

Mexico: Strengthening Project for the National Micro-watershed Programme

Item	Assessment Remarks	Rating
Country & Project Name	Mexico: Strengthening Project for the National Micro-watershed Programme	
Loan No.	626-MX	
Project Id.	1268	
Board Date	17 December 2003	
Effectiveness Date	18 June 2005	
Original Closing Date	21 December 2011	
Final Closing Date	21 December 2011	
Total Project Cost US\$(M)	US\$28.0 million	
IFAD loan US\$(M)	US\$15.0 million	
Cofinanciers (if any)	Global Environment Facility: US\$4.0 million	
Implementing Agency	Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food	
Principal Components	Based on the strategic framework and operational design, the project will implement four components: (i) Human and social capital development: its objective is to enhance the capacity of beneficiaries' grass-roots organizations to participate effectively in social and economic development processes at the local, micro-regional and municipal level and will implement the following activities: (i) support for micro-watershed communities in the preparation of the MMPCP, and strengthen its methodological and operative basis; (ii) implementation of a formal training programme for promotores campesinos; (iii) implementation of a diplomado for field professionals involved in micro-watershed natural resource conservation and development planning; (iv) a programme for strengthening micro watersheds' community organizations and municipal governments; (v) a continuous training programme for micro-watershed technical assistants; and (vi) implementation of a rural communication programme. (ii) Natural resource management. The objective of this component is to contribute to enhancing the quality of life of the target population through activities aimed at improving soil, water, vegetation and biodiversity management and conservation, using the functional unit of the micro-watershed as the basic intervention medium. (iii) Agricultural and non-agricultural development aims to support the watershed peasant population so that they can successfully implement profitable and sustainable economic proposals; and (iv) Institutional development. The project will also include a project executing unit (PEU) including administrative, gender, planning, and monitoring and evaluation units.	
Project Performance		
Relevance	The project's goal was in line with Government of Mexico's (GoM) rural development and poverty reduction priorities and with IFAD Strategic Framework for 2004-2007. The Secretariat of Agriculture (SAGARPA) was the sector institution responsible for general project implementation, under the direct implementation of FIRCO (Shared Trust Risk Fund), which was managing the National Micro-watersheds Program (Programa Nacional de Microcuencas, NMWP), under whose administrative structure the IFAD's project was located. Project's strategy and the design of its components benefitted from the experience gained by FIRCO with the NWMP. On the other hand, at design level, some important flaws can be detected, such as: i) the institutional risk was underestimated as well as the potential change in GoM's priorities; ii) the dialogue and relationship between IFAD and GoM was not sufficiently considered as well as the need find ways to take prompt decisions; iii) the project was weakly positioned within SAGARPA operating strategy; v) there was weak interaction between SAGARPA/FIRCO and FIDA.	4
Effectiveness	The project had a very short life from June 2005 to early 2008. In 2007, in SAGARPA it was decided to eliminate the duplication of programs and to reduce them from 57 to 8. This meant the elimination of a series of programs, including NMWP, which from 2008 onwards, did not get any budget allocation. Consequently, as the IFAD's project was inserted under the structure of NMWP, it also became inactive. In practice, the project worked only during 2007, as over 2005 and 2006, it did not have a formal recognition in the programmatic structure of SAGARPA, nor it did have its own budget. Project's interventions were mainly at output level and thus its specific objectives were not achieved. Its main intervention concerned trainings in different components related-sectors. <u>As far as its specific objective to strengthen human and resources in poor rural communities</u> , it conducted 250 technical training events involving technicians, municipal authorities and inhabitants of the micro-watersheds covered by the project. It also conducted a communication strategy to raise identity and values of cohesion within the communities. Concerning its <u>second specific objective of improving the soil, water and vegetation conservation and management of watersheds</u> , the project run 51 training workshops involving technicians and inhabitants of the micro-watersheds, implementing 9 demonstrative modules for conservation of soil and water, as well as 63 investment projects in small works and construction or rehabilitation of 7 community nurseries to provide native plants for reforestation in the project area. With regard to its <u>specific</u>	2

