

Guatemala

Rural Development Programme for Las Verapaces

Project Completion Report Digest

Guatemala - Rural Development Programme for Las Verapaces

Item	Assessment Remarks	Rating
Country & Project Name	Guatemala - Rural Development Programme for Las Verapaces (PRODEVER)	
Loan No.:	518-GT	
Project Id.	1085	
Board Date	08 December 1999	
Effectiveness Date	06 September 2001	
Original Closing Date	31 March 2012	
Final Closing Date	31 March 2012	
Total Project Cost USD(M)	26.00	
IFAD loan US\$(M)	15.00	
Cofinanciers (if any)	OFID: US\$5.04; Government: US\$3.66; Beneficiaries: US\$2.29	
Implementing Agency	National Fund for Peace (FONAPAZ)	
Principal Components	The programme will have five components: (a) local institutional strengthening; (b) sustainable productive development; (c) rural financial services; (d) socio-economic investments; and (e) programme administration and coordination. The programme will also rely on a reserve fund to ensure programme flexibility and the appropriate financing of beneficiary demands.	
Project Performance		
Relevance	The Programme design was in line with the priorities and policies of both the Government and IFAD. It was also consistent with the needs of indigenous peoples in Las Verapaces. Based on a participatory diagnostic, PRODEVER was a complex although flexible Programme, granting room for adaptation and learning. The proposal to use the flexible lending mechanism was a sound one, as it allowed for the Programme to be adapted on the basis of achievements and experience. The programme has placed priority on promoting grass-roots organisations in poor communities to enable them to move towards self-management, empowering their capacity to manage projects and generate resources. From the point of view implementation, the Programme was expected simultaneously to address an excessively broad spectrum of issues, all of them important, but which together were enough to overtax the implementation capacity of any programme team.	5
Effectiveness	Six specific Programme objectives were set to promote issues relating to income, organization, infrastructure, financial services, gender, natural resources and communities integration into local and national economies. These objectives were partly achieved. PRODEVER was successful in: i) strengthening the capacity of community organisations; ii) promoting sustainable productive development; iii) applying a cross-cutting gender approach along PRODEVER components; iv) building road and agro-industrial infrastructure. Conversely, less successful results were achieved concerning financial services and natural resources. With regard to the financial services, the lack of implementation on the supply side did not limit the programme's success in economic development, but the lack of microfinance alternatives may have contributed to the limited effectiveness of measures intended to increase food security. With concern to the sustainable natural resource management component, its execution was modest, mainly as insufficient consideration was given to (dis)incentives for target groups to invest efforts in this area.	5
Efficiency	Programme's efficiency is considered low. The Programme had an effectiveness lag of 21.3 months. Its activities started in 2002, however the first projects commenced in 2003, due to lengthy approval process of the Programme's Implementing Agency (FONAPAZ). At project completion, IFAD funds' final disbursement stood at 98%. During implementation, administrative expenses increased from 9% of the initial budget to 21.4%. Other factors undermining efficiency were: i) dispersion over too many (sub)components; ii) Implementing Agency's approval procedures poorly adapted to implementing multiplicity lines of activity; iii) the replacement of all programme team members in March 2008 and changes at Central Government level in 2012.	3
Project Performance		4
Partner Performance		
IFAD	IFAD has made a substantial investment in defining the Programme and has closely monitored its implementation. IFAD also made frequent visits to the field and provided constant support for the development of an M&E system, by making external consultants available from the beginning. After the 2008, IFAD assumed PRODEVER'S direct supervision function, which led to positive results such as a better information flow and thus a quicker response to make the required changes. Most importantly, IFAD also had a notable role at policy level, by marking influence on the Ministry of Agriculture, Livestock and Food, FONAPAZ and other government agencies. Finally, IFAD facilitated an exchange of experience between IFAD projects and other agencies operating in the country and elsewhere in Central America.	5
Cooperating Institution	UNOPS acted as the CI during the first Programme phase. In general UNOPS performed satisfactorily. At the end of 2007, by IFAD decision, UNOPS was replaced by CAF (Andean Development Corporation). In 2008, IFAD took charge of the Programme's direct supervision function.	5

