the likely improvement in quality and ease of reporting. By the time that the new PD had been appointed, the process of reporting was firmly established, without a functioning management information system. At that time, the focus of activities was moving away from the community activities to the organizational development activities which have their own Monitoring Information

⁵³ SPs can range from private companies or individuals, public sector entities, NGOs (advocacy, specific purpose), community and productive representative organizations, local consultants, community members with specialized knowledge.

⁵⁴ There was a joint IFAD/RUTA workshop on co-execution experiences in Central America during year 2000. There was a workshop in Toledo in 2001 to introduce the concept to CARD.

⁵⁵ The TA was provided in Spanish which was understood by the M&E Officer but not by any other staff member. Therefore, the results of the TA were not understood by the management and it was not clear what follow-up action was required.

System (MIS) which was helpful for project reporting. Consequently, the gap in data was not as obvious until completion of the project required review of early data.

74. **National policy context.** During the course of the project, the government improved the policy and regulatory environment for microfinance. It removed the ceiling for interest rates, and placed credit unions under the supervision of the Belize Central Bank (BCB). The lifting of the interest rate ceiling will allow microfinance institutions to adjust their rates when bringing their services to remote rural communities. The new policy requiring supervision of credit unions by BCB, on the other hand, is expected to bring greater financial discipline and transparency in the affairs of the credit unions. The current policy environment for marketing of rice had a negative impact on the project as rice farmers struggled to repay their loans to the CUs when the government-owned Belize Marketing Board withholds payments for produce that has already been accepted. It has also prevented on-farm investment as the farmer cashflow is severely constricted. This has prevented some farmers from extending their cocoa based activities. The expected policy interventions in indigenous development and land tenure security were not followed up by the GoB, or the other implementing partners.

75. **Local leadership and governance.** The appraisal report noted the need for improved coordination in the project area on development issues, a need for stronger leadership and governance, including indigenous self-determination. The dual leadership system within the Mopan and Ketchi Mayan communities bring both opportunities and constraints. The juxtaposition between traditional leadership of the *Alcalde* (Mayor) and the Village Council Chair provides a positive opportunity to blend traditional leadership with modern political leadership. At the same time, there are inevitable conflicts and communication issues. The generation of the communities' profiles was a positive tool for empowering communities and their leaders but there was insufficient follow-up from the profiles to ensure understanding amongst the leadership of how the documents can be used to stimulate future planning and access to resources. The leadership training provided to organizations was limited and uninspired given the dynamic state of governance in the districts. The enthusiasm to strengthen the capacity of local institutions was evident but there are challenges due to the lack of institutional support, availability of basic resources and the loss of human resources through emigration out of the area, and often, out of the country.

76. **Indigenous people.** There is no clear distinction between the activities supported by CARD for the indigenous communities (Ketchi and Mopan Maya) than for the non-indigenous communities. In the main, the interests of the communities were similar regardless of ethnicity, relating to improved social services, public infrastructure and income generating opportunities. However, the interest in supporting an adapted *Milpa* system was very relevant to the Mayan communities. There were efforts by the project to recognize ethnicity, primarily through employing staff who could speak the various languages spoken in the project area. However, as noted earlier, the training provided was, in the main, not appropriate for communities, whether indigenous or non-indigenous. In the later stages of the project, the third PD made more effort to liaise with the local indigenous organizations functioning in the area such as the Toledo Mayan Women's Group and the Toledo Association of Mayors. The support for forest-based products such as tree crops cacao, which is a plant used in ceremonies, and honey were compatible with the indigenous community. There were several sub-projects funded by CARD that reinforced the culture of the indigenous communities, particularly the purchase of costumes for the deer dancers. The design incorporated features that were strongly aligned with cultural integrity, but the potential of the project to empower and strengthen indigenous self-determination was not optimized.

77. **Land tenure.** The project did not have specific inputs in relation to supporting land tenure, yet the IFAD Logical Framework recognized that assumptions in relation to secure land tenure was important to long-term poverty reduction in the project area, even though outside the influence of the project. There were several ways in which the project touched on land tenure issues. With the increased access to credit, some farmers borrowed to conduct land surveys. In several cases, these were contested land and unscrupulous surveyors took advantage of the competition by taking money from more than one of the candidates for the land. Those who did not gain titles to the land had difficulty in repaying the loans. The project has also, in its later stage assisted one community which was squatting on private land to make representation to the national government for recognition of

usufruct rights over the land⁵⁶. However, there was virtually no capacity within the project to address major policy issues.

78. **Gender.** There was an explicit target on gender considerations with a target of 35 per cent participation rates for women. The lack of being “heard” was particularly applicable to women’s groups that ‘cannot imagine that a project will be theirs if it does not first directly benefit someone else i.e. men, government or project/NGO staff’. Although they have been allowed to participate in the project on an equal footing as men and the numbers recorded for women’s participation in the project is recorded as around 25 per cent compared to the target 35 per cent, in reality, apart from the cacao development which is a joint household activity, women have not benefited substantially from the project. Sub-project activities for women provided were mainly stereotyped, domestic activities such as cooking and garment-making, rather than responding to the articulated interests of the women. Little attention was paid to activities that stimulated or supported opportunities for empowerment. The recruitment of a gender specialist after the MTR assisted in increasing focus on women to an extent. Latterly, the gender specialist was appointed as the head of the Community Development Unit and was heavily involved in the community profiles rather than activities specifically related to gender and development.

C. Attaining Project Objectives

79. **Poverty reduction.** The main objective of the project was to contribute towards rural poverty reduction and competitively and sustainably raise production, employment and incomes of the rural poor. The interventions in the cacao production and marketing process can be considered a positive example where this objective has been achieved to an initial extent and where there is strong potential of continued growth in a competitive global market. There is no formal income data available as the Poverty Study that was noted as a means of verification for poverty reduction in year 7 has not been conducted. The sampling of study sites during the evaluation provided indications that the initiative supported in the early years of the project had little effect. The activities were too small (e.g. a standardized three pigs or three sewing machines were provided to some communities regardless of their priority) in a community to generate any appreciable change. The initiatives supported later in the project had greater poverty reduction potential, particularly in cacao production, livestock herd development, eco-tourism and cultural activities. Cacao production, maintenance and processing are generating self- and paid employment and are generating a positive income stream for small farmers.

80. **Sustainable agriculture.** The organic cacao production method is an ecologically sound system that is also being developed to generate cash and subsistence crops to address interim food and cash flow needs while the trees are maturing. The training and extension provided to farmers through the TCGA is proving to be highly successful, not only in generating quality cacao production, but also in improving overall sedentary farming practices. Although the full achievement of objectives has yet to be achieved, the production is showing positive signs of achieving a substantial contribution in terms of sustainable agriculture production. The price for organic cacao is divided into four components: world market price (US\$1 950/MT), organic premium (US\$200/MT), fair trade premium (US\$150/MT), plus the positive difference if the world market price rises (above US\$1 950/MT). This translates into a total price offered of US\$2 300/MT; or, BZ\$2.09/lbs. In 2004, 300 000 grafted plants were transplanted at 350 plants per acre. Thus, an additional 857 acres will be brought into production as a result of this. The direct result of this intervention is the fact that total acreage (before CARD was 320 acres) now stands at 1 177 acres (2007). TCGA feels that with the new plantings the productivity will increase gradually to 1 000 lbs/acre⁵⁷ which means a total yearly production at maturity from the expanded area of 857 000 lbs of exportable cacao per year. In 2006 TCGA already exported 96 000 lbs

⁵⁶ This same community, Dolores, has recently been identified as a pilot community for a government multi-agency approach to development, using the CARD community profile and a draft sub-project proposal for solar power as the basis of the community priorities for interventions. However, the unclear land tenure is preventing the pilot from proceeding until land ownership is secure.

⁵⁷ TCGA estimates that at full technological capacity/efficiency, productivity per acre with grafted plants production can increase up to 1 000-1 200lbs/acre.

of cacao, its highest production to date, by 2008 production is expected to increase⁵⁸ further and in 2012 will be well over the annual ceiling of the Green & Black contract. But with the world market demand increasing at a rate of 40 per cent annually, this is not seen as a problem.

81. TCGA extension officers are now providing TA to its members and are contracting external TA when required. The techniques e.g. in organic composting and increasing nitrogenous plant ground cover using mucuna, inter- and multi-storey cropping techniques are all being used to improve soil quality and land productivity. The growth of permanent perennial crops is doing much to encourage farmers to remain in one area of land rather than the *Milpa* shifting cultivation. There is also substantial potential for diversifying into other organic production such as all spice, pepper, tumeric and honey, ginger, amongst others.

82. **Access to rural credit.** The objective of improving access of targeted households in the project area to financial services (savings and credit) was partly attained. The component succeeded in creating opportunities for households in the project area to become members and access the services of the IFIs. It built a branch office in Independence making local transactions with the credit union more convenient. It was also able to transform the outlook of Toledo Teachers towards opportunities in providing financial services to the poor in their own district. The rapid growth in membership of the two IFIs during the project period is a testament to this. According to the 2006 CARD systematization workshop report, the membership of Citrus Growers increased almost six-fold, from 440 in March 2002 to 2 560 three years later. A big part of this phenomenal growth can be attributed to the opening of the Independence branch, as well as the provision of a line of credit from the project⁵⁹. A separate report prepared by the RFE in October 2005 showed that the Independence branch accounted for 39 per cent of Citrus Growers' total membership. TTCU has also grown from 1 287 in December 2004 to 3 325 in December 2006 (a growth rate of 158 per cent).



Toledo Teachers Credit Union LTD
Photo: Evaluation Mission 2007

83. As a result of CARD, CGWCU and TTCU were able to develop their respective microfinance loan products; access credit funds; increase their membership and deposits/share capital; hire and train their respective staff; and, especially for TTCU, strengthen their institutional capacities. Other credit unions also benefited, particularly from the accounting manual which CARD helped develop for TTCU. Although there was not strong emphasis on generating savings, CARD helped the IFIs campaign for new members and promote its saving facilities in the project area and, especially for Citrus Growers, establish a branch office in the project area which is assisting in generating savings deposits and increasing the access of other rural households to credit.

⁵⁸ The growth of TCGA, largely resulting from the demonstration effect of guaranteed markets, has been rapid with intensive new planting in an expanded number of villages. The new plantings take about three-four years before producing.

⁵⁹ Citrus Growers also received a line of credit from the Social Security Board amounting to BZ\$250 000 in 2004.

84. **Support services to poor households.** The project aimed to support self-management and access to appropriate services. The basis of achievement of this objective was to be through improved emphasis on local community participation, planning and empowerment. Community and local organization members exhibited substantial efforts in participation where the project activities were relevant to them (and often, when not relevant - out of politeness and hope that eventually appropriate actions would occur). Yet, community expectations were not addressed in any of the communities visited during the evaluation. Each community told of an intense period of promotion when services were “promised” by CARD. High level political involvement in the promotional processes changed the expected gradual, culturally sensitive approach envisaged into an unsubstantiated promotional campaign which had not benefited the project, the people or the politicians. The planning processes were initially appreciated by most communities, but due to poor record-keeping in the project office, there were others who had previously undergone planning with ESTAP, or even those with CARD who were asked to re-confirm their priorities several times. Consistently, the priority projects that had been “agreed”⁶⁰ by CARD did not materialize. As a result, the community has become weary and/or cautious of participation, wondering whether follow-up or other activities will merely waste more of their time. The level of services does not seem to have increased and there are few examples of where community capacity to access services has been strengthened.