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	objective of increase income levels for beneficiaries' families in the production and marketing of forestry, crop, livestock and microenterprise products, the project merely conducted some training events and some events to promote business plans and to establish commercial contacts. In terms of <u>its specific objective to support institutional development</u> , the project provided support to the formalization of cooperation agreements with prestigious research institutions and higher education to provide specialized technical assistance services for training and implementation of actions.	
Efficiency	The project was approved in Dec. 2003 and became effective in June 2005. Its closing date was to be Dec. 2010. However, in March 2010 SAGARPA, SHCP (Secretariat of Finance and Public Credit- Finance Ministry), NAFIN (Nacional Financiera), a national development banking institution), FIRCO and IFAD decided to anticipate project's closure to Dec. 2009, although in practice the project had stopped since early 2008, as it had not been given any budgetary allocations. At February of 2010, IFAD's loan final disbursement stood at 29.8%. During 2005-2007, within the FIRCO's authorized budget, resources were assigned to project with huge differences. The first year, the budget was of 11.1 million of pesos; the second year of 9.3 million of pesos; the third year of 37.7 million of pesos. During 2008, no resources were assigned.	2
Project Performance		2.6
Partner Performance		
IFAD	At the design level, IFAD brought its experience in the design of rural development projects, although it is responsible for some important flaws, as mentioned in the below section on relevance. Since 2007, IFAD was in charge of project supervision. During 2008 and 2009, the country program manager (CPM) went to Mexico and had meetings with FIRCO's managers in order to find ways to rescue project's execution. The PCR mentions that IFAD did not happen to be a strategic partner and did not transmit its experience and knowledge on similar rural development projects implemented in other countries. It would have needed a closer and stronger support on IFAD' side, which happened to be in place only during 2009, when it was already too late.	3
Cooperating Institution	The United Nations Office for Project Services (UNOPS) was the Cooperating Institution from the project's start to 2007. It conducted 4 missions, during which UNOPS worked jointly with the Project Execution Unit in identifying and trying to solve those problems which were harming project's full operation. Contacts were also established with NAFIN to find ways to improve disbursements' management. No other information is available in the PCR. In the only available supervision mission report (2006), major project problems were rightly pinpointed and highlighted by UNOPS.	4
Government	As project's borrower, the GoM, represented by SHCP, did not provide the committed resources in order to implement the project according to the Loan Agreement with IFAD. At the time of restructuring programs within SAGARPA (2007), there was a lack of consideration of the commitments made by the GOM in implementing the project, without even establishing a formal agreement with IFAD to close the project. The PCR mentions that during 2007 and 2008, FIRCO tried to find ways to rescue the implementation of NMWP and the IFAD project. However, its efforts were not successful within the National Technical Committee, which is SAGARPA's highest internal organism in charge of taking decisions on the management and implementation of policy and sectoral programs. Interestingly, the PSR mentions that during 2009, IFAD tried to approach FIRCO to rescue project's implementation. However, FIRCO did not provide any institutional answer, this implying the lack of resolution within the SAGARPA.	2
NGO/Other Cofinancier(s)	NA	NA
Combined Partner Performance	<i>The relationship between IFAD and the Secretariat of Treasury and Public Credit was very unsystematic and it was limited to some meetings during the supervision missions. The lack of dialogue between these two institutions contributed to the lack of interventions to reactivate project's life. The relationship among NAFIN, FIRCO, IFAD and UNOPS was cordial and cooperative in order to respond to project's needs. However, the main issue about the borrower's commitment to provide the financial budgeted resources for the project's implementation was not properly addressed, which then led to the project's early closure.</i>	
Rural Poverty Impact		
Household Income and Net Assets	Given the project's very short and highly problematic life, no impact is discernible on this domain.	NA
Natural Resources and Environment	Given the project's very short and highly problematic life, no impact is discernible on this domain.	NA
Human, Social Capital and Empowerment	Given the project's very short and highly problematic life, no impact is discernible on this domain.	NA
Ag. Productivity	Given the project's very short and highly problematic life, no impact is discernible on this domain.	NA

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Food Security	Given the project's very short and highly problematic life, no impact is discernible on this domain.	NA
Agricultural Productivity and Food Security	Given the project's very short and highly problematic life, no impact is discernible on this domain.	NA
Inst. & Policies	Given the project's very short and highly problematic life, no impact is discernible on this domain.	NA
Markets	Given the project's very short and highly problematic life, no impact is discernible on this domain.	NA
Project Impact	The project had no impact, due to its very short and problematic life.	NA
Innovation	At design level, the project was meant to include four innovative features. However, as a result of its poor implementation, this criteria cannot be rated as none of these innovations was actually implemented.	NA
Replicability and Scaling-up	The project has been poorly implemented and there are no interventions to be replicated or upscaled.	1
Innovation, Replicability and Scaling-up		1
Sustainability and Ownership	The project's poor performance and its premature closure lead to the absence of interventions which can be considered sustainable.	1
Targeting	At design level, the mechanism employed to determine the target population was linked to the main criteria used to select the micro-watersheds, which was the rural poverty incidence. If the number of rural poor families was more than 65% of the micro-watershed's population, the choice of micro-watershed would be confirmed, while if the number was lower than 65%, another micro-watershed would be selected. The whole micro-watershed population living below the rural poverty line would be a potential direct beneficiary. In relation to the indigenous population there was no specific strategy, as it was assumed that the participatory methodology and the poverty criteria used to identify beneficiaries would ensure the participation of the indigenous population living in the selected micro-watershed. According to the PCR, despite the project's short life, the main project's activities addressed its target population. About 95% of project's interventions took place in localities with high and very high marginalization, 4% in localities with medium marginalization and only 1% with localities with low marginalization level.	4
Gender	Gender was meant to be a cross-cutting issue, aimed at achieving equal opportunities for women along the development process of their communities. 13200 head-households women were meant to be project's direct beneficiaries. The project would apply a strategy for gender equality, by supporting rural women to participate to all project's activities concerning the social, economic and natural resources aspects. The PCR mentions that the gender strategy was implemented through an intense sensitization process of the whole population living in the micro-watersheds addressed by the project. It also counted with the support of the Women's Institutes in each state in order to organize workshops with experts on this theme. It is also reported a higher women's participation in the some of the project's interventions. However, given the project short and poor implementation, project's implementation is considered moderately unsatisfactory.	3
Overall Performance		2
Estimated number of beneficiaries	The project was meant to target 176 000 people (44 000 and 132 000 indirect beneficiaries) living in poor rural areas spread across eight Mexican states. Direct beneficiaries would include rural poor or landless farmers and micro entrepreneurs, in addition to young men, women and children. An estimated 45% of the target population were to be of indigenous origin and 19800 of these people would directly benefit from the project.	
PCR Quality		
Scope	The PCR is only partly in line with the Guidelines for Project Completion. In addition, all the requested annexes are missing.	3
Quality	The quality of the PCR reflects the poor project's implementation ranking.	2
Lessons	An effort has been made to distill some issues as lessons learned, which, however, do not address the real main crucial points faced by the project.	3
Candour	The PCR highlights some important features which have negatively influence project's implementation. However, in general it provides a picture not responding to reality, as it is biased towards a positive appreciation of the project's (very poor) results.	3