

### Venezuela: Agro-productive-chains Development Project in the Barlovento Region

Item	Assessment Remarks	Rating
<b>Country &amp; Project Name</b>	<b>Venezuela: Agro-productive-chains Development Project in the Barlovento Region</b>	
Loan No.	547-VE	
Project Id.	1186	
Board Date	18 January 2002	
Effectiveness Date	30 August 2003	
Original Closing Date	31 March 2010	
Final Closing Date	31 May 2010	
Total Project Cost USD(M)	USD 17.0 million	
IFAD loan USD (M)	USD 13.0 million	
Cofinanciers (if any)	USD 3.0 million from Government; USD 1.0 million from beneficiaries	
Implementing Agency	Foundation for Training and Applied Research in Agrarian Reform (CIARA)	
Principal Components	The general objective is to improve productive, social and organizational capabilities of beneficiary families, achieving efficient and integral links to local and national markets and managing productive activities efficiently and sustainably. Specific project objectives aim to: (i) develop human resources and local grass-roots organizations, strengthening their capacity for participation in local social and productive development programmes; (ii) raise beneficiary income through improvements in on-farm and small rural enterprise production, productivity and marketing, as well as through promotion of the vertical and horizontal integration of productive activities and consolidation of economically oriented organizations; (iii) promote the capitalization of beneficiaries' farms and small rural enterprises through specific funds and the formation and consolidation of local, self-governing savings-and-loan organizations; and (iv) promote gender equality in local social- and economic development processes. Project's components are: i) promotion of rural development; ii) sustainable development of agro-productive chains; iii) rural capitalization.	
<b>Project Performance</b>		
Relevance	At design level, the project was relevant for rural poor needs. In addition, the general project's strategy and rationale were framed within IFAD's country strategy as well as current Govt policies and priorities. However, the dramatic institutional, economic and socio-political changes occurred during project's life required an early project's restructuring by IFAD, which however, was only conducted at the 2008 mid-term review (MTR), nearly at the end of project's life. As a consequence, during the course of the project's implementation, the project management unit (PMU) had to adjust on its own the original project's design according to the new political vision of the new socialist Government, which affected the project's structure as well as its implementing modalities. The project's logical framework was revised four times; however, these changes were not presented to IFAD, neither the cooperating institution/ CI nor the Government.	4
Effectiveness	Project's effectiveness has been only moderately achieved. A constraining factor has been the long time elapsed between project's approval (January 2002) and the starting of its actual implementation (Sept. 2004). In addition, after the 2008 MTR and during its last two years of implementation, the project came to a halt and only few activities were implemented. Project's direct beneficiary hhs have been 3445, thus showing an achievement of 43% with respect to the ex-ante evaluation (EEA) target as well as to the revised project target. Although the formation of the local savings-and-loan institutions has been affected by the lack of an operational strategy as well as by the new institutional and political context that paralyzed it until 2007, the establishment of 24 local savings and loan institutions represents one of the project's main achievements. The project also contributed to develop human resources and local grass-roots organizations, strengthening their capacity for participation in local social and productive development programmes. At this regard, 40 socio-productive organizations have been supported, as well as 350 community leaders have been trained to join committees, communal councils and other community organizations. The increase in the beneficiary income has been more marked in case of the cocoa producers and processors as well as banana producers. The lack of a specific coordinator for the Rural Capitalization component weakened project's achievements in providing support to local financial organizations. The PCR also highlights that the project did not implement a differentiated strategy according to the different geographic, social and productive areas.	3