D. Assessment: Relevance, Effectiveness and Efficiency⁶¹

85. **Relevance.** The design of the CARD project was relevant to the target group and the Belize National Poverty Elimination Strategy. The design responded to the stated interests of the communities that had participated in the design. The community-initiated approach allows the communities to have a say in their own development and was designed to build from the activities of previous projects. It did not prevent the project from identifying strategic interventions that can introduce an element of innovation into the community. The issues with the results of the project design are more in relation to underestimation of the capacity for translating the design into implementation. The design documents were voluminous, detailed and complex but a simple Operational Manual was generated with the assistance of RUTA that drew out the most relevant points for effective implementation. The Manual was not rigorously followed. Similarly, some sub-projects were supported by CARD that were not relevant to the communities, but this was due to operational deficiencies rather than a lack of relevance of the project *per se*. **The rating for relevance is 5.**

86. **Effectiveness.** There was potential for the project to be effective but the potential was not realized for most initiatives within the project period. The ineffectual project operations largely emanated from the lack of capacity within the PMU – a human resource, rather than institutional issue. Appendix 6 shows how the project was not operating at full effectiveness at any stage during the project. Establishment was delayed, staff turn-over was very high, and just as momentum was building, the financing was withdrawn. At the community level, based on the sample of project activities reviewed, the effectiveness was minimal. CARD supported small-scale, fragmented activities over a large number of communities rather than following the recommended phased, intensive interventions in a gradually increasing number of communities. The interventions in support to organizations have been more effective. The CUs have grown and expanded their activities. Cacao production through the growth of the TCGA has been very effective and has contributed substantially to achieving CARD’s development objectives. Unfortunately, the recipe for effectiveness came too late in the project for the other producers’ organizations and they were not able to reach the same level of effectiveness as for the cacao growers within the project period. In future years, the CARD investments may yield substantial benefits; there is potential for expansion of the activities now being independently developed by the TCGA and the CUs but at this stage of development, given the still

⁶⁰ The process of planning in the community was taken as a “promise”. There is a strong culture of verbal commitment and agreements are expected to be honoured. When communities were asked to document their priorities and sign off on written documents, this reinforced the belief that commitments had been made to provide those priorities.

⁶¹ The ratings are based on the OE six-point rating system: 6-Highly successful, 5-Successful, 4-Moderately successful, 3-Moderately unsuccessful, 2-Unsuccessful, 1-Highly unsuccessful.

fragile status in the development of these organizations, the overall level of effectiveness is unsure. **The rating for effectiveness is 3.**

87. **Efficiency.** From the initial establishment, the efficiency of the project has been at risk. Delayed recruitment of staff, poor installation of basic procedures and lengthy procurement procedures meant that the project started badly and was never able to recover. The design proposed that the project should build from previous projects in the area, such as the ESTAP to prevent duplication and to maximize resource use. This did not occur despite initial coordination meetings. Project operations were not efficient. In some cases, staff were deployed for activities not directly related to project implementation. The long periods without key staff such as the PD, Accountant and Monitoring and Evaluation Officer meant that internal project processes were inadequately installed, new staff members were insufficiently oriented, vital management information was not generated, and decision-making was not strategic.

88. There was intensive strategic support by all partners during and after the MTR. This involved design of a detailed action plan and the provision of additional TA. The project operations were scaled back to be more in keeping with the likely benefits given the project challenges. This did assist in improving efficiency to an extent, but also required the input of additional resources, not all of which attained the desired results. The project continued to struggle for some time after MTR because there was still only an Acting Director and staff members still were not confident in the design, and in the strategy for implementation, nor had sufficient capacity to implement the MTR recommendations. However, improvements in efficiency were achieved during the last stages of the project with new management and a stronger focus on sub-projects that were showing signs of success. IFAD loan disbursement only reached 58 per cent by time of loan closing. Overall economic analysis for the project is not possible in relation to the community sub-projects, or the economic results of the rural finance as sufficient data is not available. However, analysis of the efficiency parameters for CARD benchmarked with other similar projects showed that CARD is borderline in terms of its efficiency (see Appendix 3). The operating costs to total investment were high at 43 per cent of loan amount compared to the 22 per cent according to the approved loan agreement. An average cost per beneficiary of US\$387 has been estimated based on the findings of the evaluation and available project data. The costs are in line with other IFAD projects but are still relatively high. The cacao production suggests a positive economic benefit of over 40 per cent Return on Investment (ROI)⁶², given the prevailing production system, levels and market and noting that economic benefits from cacao production cannot be solely attributed to CARD. If risks of disease, changing market prices, etc. are taken into account, the ROI declines to 15 per cent demonstrating a robust economic potential for those farmers engaging in cacao production, particularly given that cacao is not their only crop. Nevertheless, by the time of evaluation, this potential economic benefit has only been achieved by a limited number of farmers (estimated 100). A further 837 farmers have potential of reaching the same level of efficiency in production once their trees have reached maturity. Based on the current level of benefits, the project is rated as moderately inefficient. It is likely, given the improvements later in the project, that if an extension had been granted, a greater level of efficiency would have been achieved. **The rating for efficiency is 3.**

E. Performance of Partners

89. CARD had a complex stakeholder mix. The project was implemented through parallel funding between CDB and IFAD, with a 15 per cent contribution from the GoB. This meant that all partners had a substantial stake in the project performance. The community was expected to contribute 10 per cent of the total project costs. IFAD took the lead role in design of the project. CDB acted as the lead for project supervision, including oversight of legal issues and approval for procurement but there have been a number of joint supervision missions, particularly after MTR when more intensive support was provided to the project. Service providers were expected to play a major role in taking responsibility for project implementation; unfortunately the contracting process did not relay this expectation to the service providers. Similarly, the partners did not adequately respond to the challenges in contracting adequately skilled staff, and the rapid staff turn-over. These were limiting

⁶² See Annex 3 for detailed calculations on cacao ROI.

factors in implementation that had been fully identified at the design stage and more could have been done by all partners to attract, train and retain appropriate human resources.

90. Communication between the partners was an issue with different expectations in what the standard response time should be, which documents should be shared between the partners and which were for internal consumption; for instance, IFAD expected to receive copies of supervision mission reports but often these were not forthcoming from CDB. GoB felt that they had communicated effectively but letters were not responded to by CDB because they had not been couched in the expected terminology. Delays in response, particularly between GoB and CDB on operational matters, were raised as a recurring issue during the evaluation.

91. **IFAD** played the predominant role in the design of the project, investing in participatory rural appraisal exercises with the potential community and an intensive design process. The lessons from previous failed projects featured strongly in the attempt to generate a design that was more appropriate to the target group. In general, IFAD financing and agreed TA responsibilities were conducted in a timely manner. However, IFAD's introduction of the co-execution methodology after the commencement of the project was not an appropriate move for a PMU that was already struggling to absorb the basic concepts of the project. The terminology and process were misunderstood and the project used co-execution as an excuse to shift responsibility to short-term service providers. There was insufficient follow-up by IFAD, particularly when supervision mission reports from CDB were not forthcoming. Lack of integration with the CDB procurement processes caused an incompatibility between the project operations and the intent of the design. More could have been done by IFAD in identifying and drawing the project back on track at an earlier stage.

92. IFAD responded well after mid-term when the need for more intensive support was identified. The TA support for the RFS was effective but the TA for the staff training and M&E was of limited effectiveness, again due to lack of follow-up to identify whether the theory was being put into practice. Overall, this was an innovative project and IFAD recommended a long project period to allow the project to gain momentum; but the project experienced severe, and basic, issues with the design in the early stages. Given that IFAD had taken the lead in the design, more intensive and practical support should have been provided in the initial stages of the project. IFAD did show commitment to consolidating the investments by additional investments after MTR and proposing a project extension but this was by then too late to salvage the full potential of the project. **The rating for IFAD performance is 3.**

93. **CDB** based its design document strongly on the IFAD design documents and there was a high degree of compatibility in the design. However, partly as a result of the weak project management capacity, the slight differences in design caused confusion. CDB acted as the cooperating institution (CI) for the whole project and performed its role in line with the agreement signed between the CDB and IFAD. However, there was concern by IFAD that CDB's supervision mission reports were not always regularly shared with the CPM and that communication was not always effectively conducted. CDB did make strenuous efforts to prevent inexperienced staff being recruited. However, on the Government insistence that inexperienced staff be recruited, more could have been done to identify whether the subsequent capacity of staff was sufficient for the level of project implementation required.

94. CDB financial processes were conducted in accordance with the agreed procedures and financing flowed effectively once the required documentation had been submitted. However, those procedures were perceived, by CARD staff and MoF staff responsible for submitting claims to CDB, to be unduly complicated and bureaucratic for the small level of financing required for individual contracts. The project was without an accountant for some time. The frequent turn-over of staff and the insufficient orientation provided to the incoming staff meant that familiarity with CDB procurement procedures was not generated and thus the project often did not, and sometimes, could not, comply with the requirements. As a result, procedures were not adequately understood or followed by the PMU. This led to improperly prepared documents and long delays in procurement processes while multiple amendments were made. Communication between the project and CDB was also difficult with the PMU having limited communication facilities and for some time only faxed and

mailed communication rather than email were accepted. After MTR, CDB also responded by endeavouring to provide more intensive support in improving processes and when cashflow was constrained, delays were alleviated by CDB providing some direct payments to suppliers. Nevertheless, delays in documentation processes continued to be an issue throughout the project. **The rating for CDB performance is 3.**

95. **GoB** was effective in complying with most of the provisions of the Loan Agreement except for a controversy over the recruitment of the first PD who was considered by CDB to not meet the selection criteria⁶³. MAF as EA was expected to provide strategic guidance and support but the rapid turn-over of leadership meant that the project either received undue interference, or lack of support in turn. Similarly, the performance of the PSC, under the Chair of MAF was patchy. At times, the PSC was seen by the PMU as attempting to micro-manage the project⁶⁴. At other times, MAF did not call a meeting for close to 12 months, between year 2003 and 2004 and again with a large gap in meetings towards the end of the project, with inconsistent attendance from representative agencies. The PSC was responsible for the unsatisfactory staffing performance of the project. The initial insistence that an inexperienced project manager be appointed meant that from the start, the project did not comply with the design parameters. There was also a period of over one year where there was no PD. The acting PD was concurrently Technical and Marketing Specialist and Monitoring and Evaluation Specialist which was an unsatisfactory arrangement. Conflict over the appointment of the Rural Financial Expert delayed implementation of the RFS component.

96. Nevertheless, in terms of financial commitment, allocation of the agreed counterpart funding during the initial stages of the project was satisfactory. The project experienced some delays in payment in the middle of the project due to delayed reimbursement from CDB and non-reimbursement in the cases of ineligible expenses. Government cashflow issues led to the PMU receiving funding on a monthly basis but finances were carefully managed. Budgetary constraints prevented the government from providing in full the credit fund needed by the project. The non-approval of the project extension was understandable but disappointing given that the momentum of project performance was building, that major investments had already been made and that funds were available to move forward some of the embryonic processes that were showing promise. **The rating for GoB performance is 3.**

97. **Service providers.** Under the co-execution methodology, service providers were supposed to be considered as project partners. In reality, CARD did not embrace this approach and treated most service providers as basic contractors. The relationship with service providers in the early stages of the project was not adequately handled by CARD, nor adequately supported by the three financing partners. Service providers, in the main, fulfilled the requirements of the terms of reference but CARD's expectations of the terms of reference, follow-up of the effectiveness of service provider interventions and responsiveness to feedback from the service provider was negligible. In the latter stages of the project, this relationship changed and there were some highly productive relationships established with service providers, in keeping with the concept of co-execution. In particular, the long term support for the honey producers and cacao producers was reported by the project participants as a substantial step forward in building technical knowledge, practical skills and ability to secure market share. **The rating for the service providers performance is 4.**

98. **Producer and community groups.** The involvement of producer groups with the project has been very positive. The leadership of the groups has been actively involved as partners in strengthening services to individual farmer members. In particular, the partnership between service providers and producer groups in the later stages of the project was considered to be instrumental in achieving substantial benefits. The producer groups have responded to the training and skill development activities and display increased capability. The communities themselves showed tenacity in endeavouring to become involved with the project. Time and again, expectations were raised, and

⁶³ The controversy was resolved through a compromise where the expenditure for the PD would be covered through GoB counterpart and the PD would attend training in project management. The delay in project start-up caused by controversy and inexperience of the PD did contribute to the difficulties experienced by the project.