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Government	The GoG fulfilled its financial obligations. Following a prolonged preparation process, FONAPAZ competitively recruited a Programme management and team with sound professional skills and kept it in place until the end of 2007. The continuity of the Programme's management and team was one of the main reasons for PRODEVER good performance. However, the change in team at the beginning of 2008 interrupted the learning curve, and a new team had to begin again to establish relationships with the communities, earn credibility and acquire the knowledge to provide continued support. The same happened in 2012, with changes at central Government level.	5
NGO/Other	PRODEVER made notable use of service providers. It established strategic alliances with Public/Private Institutions (Ixquankil'naleb, CEFAD-URL, AGEXPORT), which were competent in their technical and operating skills and showed a satisfactory performance.	5
Cofinancier(s)	OPEC was not involved in Programme implementation, relying on the monitoring and supervision capacity of IFAD and UNOPS as CI. Its counterpart funds were fully disbursed in 2008.	5
Combined Partner Performance	<i>In general, the cooperation among PRODEVER stakeholders was good.</i>	
Rural Poverty Impact		
Household Income and Net Assets	A marked increase in income through improvements in production and commercialization (in particular coffee, cardamom, mandarin and banana) was achieved for those target groups possessing land. Moreover, thanks to higher incomes resulting from linking producers' associations with processing plants and from more advanced links in the market chain, families were able to improve their household conditions, acquire land (small size) in their neighbourhoods and buying vehicles to improve their transport (mainly bicycles and motorcycles). On the other hand, the results of the diversification process by promoting income-related interventions in handicraft, textiles, tourism were still incipient and only for few of them it was possible to achieve higher incomes and employment opportunities. In total, from 1.5% to 2% of families were able to overcome poverty line in a limited time frame, whereas it is likely that from 2% to 3% of families had some perspectives to overcome poverty until the project's completion in 2011.	5
Food Security	Efforts were undertaken for a broad-based improvement in food security, by diversifying the food-related sources as well as facilitating the introduction of 1200 family gardens, backyard livestock in 261 communities and supporting various vegetable crops in 44 communities. However, according to the IOE's Project evaluation, the introduction of backyard animals and vegetables for family consumption was done in haste, without diagnostics, training or proper follow-up. Thus, the final results were not the hoped ones. In some cases, better food security conditions were achieved in those families with higher income opportunities, so that they were able to diversify their diet.	4
Ag. Productivity	PRODEVER impact has been notable on this domain. The Programme contributed to increase production and productivity by providing technical assistance in all agricultural practices necessary for the establishment, maintenance, harvesting and post-harvest handling, as well as by introducing new technologies to manage the more traditional crops (cacao, coffee and cardamom). It also opted for selecting other production lines (such as citrus fruit and banana) to diversify traditional production systems, although in this case the impact is still incipient. As a result of Programme intervention, the quality of cocoa was improved and its production was doubled, there were higher sales prospects and income opportunities; it was also achieved the organic certification of the product by the majority of producers associations. In the case of citrus fruit and banana, there was an improvement in quality and post-harvest handling process, with a correspondent increase in production and commercialization levels.	5
Agricultural Productivity and Food Security		5
Natural Resources and Environment	PRODEVER had only a modest impact on this domain, if considering the scope of environmental issues in the area of Programmes' intervention and in the country in general. According to the IOE's 2008 Evaluation, PRODEVER has not been successful in preserving the natural resource base, mainly due to the lack of interest among community members in reforestation or family forest management. However, a positive impact was reached with the introduction of improved stoves in 418 households which brought substantial savings in firewood and better cooking conditions and has been much appreciated by the beneficiaries.	4
Human, Social Capital and Empowerment	With regard to human capital, the programme has made a major impact by promoting training and vocational projects, educational projects in literacy, reproductive health, environmental issues and food security. Social capital has been strengthened by legalizing organizations and committees, as well as by promoting grass-roots organisations in poor communities to enable them to move towards self-management, empowering their capacity to manage projects and generate resources, and by broadening the local outlook towards communal and regional development. Community organisations reached new knowledge on organizational operations and management, as in the case of cardamom and coffee producers. Out of the 158 organizations supported by PRODEVER, 90 are	5