⁶⁴ Such as the case of distribution of coconut seedlings which was approved by the PSC in 2001, yet had not even been requested by the communities targeted. (See Monkey River Case Study in Annex IV).

dashed. Community members invested their time in lengthy meetings and training, despite the low level of results from such activities, and often with loss on income. Frustration and cynicism undoubtedly set in, but even at the time of the evaluation, community members still attended meetings and expressed willingness to be involved with project activities if they were appropriate to their needs. **The rating for the producer and community groups performance is 5.**

99. In sum, all three financing partners must share a level of responsibility for the extreme divergence of the project operations from the design and the resulting poor performance. Much valuable project time was lost at the project management level in delayed recruitment, in unclear procedures and in insufficient orientation and training. The difference between the two CDB and IFAD logical frameworks caused confusion which could have been addressed at an earlier stage of the project. When project management difficulties became evident early in the project, swift and sustained action should have been taken to address the management issues until they were satisfactorily resolved. Instead, the PMU was left floundering. The assistance that was provided was sporadic and insufficiently practical to address the real need of project management. IFAD needed to respond to the clear departure from the design, CDB needed to provide stronger guidance on procedures and GoB needed to recruit suitable, qualified and able staff. Nevertheless, in general, given the synergy between objectives, resources and operational mandate of the three way partnership, the CARD was an important and relevant structure that may have worked better with stronger facilitation by an early start-up grant by IFAD.

100. IFAD has, in recent years, been reviewing its supervision policy⁶⁵ to assess whether CI supervision is most effective, or whether direct supervision by IFAD would be more appropriate. The findings show that direct supervision by IFAD does generally result in slightly higher overall project performance, however, the costs involved vary substantially. In the case of Belize, it is likely that direct supervision by IFAD in the early years of the project would have resulted in better results due to IFAD's intense involvement in the design. However, the costs would have been much higher and the dynamics of co-financing would have become more complex. In addition, as the CPM for Belize covers a number of other countries within the region, a major review of practical logistics would have been required to assess whether there was sufficient availability of time and financial resources to cover the required intensity of action for direct supervision. Furthermore, one recommendation from the evaluation of the Direct Supervision Pilot Programme, was that the most appropriate supervision methodology for each country should be considered and incorporated within each Country Strategic Opportunities Programme (COSOP). The draft COSOP for Belize (2005) has not been finalized. There is an opportunity for this paper to be completed, including consideration of the most appropriate supervision strategy for IFAD operations in Belize.

III. PROJECT IMPACT

A. Poverty Reduction Impact

101. In reviewing the impact for CARD, there are several over-riding factors that need to be highlighted. The overall implementation impact at the community level was very poor. Conversely, the success of the major initiatives in credit access and the cacao industry were exemplary. Consequently, the overall ratings for performance average good and poor outcomes. Neither set of outcomes should overshadow the other. The success factors and constraints for each need to be analysed separately. Furthermore, comparison of communities where there had been no activities, showed few discernable differences in comparison to communities which had received identifiable inputs to the communities. The most obvious difference between the performance ratings for CARD in different activities related to the activities that were more intensively supported at the latter stage of the project through the rural finance activities, or producer organizations such as the cacao production and honey production. The few community based activities that have been successful are those that are closely linked to the culture and to income generation, particularly the deer dancers and the community-based natural resource management activities. The three impact indicators related to

⁶⁵ IFAD, Office of Evaluation (2004), Evaluation of Supervision Modalities in IFAD Supported Projects; IFAD (2005) Evaluation of Direct Supervision Pilot Programme; IFAD (2006), Policy on Supervision and Implementation Support.

social, human, gender and institutional developments are rated as moderately unsatisfactory (rating of 3). Conversely, activities that were more intensively supported at the latter stage of the project through the rural finance activities, or producer organizations such as the cacao production, honey production generated more benefits. The four indicators related to economic development are rated as moderately satisfactory (rating of 4). Consequently, overall the **project impact has achieved a rating of moderately satisfactory (rating of 4).**

102. **Physical assets.** The road infrastructure improvements that were supported in a number of communities in the early stages of the project have improved access to *Milpa* rice fields and are appreciated by the community. The installation of the second batch of culverts is still being awaited. Communities are frustrated by the one year delay. Other facilities such as buildings have seen limited use and hence impact is limited. The main benefit in increase in assets has been in the proliferation of cacao trees which are valued by the sector at about BZ\$25 000 per tree which increases the value of the land and is counted as a productive asset. **The rating for physical assets is 4.**

103. **Food security.** The project made minimal contribution to improved food production. Community plans showed that improving food security was a priority for most communities. Food supply is generally plentiful, yet, based on feedback from health workers and poverty studies, nutritional levels are thought to be low due to the lack of a diversified diet. Most community priorities had a dual role of income generation and food diversification/improvement. Sub-projects such as livestock⁶⁶ and cereal production largely failed. **The rating for food security is 3.**

104. **Social capital and empowerment.** Empowerment processes were exceptional in the case of the organic cacao industry where traditional knowledge and technical skills combined to generate a quantum leap forward in industry development, linking small farmers to a global market and to external support services. Other aspects of empowerment at the community level were dismal. Capacity building was inappropriate, inappropriately delivered and in the main, was not followed-up or assessed as to whether the desired impact had been achieved. **The rating for social capital and empowerment is 3.**

105. **Institutions and policies.** Activities designed to build institutions only showed noticeable impact for the TTCU and the TCGA. Both organizations had long term support from the project and this is clearly displayed in the robust growth of both organizations. The potential for replication in other organizations was seized late in the project but was not supported early enough to achieve any outcomes. **The rating for institutions and policies is 3.**

106. **Human assets.** Improved access to information again has resulted in the case of rural finance and the cacao industry. No other aspects aimed at improving community welfare or increasing access to knowledge was evident in any of the sample communities visited. Few training or skills development activities at community level contributed to increased capability of individual project participants. **The rating for human assets is 3.**

107. **Agriculture productivity.** The results in agricultural production of basic commodities such as corn, rice and beans have been very low in comparison to expected outcomes at appraisal. The coconut rehabilitation and honey production failed due to external factors (disease). Yet, the commercialization of the cacao production has had a very positive result in encouraging agricultural production on individual farms that is consistent with the culture and current production systems as well as being commercially viable. The cacao market is accessible for most farmers given the existing marketing and financing system. The objectives of the project to move farmers away from the traditional *Milpa* to the commercial *Milpa* systems has been assisted through the introduction of organic farming techniques and encouragement of perennials. **The rating for agriculture productivity is 4.**

108. **Financial assets.** It is estimated that TCGA members cultivating two acres of cacao will earn sufficient income to lift them above household poverty lines. This was confirmed by cacao farmers themselves that were met during the evaluation. As the number of cacao growers increases, so does the

⁶⁶ Except for the improved breeding programme introduced through the TLPA.

positive effect on the local economies. The effect of the growth in the TTCU also has a wider impact on the local economy as more members gain access to credit for a wide variety of savings and credit services. The close link between TCGA and the TTCU encourages farmers to save their payments from TCGA and access credit for other activities. **The rating for financial assets is 4.**

109. **Market development.** The organic cacao market is vibrant and growing with strong potential for further growth. The marketing process established through the TCGA is starting to act as a springboard for marketing of other organic products such as all spice, pepper, tumeric and honey. The assistance provided through the commercial profiles and business plans have contributed to the organizations displaying greater market awareness but no direct impact has yet been achieved. For most other sub-projects, the marketing aspect has been neglected. **The rating for market development is 4.**

110. **Environment and natural resources.** Few of the sub-projects implemented directly targeted environmental protection or conservation. Yet, those targeted at ecotourism, organic production or tree planting have demonstrated positive outcomes. The initiatives to assist in developing a more permanent *Milpa* system through introduction of mucuna as ground cover and improved pasture are sound environmental practices. **The rating for environment and natural resources is 4.**

B. Sustainability and Ownership

111. Overall the assessment encompassing sustainability, ownership, innovation, replicability and scaling up is considered to be moderately satisfactory, or a rating of 4. The extent of achievement in each of the project initiatives has been limited, apart from the cacao, where gains have been achieved, they are being sustained, replicated and have potential for further up-scaling.

112. **Sustainability.** The likelihood that the small initiatives supported at the community level will be sustainable is varied. Few of the activities reviewed by the evaluation are considered as fully sustainable. Just over 50 per cent were considered moderately sustainable⁶⁷. The main thrust for sustainability will be realized through the cacao industry where the known market potential is considerable and the system is already fully operational. Environmental sustainability is strengthened by the agro-forestry system replacing traditional *Milpa*, which is not sustainable with intensive land use with intercropped cacao. Similarly, the credit systems that have been established are likely to continue, providing on-going credit access for the districts. The access to the IFIs' services being enjoyed during the project by those households in the project area that have become members of the IFIs, is most likely to be sustained. Member-households in the project area can expect the services of the IFIs to remain accessible to them for as long as they remain members in good standing and the IFIs remain financially viable. Nevertheless, the continued implementation of the micro credit programme by the IFIs is threatened by high loan delinquency and the termination of their access to wholesale credit funds from DFC after the project. High loan delinquency leads to financial losses and, even, ruin. If it persists, the IFIs will be forced to stop their micro credit operations and transfer its resources and borrowers to regular loans. The termination of their credit lines from DFC also will make it difficult for the IFIs to expand, if not sustain, their micro credit operations. Nevertheless, the increasing support from the Belize Credit Union League, for which an IFAD grant has recently been approved, has been, and will continue to provide support to the IFIs. **The rating for sustainability is 4.**

113. **Ownership.** Despite all the challenges with the CARD project, where sub-projects have actually been implemented, the ownership is high. Community and members of specific product organizations are enthusiastic, are providing in-kind contribution through their labour and other inputs. Regardless of the many disappointments and delays, communities are still open to progressing with activities either

⁶⁷ Of the seventeen communities visited by the evaluation, nine communities were able to confirm that the activities that had been supported by the project had been partly sustained. The range of activities was varied, ranging from infrastructure (culverts installation) to livestock, sewing, and ecotourism. The definition of sustainability was merely that the impact of the specific activity could be discerned as continuing, and likely to continue. This needs to be considered in the context that the benefits to be sustained were at a low level, apart from the cacao production.

identified by them or proposed by outside agencies as long as they perceive potential benefit. With specific product organizations in place (TCGA; TGGA, TLPA, honey beekeepers group) the ownership of the project is well established. Despite all the challenges, several sub-projects were actually implemented, while ownership of the CARD project is high. **The rating for ownership is 5.**

C. Innovation, Replicability and Scaling-up

114. **Innovation.** The CARD project was perceived as innovative in its design. The country had been grappling with the need to find a mechanism to recognize the cultural integrity of its citizens in the south whilst achieving the desired poverty reduction and development outcomes. If implemented as designed, IFAD Evaluation team believed that the intent of innovations incorporated in the design would have been appropriate to the needs of the project participants. However, the project could be considered to be too complex in its innovation, and particularly, at the start, inadequately supported by the designers. Regrettably, the innovative aspects of the project design were not transferred into implementation. Most of the small community level activities supported by the project followed the more traditional path of top down decision-making on their behalf, appointment of inappropriately skilled staff and lack of consistent follow-up. The activities at community incorporated few innovations. Yet, there are a few examples such as the Bocawina/Mayflower National Park Group and the Otoxha Deer Dancers Group which have been highly relevant to the communities, introduced innovations and have good long term potential. The cacao industry process is also innovative in that it is contributing to a distinctive new brand of chocolate specifically marketing organic cacao grown in Mayan communities. Methods of inter-cropping with cacao are now being field tested independently by the TCGA, a farming system innovation that is highly appropriate to small farmers. The extension of the credit union services more widely in the south was a form of support for innovation that was already on-going. A specific innovation in credit technology was introduced to the IFIs in cash-flow based lending. The principle of cash low-based lending is that the loan amount should be based on the borrower's capacity to pay rather than the basic principle of the credit unions, which is savings-based lending. **The rating for innovation is 4.**

115. **Replicability and scaling-up.** The potential for replication or scaling up of the community-based activities is minimal. There is possibility of identified community priorities to be included in BRDP financing programme but BRDP procedures and processes are different from CARD and the information generated through CARD on community priorities has not directly funnelled into the new project. However, the potential for replicability and scaling up in the cacao industry cannot be overlooked. There is a strong potential to replicate and upscale organic cacao farming, both in acreage and number of farmers. Most importantly, the downstreaming of industrial processing and marketing through micro-enterprise development has strong potential for female participation and added value per pound of cacao produced. Such would be beneficial not only to the growers but also to family's livelihood, providing options for women in processing and sale of part of the production. Cacao industrial processing could also become innovative in that it would contribute to a distinctive new brand of chocolate (Maya Gold) that is currently being test marketed. The product is specifically marketing organic cacao grown in Maya communities and linked to agro-tourism. The organic cacao market is growing at 40 per cent per year. The current buyer is willing to purchase five times more cacao than is already being produced. The process is in place for more farmers to also expand into other organic products (honey, ginger, turmeric, fruits). The proposed inter-cropping of cacao timber, fruit trees and basic grains also offers promising options to the traditional *Milpa* (intercropping cacao-honey-fruit-commercial timber). The TCGA farmer-to-farmer approach and on-farm demonstrations makes a highly viable extension scheme that could be extended to other areas and products. The increased capacity of the CUs to adapt their loan products enhances the likelihood that other products may be developed in future that will increase accessibility and effectiveness of credit within the south of Belize for lower income households. **The rating for replicability and scaling-up is 4.**

IV. CONCLUSIONS AND RECOMMENDATIONS

A. Overall Assessment and Conclusions

116. CARD has been largely perceived in Belize as an unsuccessful project. While this is true in many respects, a major contributory factor to the perception was the undue raising of expectation in the early stages of the project. The project had been planned as a steady, phased introduction of a new approach that would introduce a long term investment in targeted communities. The reality was a highly politicized, wide scale promotion of a superficial development approach that was at odds with the original design of the project. The project design proposed an integrated, synergistic approach, but linking between component initiatives was not sufficiently connected. Yet, there were successful aspects of the project which have been valuable for development in southern Belize. (See Appendix 4 for an analysis of Key Success, Facilitating and Constraining Factors).

117. The issue with CARD performance has been pervasive difficulties in practical implementation. Overall assessment is judged based on the six indicators for performance, excluding the performance of the partners as they are considered a contributory input to the performance generated. Overall, despite the major weaknesses of the project, value has been significant where success has been achieved. The successes, particularly in rural finance and the organic cacao production are now providing a springboard for other opportunities within Southern Belize. The overall project achievement for CARD is assessed as moderately satisfactory.

Table 5. Performance Ratings of the CARD project

Evaluation Criteria	Ratings
Relevance	5
Effectiveness	3
Efficiency	3
Project Performance ^{*/}	3.6
Impact	4
Sustainability	4
Innovation, Replication, Up-scaling	4
Overall Project Achievement ^{**/}	4
Performance of IFAD	3
Performance of CI	3
Performance of Government	3

^{*/} This is an average of relevance, effectiveness and efficiency.

^{**/} Determined based on the ratings for relevance, effectiveness, efficiency, impact, sustainability, innovation, replication and up-scaling.

Table 6. Impact Indicators

Evaluation Criteria	Ratings
Physical Assets	4
Human Assets	3
Social Capital	3
Food Security	3
Environment and Natural Resources	4
Institutions	3

Source: IFAD Evaluation Mission 2007

118. Project success was seen where suitably qualified staff members with practical experience in field-based rural development were appointed, where community interests were supported, and where ready markets were available. Although the design was assessed as valid, there were several major gaps in project implementation that were instrumental in the poor performance including: (i) poor human resource management; (ii) a fragmented, externally driven approach, rather than the recommended strategic, phased approach; (iii) lack of timely and sustained follow-up on project interventions; and (iv) ineffective monitoring and evaluation. There were other weaknesses in the project implementation, but if these four aspects had been adequately addressed, most of the other

challenges could have been more easily overcome. The community profiles were a good initiative that provided a firm foundation for development interventions. They should, however, have been implemented in all targeted communities early in the project and be immediately accompanied by the action plan that distributes the responsibility for implementation among all partners, including the community. In all cases where a PRA exercise was carried out, there was a need to go back to the community to assess achievements reached.

119. **Lost opportunities.** Cases of lost opportunities abound throughout CARD implementation. Some sub-projects stimulated activity but when support was not sustained, momentum declined. The project worked with the communities to identify needs but did not always understand why the need is articulated e.g., sewing machines were treated as one category but the women proposed them for different purposes such as: saving cost of buying clothes; or for making traditional garments and passing on traditions, or for adapting existing knowledge of sewing to diversify products for the tourist market. Road improvements were proposed for: ease of moving produce from fields to the community; or improved access to markets; or in one case, to overcome the flooding of the road to the school. Provision of sub-projects that had not been identified or prioritized by the communities resulted in loss of ownership. The hope and conviction that yet another project will come prepared to address their needs in a practical way has faded.

120. **Access to markets and market potential.** Marketing support was seen as a major need by both groups and individuals; by men and women. Once the markets have been opened, producers were ready to actively invest their own time and resources in production. Poor to no results were seen in all supply-driven initiatives where there was no specific market and/or marketing processes identified. Similarly, training activities should have been more closely integrated with the other project inputs. One of the reasons for the exemplary success of the cacao production was because there was a confirmed buyer for the production that was not only willing to buy, but who was also an active partner and financier in the cultivation process. There are other products in the south, particularly organic products that have substantial market potential, and which are appropriate to the local culture and environment. More could have been done to harness that potential.

121. **Local institutional development.** CARD has left an institutional legacy amongst the IFIs and TCGA that is likely to be sustained. Long term inputs to producers' organizations, particularly the TCGA, yielded multiple benefits in social capital generation as well as in economic and institutional development. For instance, the cacao consultant was required to identify and train four lead farmers. The training was in technical aspects and on how to: analyze their own production; innovate production systems; and, adult education techniques for skills transfer. By the end of the contract, there were four knowledgeable and qualified farmer extension workers being paid by the TCGA, capable of training new producers and of leading further development and innovation. The increased knowledge of the farmers extended to understanding of an international market, introduction to savings and credit at the TTCU, and links to other sectors e.g. through the First Toledo Cacao Festival⁶⁸ that was an eco-tourism opportunity. The project made a productive decision when the conditions were made more flexible to accommodate the local CU organizations to participate in CARD, rather than enticing external organizations into the area. The CUs were an effective mechanism for developing rural credit for small farmers in the south and have potential for further growth. The CUs exist in the local area, and are accessible to most local people. As a result, there is a sense of ownership and commitment to repay the organization that was not equally found in loans to the other banks. Yet they are still at a vulnerable stage of development.

122. The development of the local community institutions is still well below that envisaged at appraisal. Community group expectations were unduly raised due to the repeated failure of projects to deliver on the expectations that had been raised. The process of planning in the community was taken as a "promise". There is a strong culture of verbal commitment and agreements are expected to be honoured. When communities were asked to document their priorities and sign off on written

⁶⁸ This was held in May 2007, during the evaluation field mission. The Festival brought national and international visitors to Toledo and provided an opportunity to showcase the local culture, display and sell local production and was a boost to the local businesses.

documents, this reinforced the belief that commitments had been made to provide those priorities. Inevitably cynicism and resistance to future interventions have arisen.

123. Training and skills development did not meet the needs of the groups. Although the performance of the community-based processes was low and the performance of the cacao and credit organizations was high, this should not lead to a conclusion that future strategies should only follow the model of working with CUs and producers organizations. The community groups that were effective were either in existence prior to the project and/or have specific self-generated objectives and a common cause. The model proposed for the community development aspect was never adequately implemented and therefore at this stage cannot be correctly judged as successful or not. The methodology of requiring communities to form small groups specifically to access funds is not viable. Organizational strengthening was most effective when supporting existing local organizations. An example is the TCGA. Although not initially eligible to act as a service provider, intensive and integrated support from the project has assisted the organization to become a viable and sustainable organization, providing services to the target communities beyond the project period.

124. **Complexity and accountability.** The CARD structure was too complex and was unable to function effectively. Decision-making was too centralized in the PSC and remote from the operations of the project. The role of the PSC should have been to support and enable, rather than control and manage. Lack of orientation and accountability processes installed in the project decision-making committees, and between stakeholders meant that each did not adequately fulfil their role, or require that the project fulfilled its role effectively. Training, support to proposals writing and TA, for project staff, community members and service providers needs to be an on-going programme of development, until the target results are achieved. A project cannot abrogate responsibility for quality of output just because a service provider has a contract for services. The project was implemented in a situation of known complexity, with an innovative project structure. The partnership of CDB and IFAD, with the GoB was relevant and had, and still has, great potential to assist the development in southern Belize. However, investment of time, effort and resources in generating an open and smooth communication flow was insufficient. Consequently, time and effort was dissipated and dispersed by unclear, delayed and misunderstood communications amongst all partners.

125. **Outstanding policy issues.** There were larger national issues which impacted upon the project and were not addressed. The central Government has cautiously embarked on a gradual decentralization effort but is confronted with a lack of adequate governance capacity at the municipal and village levels. Village needs are multi-sectoral and many. Lack of decentralized decision-making in both governance structures and support organizations creates a barrier to development for the south. Not one project or agency can cover them without full cooperation and in good coordination with the different agencies and actors servicing the area. Coordination in the Southern Region remains ineffective, despite several key initiatives to improve coordination. Land tenure issues were identified in the logical framework as an important factor that would influence the eventual benefits of the project. Land speculation is increasing across the country. Those with more capability to access and pay for lands are leading the processes of surveying land with a view to obtaining land titles. The indigenous communities in particular fear loss of traditional lands and elements of conflict over land. Observations during the evaluation highlight that this is an escalating issue⁶⁹. Similarly, recognition of ethnic diversity, and its relation to poverty was an issue raised by both the Government and the community. Some activities of CARD demonstrated effectively how cultural practices can be harnessed for economic good, and how ethnic diversity can be seen as a potential rather than a challenge.

⁶⁹ Such as credit being accessed for survey of land, only to have more powerful people sequester the surveyors and submit alternative claims for land; new owners preventing villagers access to traditional hunting grounds, amongst others.

B. Recommendations

Recommendation 1

126. **Investment in the southern districts of Belize.** The evaluation cannot recommend whether IFAD should continue investment and assistance to the GoB and the communities in the southern districts of Belize as there are other strategic considerations; but it was clear to the mission that there is a good opportunity for IFAD to do so. The advances made through CARD show that Southern Belize has potential that is firmly in line with the GoB strategic objectives towards economic development through niche export marketing and ecotourism as well as in poverty reduction. The unrealized potential that was present in the south at the commencement of CARD remains unrealized but still realizable. There is still a need to follow the rationale and conceptual framework of the original design. However, the mode of transferring the concepts into implementation needs to be closely mentored. There is substantial potential to replicate the best elements of the CARD project building from lessons learned and reverting to a stricter adherence to the originally proposed design.