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	still in a consolidation process, 35 have reached a certain degree of consolidation (most of them operating in commercial crops), while 24 are still at an incipient stage.	
Inst. & Policies	IFAD supported the Programme's responsible agencies, such as Ministry of Agriculture, Livestock and Food and FONAPAZ, in defining various rural development programmes. In addition, PRODEVER contributed to integrate its activities into the newly emerging municipal development plans. Members of organizations supported by PRODEVER currently participate in these structures, including community development councils (COCODE) and municipal development councils (COMUDE).	5
Markets	Thanks to PRODEVER intervention, there was a shift from a production-driven approach to a market-driven approach. PRODEVER strengthened commercialization as well as marketing skills of organizations; good support to market access was provided by expanding the conditions of access to markets for rural producers, as well as by improving roads and agro-industrial infrastructure. Beneficiaries' participation to local and international fairs also played a role in opening up market opportunities. 40% of the organizations and PROGRAMME-supported groups were able to establish linkages with final buyers at departmental as well as regional levels, thus avoiding intermediaries.	5
Project Impact		5
Overarching Factors		
Innovation	PRODEVER established ways to encourage the development of a region afflicted by the effects of armed conflict and social fabric intern weak. For this area, participatory approaches, and the promotion of social capital were promoted, which were innovative for the area, as well as the initial rating of communities by development level to facilitate selection on the basis of their poverty and potential. Moreover, new technologies and production alternatives were introduced to improve the production and productivity of commercial crops (coffee, cardamom, cacao); more advanced market linkages were also established for production commercialization.	5
Replicability and Scaling-up	There is potential to expand as well as replicate Programme's interventions. Almost 50% of the organizations supported by PRODEVER are likely to be picked up by other rural development projects, such as PRODENORTE (new IFAD's Project in Guatemala), in order to consolidate PRODEVER's achievements.	5
Innovation, Replicability and Scaling-up		5
Sustainability and Ownership	The program managed to establish some strategic partnerships to consolidate beneficiaries' economic and productive business (e.g. with AGEXPORT, MINECO, HAN NEUMANN FOUNDATION, FUNCAFE). It also helped establishing linkages between beneficiaries' organizations and local governments to coordinate and manage new initiatives as well as the transition to PRODENORTE. On the other hand, some organizations still require some kind of support and working capital to keep or broaden their activities, as well as address administrative/financial issues, increase their membership and seek ways to maintain interest and group cohesion. Moreover, for some producers' associations for commercial crops (for example: coffee, cardamom, cacao, fruit), sustainability will depend on future demand for their products.	5
Targeting	PRODEVER applied a focused strategy aiming at prioritizing the poorer and more isolated communities with an income level below the poverty line, and included: landless families, women-headed households, youths and migrating people. Following an initial study, the management defined poverty characteristics and levels in the communities to be served and selected the communities according to the nature of the projects to be implemented.	6
Gender	A gender-focused approach was applied as a cross-cutting issue throughout PRODEVER interventions. The design took into account the experiences of other IFAD programmes implemented previously in Guatemala. Gender considerations were built into all Programmes' activities, and gender training was provided to technical teams and implementers. The Programme gender strategy was properly oriented towards creating conditions to reduce inequality between men and women in terms of participating in decision-making, access to resources, and the use and control of resources. Women not only benefitted from Programme's interventions related to health, literacy, food security, income generation, but they also gained visibility in their communities, strengthening their skills to get leadership positions within organizations and beneficiary communities.	6
Overall Performance		5
Estimated number of beneficiaries		
PCR Quality		
Scope	Overall, the PCR is in line with the Guidelines for Completion Report. However, some of the requested annexes are missing.	5

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Quality	As mentioned in the same PCR, the quality of this document has been affected by the change at Government level which occurred both in 2008 and 2012. This limited the availability of information due to the replacement of the majority of the Programme staff members. As a result, some sections are weak on analysis, with information dating back to 2007 (such as in the case of the impact section). Moreover, it would have been advisable to explain how far the Programme went after the IOE's evaluation in 2008 (i.e. if the suggested recommendations were put in practice or not).	4
Lessons	The lessons learned seem to be fairly reductive compared to the whole Programme's history. In some cases they appear more as a description of some PRODEVER's achievements, without being inserted in a perspective to learn something for a future project.	4
Candour	The PCR is fairly objectives and self-critical. However, in some cases (see Government Performance, efficiency) the assessment has been slightly too positive.	5