127. **Specific potential.** There are a number of social and economic assets developed through the project which still require support to ensure that the full benefits from project investments can be realized. These include (i) the eight detailed community profiles and other proposals which identify requirements for financing that are not “wish lists” but carefully thought out priorities of the communities; and (ii) the business plans of the producer organizations. There is a need for detailed negotiations with the BRDP to definitively assess whether or not these priorities can be accommodated. At present, there is a general statement that this will occur but no mechanism for transfer of the knowledge from one project to the next has been envisaged so far. The project partners should consider a post-project evaluation in several years to gain a better sense of the economic value that has been generated through the CARD investments. This will provide valuable information on how other projects investing in long gestating crops can be supported in the most effective and efficient way.

128. **Niche marketing** in organic products has substantial economic potential for the south and requires further investment. This requires an enabling environment by Government including: careful consideration of developments that may compromise the organic certification of the area; continued support to the TCGA, possibly in extending their activities to market other organic production; and/or establishment of similar producers organizations for other organic products; facilitation of export approvals and other documentary requirements for export of organic products.

Recommendation 2

129. The reflows from the **Rural Credit Fund** need to be quarantined for continued support to the two participating credit unions. The Belize Credit Union League, with the Central Bank, is likely to play a major role in future nurturing of the CUs in the southern districts. Policy dialogue is required to support the professional development of the credit unions. The grant recently approved by IFAD⁷⁰ for the Belize Credit Union League is a positive step in this direction but more is required. Given the positive performance of the credit unions and the identified issues concerning future development, the GoB can assist in further development in the southern districts of Belize by ensuring that the funds are available to the south in perpetuity.

Recommendation 3

130. **Realistic implementation.** There are a number of recommendations in relation to improved support to development projects in southern Belize that arise consistently from previous report, from the respondents during the evaluation and from the evaluation analysis itself. These include: (i) intensive support at the commencement of a project is required to ensure that the design is effectively translated into implementation; (ii) more emphasis at the commencement of the project to

⁷⁰ IFAD (August 2006), Concept Note: Providing support for rural financial services developed with credit unions in the southern region and strengthening local government decentralization policies in Belize.

install and operationalize an appropriate monitoring system that will respond to the management information needs of the implementers, partners, and assist in detecting when a project deviates from its planned approach; (iii) there is a need in future initiatives for projects to clearly state their intentions and gauge and manage the level of expectations generated; (iv) groups to be financed need to either be in existence prior to the project and/or have specific self-generated objectives and a common cause. The methodology of requiring communities to form small groups specifically to access funds is not viable; and (v) long term investment, similar to that provided to the TCGA, to develop local institutions, both local governance structures and specific interest groups, is likely to yield better results than short-term fragmented sub-projects.

Recommendation 4

131. **Investment in people.** Improved communication mechanisms and opportunities for cultural exchange need to be encouraged so that there is an increased mutual understanding of the different cultures that comprise the national identity of Belize. Supporting cultural initiatives like the deer dancers and the community-based national park management initiatives contribute to economic benefits as well as transforming cultural differences into an advantage rather than a challenge and there are other opportunities that can be similarly developed. Future initiatives must not ignore the traditional processes but can learn from and integrate the traditional processes, melding them with available technologies to provide lasting changes in agricultural systems. It is not a matter of stimulating these processes, but rather of supporting the evolution that is already occurring.

132. Policy level review in decentralization is needed to assess the representation of different ethnic groups in decision-making for their own development. In particular, the relationship between the roles and responsibilities of different government and non-government institutions needs to be more clearly defined. The approved IFAD grant for the National Association of Village Councils will be of some assistance in this regard. Lessons learned from other countries are that the connection of indigenous people to land and other forms of self-determination is a sensitive yet highly important issue. It is not an issue that was addressed by CARD, yet it is an issue that continues to face many of the communities that it aimed to assist.

Recommendation 5

133. **Professionalizing project processes.** Project procedures were too complex and cumbersome. The allocation for appropriate procurement procedures needs to be in line with the expected type of sub-projects. Introducing a skills transfer clause into the contract for a service provider can greatly increase the long term benefits to the project participants. There has been a recurring theme in project evaluations for Belize that poor recruitment processes and human resource management compromised project effectiveness. It is understood that there is a high outflow of skilled people from Belize which causes a high turn-over rate. Experienced rural development implementers at the management and field level are needed to serve as mentors and provide on-the-job training to national staff project. Good practices for project management, procurement, field implementation and monitoring and evaluation could be transferred within the country. When staff turn-over does occur, the project partners need to have a commitment to proper orientation of newly appointed staff. Similarly, maintaining supervision over the delivery of services, checking with the project participants to ensure satisfaction with the service and following up to ensure that the service yields the required results is a fundamental process that was lacking earlier in the project but which was followed with success in later initiatives.

134. Professional development for both staff and communities must be guided by an overall strategy that is “user and culturally oriented”. Training is not a one off exercise. It has to be based on the trainee’s experience, know-how and knowledge base (as all adult training modalities should do) and be given in the language he/she is most proficient in. Training should be accompanied by an incentive to compensate the time and effort being allocated to it (e.g. certificates, parallel income generating activity or community improvement support) and to support the anticipation of a better outcome from it. Training should include as many trainees as possible to compensate for the unavoidable loss/turnover of staff and the drain of the regular rural-urban migration at village levels. To “improve

delivery of services to the communities and provide for better access to these and other resources by women”, projects must rely and reinforce traditional, local and community based institutions such as the Toledo Association of Mayors, or the Toledo Mayan Cultural Council to serve as the intermediaries between their constituency and the project. These institutions can provide for a clear and immediate line of responsibility and accountability accessible to - and understood by - the communities. To exclude community institutional strengthening in future projects would be to create further inequity and miss more opportunities.

Recommendation 6

135. **Productive partnerships.** The partnership between CDB, IFAD and GoB was an appropriate arrangement that brought together expertise and resources towards a common objective. Some amendments in the implementing arrangements may have been of assistance to make the partnership more productive, for instance; (i) clearer distinction in the roles and responsibilities, particularly for CDB fulfilling a dual role as a financing partner of CARD, and as a cooperating institution for IFAD supervision; (ii) greater investment in establishing the PMU at the commencement of the project, including improved orientation by the financing partners, particularly on the need to attract and retain suitably skilled and experience staff; (iii) more review of the specific procurement processes for CARD to fit with the small-scale procurement required; (iv) better communication mechanisms and practices to expedite critical correspondence, exchange views more regularly, increase mutual understanding of the challenges faced by the project and lead to more rapid identification of solutions. Nevertheless, the partners have engaged in learning from CARD experiences and have shown that they are drawing from the CARD lessons in the design of more recent initiatives, particularly by the GoB in relation to the Belize Rural Development Project, and IFAD through its recent grant approvals for the Belize Credit Union League and the National Association of Village Councils.

Logical Frameworks
IFAD - Project Logical Framework

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Assumptions
<u>Main Objective:</u> To contribute towards rural poverty reduction and competitively and sustainably raising production, employment and incomes of the rural poor	The level of poverty among the poor in Toledo and Stann Creek has decreased in year 7.	Poverty study in year 1, repeated in year 7	<u>For sustainability:</u> Clear cut government policy is prevailing and is favourable to indigenous population residing in reservations
<u>Purpose:</u> To develop the productive potential of sustainable production systems and ensure support services to poor smallholder families in the Southern Region	<i>Milpa</i> farmers perceive a sustainable improvement in their agricultural production yield as a result of project efforts	Survey of household families. PRA with men and women beneficiaries	<u>Purpose to objective:</u> Project duration and effort has brought about a sustainable process of self-management of the indigenous populations
<u>Outputs:</u> 1.1 Group management and leadership skills have been developed in at least 50 communities 1.2 Technical, financial micro-entrepreneurial, marketing and business services have been requested and used effectively for investment options 1.3 Support technical services have become customer oriented and tailored by respecting ethnic differences/diversity and mixing indigenous knowledge systems with western scientific knowledge systems 1.4 2 600 men and women have received financing for on- and off-farm activities through IFIs, 75 per cent (formal) with a repayment rate over 90 per cent, transaction period max; 15 days for first loan, 5 days for repeat loans, drop-out rate below 20 per cent, loan loss rate 3 per cent 1.5 Transfer agricultural technology and non-agricultural production promotion by reinforced private/public services has reached 2 000 households by year 7. A number of 50 community investment projects will have been executed by matching grants 1.6 PCU including M&E unit is installed and operational by year 0.5	1.1 No. of groups in No. of communities 1.2 No. of services provided per category (marketing, technical, financial) 1.3 Farmers' perception of quality of services provided 2.1 No. of financial services recipients per year by gender and community 2.2 Repayment rates 2.3 Average length of transaction period 2.4 Drop-out rate 3.1 Agricultural technology adoption rate 3.2 Agricultural production increase - per cent 3.3 No. of community investments financed by matching grants	CD field reports Marketing coordinator and CD field reports Beneficiary interviews Financial statements (DFC) STI reports CD field reports monthly, quarterly and semi-annual reports	<u>Results to purpose:</u> Economic prospects and <i>land tenure situation</i> are conducive to indigenous men and women farmers' willingness to invest in the improvement of their agricultural system Weakness in information, proven methodologies of extension and professional experience and background
<u>Activities:</u> 1. Community Promotion and Strengthening 2. Financial Services <ul style="list-style-type: none"> Institutional strengthening Credit fund 3. Technical Services and Production Support <ul style="list-style-type: none"> Support services on demand driven basis for agricultural development and marketing. Community investment proposals 4. PCU and M&E	<u>Resources:</u> 1. CD programme manager, 4 CD workers (at least 2 women) Financial expert, Government organizations, CUs and NGOs 2. Services provided by consultants, technicians, farmer-to farmer trainers, civil works 3. Director, 2 coordinators (CDU, MTS) accounting support staff	<u>Budget in US\$m:</u> 1. 1.28 2. 1.42 - 0.37 - 1.05 3. 2.41 - 1.91 - 0.50 4. 1.33	<u>Activities to output:</u> 1. Effective modalities are found to reach the least accessible indigenous men and women beneficiaries 2. All services are supplied to men and women beneficiaries on a demand driven basis 3. A clear dynamic land tenure and administration policy is operational and accessible for men and women farmers while maintaining the communal aspects of Mayan Indian culture <u>Conditions prior to disbursement:</u> 1. Signature of loan agreement 2. Recruitment of PD 3. Opening of special account 4. Operations manual approved

(those in italics beyond project influence)

CDB Project Logical Framework

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Assumptions
1. Goals: Contribute to socio-economic development in Belize	Socio-economic indicators: GDP, foreign exchange earnings, employment and other living standards indicators	1. Central Bank Reports 2. National socio-economic statistics 3. Impact studies 4. Poverty study	GoB policies conducive to effective rural development Political and macro-economic stability maintained
2. Purpose: Improve the social and economic conditions of poor rural households in the project area	Increased income and living standards in project area (baseline to be established as part of project) Cultivated acreage Prevalence of poverty among poor rural households in the Southern Region reduced by 10 per cent by year 7 of the project.	1. Site visits 2. Progress reports 3. M&E reports 4. SLC surveys 5. Baseline study	Market demand and prices of outputs are sustained at levels that allow acceptable returns to project beneficiaries
3. Outputs: <ul style="list-style-type: none"> - Group management and leadership skills developed - Credit system established and operationalized - Community-based agricultural and micro-enterprises developed - Extension services for marketing and rural production - Small-scale infrastructure and community facilities constructed and operational 	By the end of project: <ul style="list-style-type: none"> - CBO members trained and management system established in 50 communities - At least two first-tier institution branches established and staff trained - 2 600 loans committed and disbursed in accordance with schedule - 30 farmers and 10 extension agents from NGOs trained and extension services programmes established - PCU established and staff trained Operations Manual completed and operational by July 1999 - Structures built to specification 	1. Completion report 2. Evaluation report 3. PCU report 4. M&E reports	Economic prospects and critical social issues do not adversely affect the willingness of farmers to invest in improvement of their agricultural production and in non-agricultural areas
4. Inputs: (BZ\$m) 1. Community Promotion 2. Rural Financial Services 3. Technical and Marketing Services 4. Project Management and Support Base Cost Contingencies Total Cost	<u>See table below</u>	1. Site visits 2. Progress reports 3. Project accounts	Effective methods are found to reach the identified target population Suitable staff recruited A clear and dynamic land tenure and administration policy is operational and accessible to farmers Contractors and consultant services are efficient and effective Funds for the project are available on a timely basis

4. Inputs: (BZ\$m)	Total Cost	1999	2000	2001	2002	2003	2004	2005
1. Community Promotion	2 560	534	388	457	459	437	173	111
2. Rural Financial Services	2 877	593	705	753	618	208	--	--
3. Technical and Marketing Services	4 942	422	422	881	1046	1062	729	363
4. Project Management and Support	2 942	595	395	410	372	388	388	390
Base Cost	13 304	2144	1910	2501	2495	2095	1290	864
Contingencies	833	92	75	103	125	139	137	163
Total Cost	14 137	2 236	1 987	2 604	2 620	2 234	1 427	1 028

Source: Caribbean Development Bank, Appraisal Document, June 1998.

CARD Objectives According to Appraisal Reports and AWPB 2002

Level of Objectives as set out by the Log Frame	CDB Appraisal Report Log Frame	IFAD Appraisal Report Log Frame	CARD AWPB 2002 Log Frame
Goal/Main Objective	Contribute to socio-economic development of Belize	To contribute towards rural poverty reduction by competitively and sustainably raising production, employment and income of the rural poor	To contribute towards rural poverty reduction by competitively and sustainably raising production, employment and income of the rural household
Purpose	Improve the social and economic conditions of poor rural households in the project area	To develop the productive potential of sustainable production systems and ensure accessible support services to poor smallholder families in the southern region	To develop the productive potential of sustainable production systems, to provide social services and to ensure accessible support services thru co-executing agencies to smallholder families in the southern region
Outputs	<ol style="list-style-type: none"> 1. Group management and leadership skills developed 2. Credit system established and operationalized 3. Community-based agricultural and micro enterprises developed 4. Extension services provided for marketing and rural production. 5. Small-scale community infrastructure facilities constructed and operational 	<ol style="list-style-type: none"> 1. Group management and leadership skills have been developed in at least 50 communities 2. Technical, financial, micro entrepreneurial, marketing and business services have been requested and used effectively for investment options 3. Support technical services have become customer oriented and tailored by respecting ethnic differences/ethnic diversity and mixing indigenous knowledge systems with western scientific knowledge systems 4. 2 600 men and women have received financing for on-and off-farm activities through IFIs (and comply with conditions) 5. Transfer of agricultural technology and non-agricultural production promotion by reinforced private/public services has reached 2 000 households by year 7; 50 community investment projects will have been executed with matching grants. 6. PMU including M&E Unit is installed and operational by year 0.5 	<ol style="list-style-type: none"> 1. Group management and leadership skills have been developed for CBOs and service providers 2. Credit systems established and operational and providing financing for on-and-off farming activities through IFIs 3. Community based agricultural and micro-enterprises development through technical assistance, credit and grant funds for micro-entrepreneurial and marketing services and training 4. Small scale community infrastructure facilities constructed and operational 5. Transfer of technology through improved and sustained extension services

CARD Design Assumptions and Risks According to Appraisal Reports and AWPB 2002

By Level of Objectives	CBD Appraisal Report Log Frame	IFAD Appraisal Report Log Frame	CARD AWPB 2002 Log Frame
Goal/Main Objective	<ol style="list-style-type: none"> 1. Government policies are conducive to effective rural development in the Region 2. Political and macro-economic stability maintained 	<p>Clear cut government policy is prevailing that is favourable to the indigenous population residing in reservation areas</p>	<ol style="list-style-type: none"> 1. Government will fully support the objectives and conditions of the loan agreement. 2. Political and macroeconomic dynamics is favourable
Purpose	<p>Market demand and prices of outputs are sustained at levels which would allow acceptable returns to project beneficiaries</p>	<p>Project duration and effort has brought about a sustainable process of self-management of the indigenous population</p>	<p>Markets will be available and producers will be able to meet requirements of the market</p>
Outputs	<ol style="list-style-type: none"> 1. Economic prospects and critical social issues do not adversely affect the willingness of farmers to invest in the improvement of their agricultural production and in non-agricultural areas 2. Farmers adopt appropriate agronomic practices 3. Arrears of credit programs maintained at acceptable levels 	<ol style="list-style-type: none"> 1. Economic prospects and land tenure situation are conducive to indigenous men and women farmer's willingness to invest in the improvement of their agricultural system 2. Weakness in information, in proven methodologies of extension and in professional experience and background 	<ol style="list-style-type: none"> 1. Economic prospects and critical social issues do not adversely affect the willingness of rural poor to invest in the improvement of their agricultural production and non-agricultural activities 2. Weakness in information, in proven methodologies of extension and in professional experience and background 3. Effective capacity of co-executing organizations to provide services 4. Real and effective participation of beneficiaries is achieved at all levels
Inputs/Activities	<ol style="list-style-type: none"> 1. Effective methods are found to reach the identified target population 2. Suitable staff recruited 3. A clear and dynamic land tenure and administration policy is operational and accessible to farmers 4. Contractors and consultants services are efficient and effective 5. Funds for the project are available on a timely basis 	<ol style="list-style-type: none"> 1. Effective modalities are found to reach the least accessible indigenous men and women beneficiaries 2. All services are supplied to men and women beneficiaries on a demand-driven basis 3. A clear and dynamic land tenure and administration policy is operational for men and women farmers, while maintaining the communal aspects of the Maya Indian culture 	<ol style="list-style-type: none"> 1. Effective methods are found to reach the identified target population 2. Suitable staff recruitment 3. A clear and dynamic land tenure and administration policy is operational and accessible for farmers 4. Contractors and consultants services are efficient and effective 5. Funds for the project are available on a timely basis (repeated at all levels)
Risks	<ol style="list-style-type: none"> 1. Other projects under implementation in the Region may lead to duplication of efforts and resources. 2. Rice production, the main cash crop, depends on price subsidies that may change because of trade liberalization policies. 3. Qualified extension and community development staff needed for implementation may not be available. 4. The weak status of community based financial institutions may make it difficult to find qualified IFIs to provide rural financial services. 5. The lack of a conventional credit tradition among proposed project beneficiaries, may result in demand being lower than projected. 	<ol style="list-style-type: none"> 1. Participatory and demand-driven approach involves risk in terms of pace of implementation. 2. Complex design of project may jeopardize effective delivery and coordination mechanisms. 3. First tier IFIs cannot manage funds effectively. 4. Sensitive land tenure issues may hamper solution of land conflicts, thus reducing project impact. 	

Persons Met During the Evaluation

Institutional Representatives

Sandra Hall Chief Executive Officer Ministry of Agriculture and Fisheries	Sergio García Programme Coordinator Ministry of Agriculture and Fisheries
Hugh O'Brien MSc Chief Executive Officer Ministry of National Development	Joseph Hendrikx Programme Director UNDP Belize
Joe Lisbey National Coordinator RUTA	Lourdes Smith MBE Executive Chairman
Elias Awe (Maria) Programme Director Help for Progress	Natalie Ewing Goff Executive Director Belize Credit Union League Ltd
Assad J Magana Planning, Monitoring & Evaluation Specialist Belize Rural Development Program	Karl Goeppert Project Director Belize Rural Development Program
Marcelino Ávila Technical Director Belize Rural Development Program	Ludwig Palacio Director Toledo Development Corporation
José Trejo Industrial Economist Government of Belize Ministry of Finance	Harold Arzu Multi-Sectoral Specialist Inter-American Development Bank
Glenn Avilez Chief Statistician General Statistical Office	Anne Bramble Deputy Director Evaluation and Oversight Division Caribbean Development Bank
Eleanor Sandlin President, Board of Directors National Association of Village Councils	Franklyn Magloire Manager, Credit & Projects Development Finance Corporation
Michael Tewes Chief Executive Officer Ministry of Works	Paul Morgan Economist/Analyst Evaluation and Oversight Division Caribbean Development Bank
Eugene Waight Chief Agriculture Office Ministry of Agriculture and Fisheries	Oscar Alonzo Executive Director Social Investment Fund Belize
José Novelo CARD Project Director (Project Director from July 2003 until end of project)	Maria Edeso CARD Monitoring & Evaluation Officer

Community Members:

	Community Members of:		Community Members of:
Toledo	Indian Creek	Stann Creek	Maya Mopan
	Dolores		Sittee River
	Otoxha		George Town
	Corazon		Independence
	Monkey River		Placencia
	Jordan		Monkey River
	San Jose		
	San Pablo		
	Mafredi		
	Barranca		
	Santa Ana		
	San Benito Poite		

Local Organisation Members

National Association of Mayors

National Association of Village Councils

Citrus Growers and Workers Credit Union

Toledo Teachers Credit Union

Southern Bee Keepers Association

Toledo Livestock Association

Toledo Cacao Growers Association

Stann Creek Coconut Producers Association

Rio Grande Fisherman's Cooperative

Sarstoon Temash Institute for indigenous Management

Maya Women's Association

Aguacaliente Management Team

Friends of Bocawina-Mayflower National Park

Assessment of Project Efficiency for Belize CARD Project

1. The efficiency rating for CARD has been assessed using benchmarking with other projects, and consideration of efficiency ratings per activity. The projects for benchmarking were selected based on (i) recent evaluations performed; (ii) sufficient information for comparison; (iii) similarity in project components; (iv) spread of geographical location.

Appendix 3 - Table 1. Benchmarking of Efficiency Parameters

	Peru Puno-Cusco Corridor Project	Philippines Micro-enterprise Finance Project	Mozambique Niassa Agricultural Development Project	Belize CARD Project
Reach	48 000	435 654	43 000	13 936 ¹
Loan Amount (US\$)	US\$30.8M	US\$41.5M	US\$16.5	US\$5.7M
Loan Utilization	55.1 per cent	64 per cent	97 per cent	58 per cent
Years of Implementation	6	6	9	6
Operating Costs/ Total Investment	26.8 per cent	5.5 per cent	12.4 per cent	43 per cent
Cost/Beneficiary	US\$360	US\$95	US\$383	US\$387
Increase in Income	20 per cent	28 per cent	n/a	n/a
Efficiency Rating	5	5	2.79	3

Source: Evaluation Team

2. The benchmarking shows that although CARD operating costs were substantially higher than the other projects, if the proposed extension had been granted, it is likely that the operating costs investment ratio would have fallen. In addition, the number of beneficiaries would have increased, decreasing the average cost per beneficiaries. In sum, the efficiency is rated as moderately inefficient, but this was likely to have risen to at least moderately efficient if the project had continued.

Appendix 3 - Table 2. Assessment of Weighted Rating per Activity

Activities	No. of HH	No. of Beneficiaries	Rating	Weighted Performance
Community sub-projects	1 275	6 375	2	37 per cent
Other Training and Technical Assistance	492	2 460	2	14 per cent
Rural Financial Services	780	3 900	4	22 per cent
Cacao Potential Producers	837	4 185	4	24 per cent
Cacao Producers	100	500	6	3 per cent
	3 484	17 420		100 per cent
Adjustment for double counting	2 787	13 936	3	

Source: Evaluation Team

^{a1} Weighting was based on relative proportion of beneficiaries per activity.

¹ See Notes and Assumptions.

Notes and Assumptions

3. The calculation of reach for CARD is complex because the records are incomplete. The PCR has generated a figure of 9 377 for total number of project participants. This comprises 6 374 from community sub-projects, 937 cacao growers, 1 478 borrowers and it is assumed that the balance of 1 642 arose from other activities such as honey, livestock, grain producers, etc.

4. **Community sub-projects.** During the evaluation field visit, the mission team met with over 300 project participants at the community level that had been covered by the project. The PCR has generated a figure of 6 374 project participants in community sub-projects, the findings of the mission should also be representative of the magnitude of benefits attained. The team found that few of the sub-projects had led to any tangible benefits and hence efficiency is rated as 2. Only a maximum of 60 people out of the over 300 could express any benefits resulting from the sub-projects. This provides an estimation of a 20 per cent rate of benefits from those covered by community sub-projects. Given this assumption the reach of the project for community sub-projects would be 1 275 households (6 375 individuals).

5. **Other training and technical assistance.** There was insufficient evidence to either confirm or challenge the balance number of 1 642; however, given the fact that training activities were judged to be poor and for the major sub-projects with honey, livestock and grains, the activities were still in the training and preparatory phases and full benefits had not been achieved, a factor of 30 per cent is used as a fair estimation of other benefits leading to an estimated number of beneficiaries as 492 (2 460 individuals) and a rating of 2.

6. **Financial services.** The mission confirmed that the number of borrowers is accurate. The number of active borrowers at the time of project closing was 402 but it is presumed that the full 780 have benefited and can access credit again if required, therefore the reach is calculated as 780 households (3 900 individuals). Benefits were found to be positive but the number of borrowers and amount of credit released was far below that envisaged at design due to substantial delays in the component. Hence the efficiency rating is 4.

7. **Cacao growers** (actual and potential). For the cacao growers, the mission confirmed that there are 937 members of the cacao growers association, as included in the PCR. However, only 168 are currently producing cacao and are actively generating income. The others have benefited from the training and planting but are not yet generating financial benefits. There were 130 members of the TCGA prior to the project so the incremental number of farmers currently benefiting is only 38. However, some of the 130 original members have extended their cacao hectareage so can be legitimately considered as beneficiaries. The exact number is not known so an estimate of 100 farmers has been taken as a reasonable assumption.

8. The benefits per farmer have probably been underestimated as the cacao is generating benefits to the whole family, and is also improving soil fertility and is having environmental benefits. Based on the current number of beneficiaries (100) is considered multiplied by five as a factor of family benefit, the number of participants would be 500. The benefits for these farming households are very positive and have been rated as 6. For the balance 837 farmers, the benefits have not yet been realised but they do have an increase in physical assets that have the potential to yield significant benefits in future. For this reason, for potential cacao producers, a rating of 4 has been given.

9. **Double counting.** A further factor needs to be considered in estimating the number of beneficiaries, which is that there were overlapping benefits between the components. i.e. some cacao farmers were also microfinance client and/or benefited from community projects. For this reason a factor of 20 per cent overlap is estimated and the analysis of number of individuals benefited as 16 625 has been re-calibrated to 13 300 individuals to take into account any double benefits.

Analysis of Key Success/Failure Factors

1. This Appendix provides more in depth analysis as to the reasons why the project succeeded in some aspects (cacao and credit) and failed in others (community-based work). It should be noted that weaknesses in project management, particularly at the commencement of the project was a key factor underlying each activity. Therefore, a specific analysis of the success and failure of project management is also included. The analysis is inter-related into facilitating and constraining factors to assist in consideration of the design of future projects. For more detail, see Annexes I - IV. Annex IV includes Case Studies for 17 communities and two organizations.

Project Activity	Facilitating Factors	Constraining Factors	Overcoming Constraining Factors for Future Projects
Cacao Industry	<ul style="list-style-type: none"> Existing community-based organization with a knowledge of the local resources, economy and culture The product has a good market potential and a premium price compared to other local production (i.e. selection of the right product) Direct link by the producers association to market opportunity at an early stage in the project (buyer) Supportive industry partner, providing technical expertise and direct investment Cacao production provided an avenue for introduction of broader best practice farming techniques 	<ul style="list-style-type: none"> Organisation was weak initially. Product quality had dropped from previous years due to poor leadership. Farmers were initially hesitant to adopt the improved production technologies, which is contrary to the shifting cultivation pattern. The initial consultancy provided by the project resulted in the generation of a report that did not facilitate action 	<ul style="list-style-type: none"> Later in the project, CARD supported a long term TA to assist in organizational strengthening, development of practical internal management systems and technical skills transfer The Consultant was appropriate in terms of level of practical knowledge and skills The first approach of the consultant was to assist in improving quality standards. The Consultant and the Organisation developed good working relationship with the buyer The field staffs trained by the consultant and the association were made aware that they would be responsible for independently continuing activities beyond the project period
Rural Finance Services	<ul style="list-style-type: none"> Local IFIs were willing to participate in the project IFIs were open to attempting new methodologies There was available demand for credit Farmers trusted the credit unions as being appropriate institutions Excellent training and support was provided to the RFE, including both specific training and support from IFAD and DFC One IFI had strong internal management procedures and has been providing mentoring to the other IFI. The link between the IFIs and the cacao producers was very beneficial in promoting the IFI, introducing farmers to credit, and assisting in credit management 	<ul style="list-style-type: none"> IFIs had been inadequately identified in the design to assess their willingness to enter the project area IFIs in the project area were young and weak Delay in appointing the RFE delayed implementation of the component, leaving less time for development of the IFIs and for moving a larger amount of funds. It also led to rushed implementation RFE required time consuming training to develop knowledge and skills There is substantial reluctance by farmers to access credit due to concern of indebtedness The local IFIs found it difficult to adjust practices to include microfinance principles The reflow mechanism of funds for the IFIs has not yet been identified which affects potential sustainability 	<ul style="list-style-type: none"> More care needs to be taken at the design stage to ensure that organizations identified as potential, are firmly interested in proceeding in the project area More effort needed to be applied to commence the RFS component earlier in the project The viability of the local IFIs is still tentative, it may have been better to entice larger IFIs to participate A more experienced RFE may have been able to introduce microfinance technologies in a more comprehensive way. More intensive work with the Board of each IFI may have resulted in a more strategic approach to growth, rather than being rushed and reactive The link between production, income generation and banking can be effectively harnessed, particularly emphasizing savings mechanisms

Project Activity	Facilitating Factors	Constraining Factors	Overcoming Constraining Factors for Future Projects
<ul style="list-style-type: none"> Community Development Sub-projects 	<ul style="list-style-type: none"> The community development component was well thought out with a detailed, staged approach planned The involvement of the <i>Alcalde</i> (Mayor) and Village Council at the commencement of any activities with the community was an effective way of securing the community commitment to the PRA/community profile process The community was appreciative of the opportunity to express their needs (although they were then disappointed/angry that those needs had not been addressed) When the community interests were supported, there was considerable effort and time invested by community members Some communities appreciated the opportunity to document their customs and information about their community both for their own use and to articulate their needs to others 	<ul style="list-style-type: none"> MAF had not previously implemented participatory projects so had neither the skills, experience nor commitment to the process and methods in the design There was difficulty in recruiting experienced and capable staff members. Turn-over was high so the relationships between the project and the communities were not well developed Training for staff members was too theoretical and they did not have the mentoring that would have helped them develop their skills with the project Due to the lack of understanding of participatory processes at management level, there was frequent tension between the management and field staff as to the best approaches The project launching was contrary to the design and to good community development practice. It was politicized and spread over all communities, despite the project not being ready to work intensively with all communities. It promoted unrealistic expectations which caused anger and frustration for the communities and staff Where proper protocol was not followed, the community leaders were not impressed and did not support project activities. Initial contact with the communities was not followed up Meetings were held during the day to allow for staff to reach the site and return in the same day. Community members were mainly in the farms during the day and were only available in the evening. Staff were not encouraged (and not paid) to remain overnight in the villages The community activities were spread too wide across too many communities, too quickly so that steady community development work could not occur Sub-projects identified by the communities were not implemented, or not implemented in a way that was consistent with the needs and interests of the people The training activities were not appropriate to the specific interests of the community 	<ul style="list-style-type: none"> Best practices in participatory processes are well documented in terms of success and failure factors. These need to be embedded in project design, and adapted to local culture and practices, as was done in CARD Any CD approach takes time to implement and needs a staged approach Identification of a knowledgeable and skilled CD team leader, and preferably, project manager is required to properly support the front line field staff The initial introduction of the project must be done in a realistic and transparent way with communities Introduction should be followed promptly with positive action in line with the design. (allowing some flexibility to adapt to local customs) Cultural protocols should be respected and followed in a sensitive way Budgets should consider the practical requirements of staff to travel to, and remain with communities so that relationships can be developed and the community development process can evolve gradually Participatory planning is useful but only when there is a clear process for assisting the communities with implementation of at least some of the priorities Community meetings should be held at a time convenient to the community to encourage as much participation as possible Training/skills development should be appropriate to the language, culture and capacity of the communities

Detailed Description of Project Components

1. Community Promotion and Local Organization Strengthening (Development and Participatory Planning). The design included four sub-components: **promotion and community mobilisation** including training with communities, indigenous organizations and NGOs to evoke their support for community-driven development programmes. Activities emphasizing proactive leadership, organization building skills, recognizing cultural decision-making patterns and the roles played by both men and women in agriculture and resource management; identifying constraints on the social and economic development of communities and participatory project planning and management skills were emphasized. **Community based participatory planning** would evolve from the Promotion and Mobilization phase, enabling communities to understand better their current social, demographic, and physical resource constraints and develop plans for sustaining livelihoods and cultural continuity by systematic review of pressures on their communities coming from accelerated change. **Improving the capacity of local organizations** aimed to enable local organizations to be more responsive to community needs by improving their abilities to exchange information and, through technical assistance (TA), to improve their capacity to plan and manage development interventions. TA was to be provided to formal NGOs to enable them to more effectively implement tasks to relate to the aims of the project, such as management training for CBOs, TA to community groups etc. **Supporting community projects and building local networks** was designed to establish mechanisms which afford beneficiaries and other stakeholders' access to decision-making, and influence on the activities of the project. The main management mechanism was to be the Steering Committee, comprising public officials and representatives of other stakeholder organizations.

2. A great deal of emphasis was placed in the appraisal document to include "cultural awareness" and a multi-lingual, racial and gender mix in the array of activities at community level and in the project's field staff composition. Community based assessment of their own (human, social, institutional, ecological) assets, needs and potentials, community planning and overall involvement in the choice and monitoring of field activities was seen as the first steps towards the implementation of most of the other project components. Training and communication in native languages, empowerment of community members and capacity building of local groups and representatives, were also seen as essential to the project's success replicability and sustainability.

3. Technical and Marketing Support Services and Small-scale Infrastructure Investments component (Technical Services and Marketing Assistance). The design comprised subcomponents which were based on addressing the lessons drawn from TSFDP. These were: **technical services**, including: extension and technical assistance for improving technology on existing farms or diversification into new crops or non-agricultural activities; visits to neighbouring communities; organization of workshops, field days or similar events for transferring information and knowledge; establishment of demonstration plots as a mechanism for technology transfer; and training of farmers in order to implement extension methodologies based on the concept of farmer-to-farmer skills transfer; **marketing services**: the Community Development Fund would finance marketing consultants to investigate the different regional potential production. Market information should be improved for (a) grains - beans, rice and corn - for the Central American and Caribbean markets; (b) organic products - cacao, beans and rice - for Europe and the US - and (c) vegetables for Europe and the US, etc.; **small-scale infrastructure** including building or upgrading small stretches of roads linking communities or high productivity areas to the main roads; building bridges or culverts to improve the transport ability of the roads during the rainy season; building facilities for storing agricultural products to reduce high food losses which occur in the Region; building facilities for drying grain and treating harvests; and other construction to be used for production or marketing. Other eligible works would be those relating TMS to earth movement for drainage and water supply, to protect soils and prevent erosion.

4. Rural Financial Services (RFS). The RFS component was designed to focus on small, short term loans, based on group guarantee, savings and other forms of innovative collateral with the aim to: (i) promoting microfinance methodologies proven successful in reaching large number of low income households effectively and profitably; and (ii) increasing access to financial resources for those financial institutions with capacity or potential to provide effective microfinance services. There were two sub-components: (1) the credit fund and (2) institutional strengthening of intermediary financial institutions (IFIs). The credit fund¹, was to be provided to the IFIs for retail lending to the target clients. Moving the credit fund from the project to the IFIs required a two-tier mechanism with the Development Finance Corporation (DFC), a government-owned financial institution, providing lines of credit to the IFIs, which, in turn, provided credit and savings services to the project's target clients. The DFC merely served as an agent that facilitated the identification, appraisal, and approval of credit lines to the IFIs and did not assume any credit risk. The IFIs, on the other hand, were required to fully assume the credit risks. The institutional fund² was designed to strengthen the capacity of the IFIs to operate micro credit schemes in the project area, by means of financial subsidies, training, and technical assistance. In particular, it sought to subsidize the operating costs of new branches that will be put up by the IFIs in the project area, during the first three years of their operations, while introducing appropriate microfinance technologies through training and technical assistance.

5. Project Coordination. The fourth component of CARD was designed to coordinate the overall programme of activities of the project through the PMU. The design of CARD as a rural development project covered a broader scope of activities than was usually handled by MAF. For this reason, it was established a separated PMU that reported to MAF which was largely autonomous in operations. There were no specific subcomponents but the PMU was required to (i) comply with the fiduciary requirements of the GoB and CDB; (ii) establish and manage the PSC and other coordination mechanisms of the project; (iii) generate and implement the Annual Work Plan and Budget (AW&B); (iv) recruit, manage, train and guide staff in implementation activities; (v) establish and operate an effective monitoring and evaluation system; and (vi) address all day-to-day management functions of the project. A particular emphasis on the design for this component was to incorporate modern concepts of management and internal control to expedite administrative procedures and improve accountability through (a) adequate rules for operation and internal control; (b) spread of information amongst stakeholders regarding plans, performance and accounting; participation of community and NGO representatives with the Ministry in decision-making; and (c) appropriate staff recruitment based on the required TOR and open selection procedures.

¹ The Credit Fund was allocated a budget of BZ\$1 050 000 (US\$525 000) and IFIs are allocated funds on a loan basis.

² The Institutional Fund was allocated a budget of BZ\$391 000 (US\$195 500) to be provided to the IFIs on a grants basis.

Project Milestones by Component

(Grey shading denotes no activities)

YEAR	Project Management	Community Development	Rural Finance	Technical and Marketing
1996	Identification	Participatory community analysis covering 20 communities		
1997	Formulation (May)			
1998	Appraisal and approval			
1999	<ul style="list-style-type: none"> Loan effectiveness (June 1999) Office establishment Project Director (PD) (June) and most key staff appointed (Dec) PSC established (Dec) 	<ul style="list-style-type: none"> 3 Community Mobilizer (CM) appointed 		<ul style="list-style-type: none"> Assistant appointed
2000	<ul style="list-style-type: none"> Project launch (March) 	<ul style="list-style-type: none"> Project promotion (all communities) 		
2001	<ul style="list-style-type: none"> First AWPB approved (June) Introduction of co-execution methodology Hurricane Iris (Oct) 	<ul style="list-style-type: none"> PRA validation (Feb) 12 communities selected for focus First ten community sub-project proposals approved (June) 4th CM appointed Female CM resigned 	<ul style="list-style-type: none"> RF Expert appointed (Apr) Institutional analysis for BEST (Aug) 	<ul style="list-style-type: none"> Coordinator appointed (Apr) Assistant resigned Training in honey production RUTA farmer –farmer training First road project for 11 communities
2002 Change in IFAD CPM	<ul style="list-style-type: none"> Completion of project building (Feb) Sub-office established in Stann Creek Loss of PD, acting PD appointed (June) Accountant resigned (Oct) MTR 	<ul style="list-style-type: none"> Ten additional communities identified for focused activities Gender Specialist appointed MTR 	<ul style="list-style-type: none"> First IFI approved (Feb) MTR 	<ul style="list-style-type: none"> Emergency programs Small sub-projects for sheep, pigs MTR
2003	<ul style="list-style-type: none"> Acting PD (Jan-Jun) New PD commences (July) New (3rd) accountant (Feb) 3 other staff resigned and positions refilled Quarterly PSC meetings 	<ul style="list-style-type: none"> Community development training for staff 	<ul style="list-style-type: none"> Second IFI approved 	<ul style="list-style-type: none"> Hired/renewal of contract for five staff members MOU signed with Belize RTU rep
2004	<ul style="list-style-type: none"> Refocus on organisation sub-projects 		<ul style="list-style-type: none"> CGWC establishes branch 	<ul style="list-style-type: none"> TA contract for TCGA
2005 Change in IFAD CPM	<ul style="list-style-type: none"> Project operational staff contracts ceased Dec 2005 	Minimal community activities	<ul style="list-style-type: none"> Strengthen link between TTCU and TCGA 	<ul style="list-style-type: none"> TA contracts for other producer associations
2006	<ul style="list-style-type: none"> Skeleton staff only to complete sub-projects in progress IFAD loan closes July 2006 		<ul style="list-style-type: none"> Continuing CU activities 	<ul style="list-style-type: none"> Continuing cacao growing activities Second road project planned but not completed
2007	<ul style="list-style-type: none"> CDB loan closes Evaluation 		<ul style="list-style-type: none"> Continuing CU activities 	<ul style="list-style-type: none"> Continuing cacao growing activities

Bibliography

Project Progress Reports

- IFAD (2001), CARD Project, *Annual Progress Report*.
- IFAD (2002), CARD Project, *Annual Progress Report*.
- IFAD (2003), CARD Project, *Annual Progress Report*.
- PCU (March 2001), CARD Project, *Progress Report January 2001*.
- PCU (April 2001), CARD Project, *Progress Report February 2001*.
- PCU (June 2001), CARD Project, *Progress Report May 2001*.

IFAD Reports

- IFAD (1995), Belize, Toledo, *Small Farmer Development Project Phase-II*, Inception Paper.
- IFAD (1996), Belize, *Recommendations for the Toledo Small Farmer Development Project*, Phase-II.
- IFAD (1997), *Draft Aid-Memoire*.
- IFAD (1997), Belize, *CARD Project Formulation Report, Main Report* (2nd Draft).
- IFAD (1998), Belize, *Report and Recommendation of the President, Rome*.
- IFAD (1998), Belize, *CARD Project appraisal Report Volume I: Main Report*.
- IFAD (1998), Belize, *CARD Project appraisal Report Volume II: Annexes*.
- IFAD (1999), *Loan Agreement (CARD Project) between Belize and IFAD*.
- IFAD (2000), *Rural Finance Policy*.
- IFAD (2000), *Approval of Annual Work Plan and Budget & Project Manual*.
- IFAD (2001), CDB, GoB, *CARD Project – Annual Report 2000*.
- IFAD (2001), *CARD Project Annual Work Plan and Budget, January to December 2001*.
- IFAD (2001), *Note of RUTA Technical Assistance*.
- IFAD (2001), *CARD Project Annual Work Plan and Budget, January to December 2002* (2nd Draft).
- IFAD (2001), *Supervision Aide-Memoire*.
- IFAD (2001), *Aide-Memoire on CARD Rural Financial Services*.
- IFAD (2003), Belize, *CARD Project Mid-Term Review Mission*.
- IFAD (2003), *Aide-Memoire Follow up Mission*.

IFAD (2004), *Implementation Strategy of the CARD Project*.

IFAD (2004), *Aide-Memoire Follow up Mission*.

IFAD (2005), *CARD Project, Assessment of the Viability of a Project Extension*.

IFAD (2006), *Belize Project Completion Report (LOAN BZ-385)*.

IFAD (2006), *Belize Project Completion Annexes (LOAN BZ-385)*.

Caribbean Development Bank (CDB) Reports

CDB (1999), *Loan Agreement (Rural Development) between CDB and Belize*.

CDB (1999), *Supervision Aide-Memoire*.

CDB (2000), *Supervision Aide-Memoire*.

CDB (2000), *Project Operational Manual and Annual Work Plan Budget for 2000*.

CDB (2000), *Aide-Memoire*.

CDB (2001), *Aide-Memoire*.

CDB (2001), *Supervision Aide-Memoire*.

CDB (2002), *Belize: Management Problems at CARD*.

CDB (2002), *Supervision Aide-Memoire*.

CDB (2002), *Withdrawal Application No. 9*.

CDB (2002), *Project Director*.

CDB (2003), *Belize Training of CARD Staff*.

CDB (2005), *Caribbean Development Bank, CARD Exit Strategy Action Plan*.

CDB (2005), *Supervision Mission*.

CDB (2006), *Final Report, Comparative Assessment of Five CDB and IFAD Financed Rural Enterprise Projects*.

Other Relevant Documents

CARD (1997), *Belize Project Description, Draft Proposal for GEF*.

CARD, *Financial Statements for Period ended December, 1999*.

CARD (2000), *Audited Financial Statements*.

CARD (2002), *Trial Work Plan*.

CARD (2002), *Comments on Draft Mid-term Review CARD Project*.

CARD, *The Audit of CARD for the year ended December 1999*, Partially financed by IFAD, CDB and GoB, Swift.

CARD, *The Audit of CARD for the year ended December 2000*, Partially financed by IFAD, CDB and GoB, Swift.

CARD, *The Audit of CARD for the year ended December 2001*, Partially financed by IFAD, CDB and GoB, Swift.

CARD, *The Audit of CARD for the year ended December 2002*, Partially financed by IFAD, CDB and GoB, Swift.

CARD, *Audited Financial Statements for the years ended December 2003 and 2004*, Swift.

CARD (2002), *Comments on Draft Mid-term Review CARD Project*.

CARD, *The Audit of CARD for the year ended 31 December 2003*, partially financed by IFAD, CDB and GoB, Swift.

GoB and DFID (2004), *Toledo: A Study in Elusive Development*.

GoB (2006) *Toledo Strategy and Action Plan 2006-2009*, Department for International Development, Preparatory Mission for the Participatory Community Analysis (PM-PCA) in Toledo District.

Participatory Rural appraisal Validation in Elridgeville, (2001).

Preliminary Project Concept for IFAD/GEF Project, (1997), Belize, CARD Project, IFAD/GEF Technical Workshop, Rome.

RUTA (2000), Technical Assistance, *Aide-Memoire*.

RUTA (2001), *Note on Technical Assistance to CARD*.

RUTA (2001), Technical Assistance, *Aide-Memoire*.

RUTA (2002), *Report on the Strategic Planning Workshop*.

RUTA, *Key Social, Economic and Agricultural Indicators for southern Belize*.

Systematization of Experiences Workshop (2006), *Institutional Strengthening and Empowering of Beneficiaries of the TTCU in Collaboration with the CARD Project*.

Systematization of Experiences (2006), The CARD Project and TTCU-CGWCU, *The Challenge for Sustainability in a Fast Growing Credit Union: CGWCU and the CARD Project Assistance, IFAD, Serfirural*.

Toledo Teachers (2005), *Credit Union Ltd. Annual Report*.

UNDP, Development Assistance Framework Belize 2007-2011.

UNDP (2006), Belize, *Common Country Assessment*.



Enabling poor rural people
to overcome poverty

Via Paolo di Dono 44 - 00142 Rome, Italy
Tel: +39 06 54592048 - Fax: +39 06 54593048
E-mail: evaluation@ifad.org
Web: www.ifad.org/evaluation