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Efficiency	From the few information provided by the PCR, it seems that project's efficiency has been low. Project's efficiency has been affected by the huge time gap between project's approval (January 2002) and the starting of actual implementation (Sept. 2004). In addition, project's operating costs have been high, with USD 2.4 million. Finally, the final rate of project's disbursement stood at 62%.	3
Project Performance		3
<b>Partner Performance</b>		
IFAD	IFAD is deemed responsible for the late implementation of the MTR, which was conducted nearly at the end of project's life. This prevented the project from timely facing problems it had been going through during its implementation. In addition, it seems that IFAD did not ask for any information/clarifications when the project decided to reduce the target group number, although for this type of change, there should have been requested both IFAD's approval as well as Loan amendment. As supervision was a duty of the Andean Development Corporation (CAF), the feeling is that IFAD's presence during project's implementation was low.	3
Cooperating Institution	Very little information provided on CI's performance. Although the PCR has a rosy tone, it seems that CAF's role in supervising was weak.	3
Government	The performance of Govt has been characterized by the unstable political climate during which the project was implemented. For example, due to the new political vision of the new Socialist Govt, the establishment of the loan and savings associations was abruptly stopped. In addition, the frequent changes in CIARA's ascription did not guarantee the project's administrative and institutional stability that it would have been needed. The performance of the PMU, located physically far from the project's headquarters, also affected the smooth implementation and effectiveness of the project's administrative activities. The audit reports have been also provided after the date established by the Loan Agreement; the quality of these reports was also deemed not entirely satisfactory. In addition, there was a poor integration and communication between the different components and the PMU, which on several occasions generated duality of interventions. More important, the PMU made several changes to the project's original design, without officially informing neither IFAD nor the cooperating institution/ CI (for example the decision to reduce the number of direct beneficiaries). On the contrary, these changes would have needed IFAD's official authorization as well as loan's amendments. With regard to the component aiming at Rural Development promotion, the high turnover in the component coordinator affected the component's achievements.	3
NGO/Other	The project benefitted from the participation of several service providers, NGOs, private as well as government institutions. However, the PCR does not provide any information on them in order to be able to rate their performance.	NA
Cofinancier(s)		
<b>Combined Partner Performance</b>	<b><i>There is little information about collaboration between partners. However, there is a feeling that there was a lack of interaction among project's stakeholders, which did not act proactively in order to solve major project's issues.</i></b>	
<b>Rural Poverty Impact</b>		
Household Income and Net Assets	The PCR mentions that thanks to the improvement of the production systems as well as the strengthening of the social organizations, the incomes of the beneficiaries participating to the agro-productive chains have increased. However, the achieved results are not compared to any baseline, thus not allowing to understand the magnitude of this impact. It also mentioned that, as a result of the establishment of the 24 loans and credit associations, 88% of the project's communities have easier access to financial resources, which allowed beneficiaries to get those assets needed for their livelihoods as well as for managing small-scale productive activities. In addition, the project also started providing infrastructure and technological assistance to 6 units for cocoa processing; it also supported the building of a touristic hotel. These two initiatives should provide employment and higher income opportunities.	4
Food Security	The PCR does not provide sufficient information to assess if better nutrition levels have been achieved. The PCR only mentions that the project installed 98 family vegetable gardens, which contributed to increase family's food disposal for 43% of the project target group. Also the nurseries supported by the project for cocoa, mandarin and banana production were beneficial to achieve improved nutritional levels. However, the overall impact is deemed only moderately unsatisfactory.	3
Ag. Productivity	Project's main impact has concerned mainly cacao and mandarin plantations. The project contributed to restored 1930 has of cocoa, whereas 801 have been reforested. It also provided 1303 producers with trainings and new skills in order to adopt new techniques to better manage plantations. With regard to mandarin, 814 has were rehabilitated and 14 has were reforested. In addition, 50 has were planted with new yucca varieties. Less positive results have been achieved with regard to banana plantations.	3

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<b>Food Security and Agriculture Productivity</b>		3
Natural Resources and Environment	At design stage, it was expected that investments and actions under the technologies proposed for cacao, mandarin oranges, banana and tropical roots would alleviate and recover some of the areas in danger of degradation. It was also expected that reduction of soil erosion, better watershed management and restoration of biodiversity were among the expected environmental benefits. During its implementation, the project contributed to reduce the risk of floods for the cocoa plantations, by clearing about 171 km of spouts closer the plots of lands. It also sponsored technical training in order to use organic products within farm works (fertilizers, fungicide, weedkillers).	4
Human and Social Capital and Empowerment	Within this domain, project's impact has been notable. Thanks to the project, there have been: i) an empowerment of local actors; ii) a higher capacity for social and economic management; iii) the consolidation of social and economic organizations leading production processes. As a result of project's intervention, there are more human resources capable of managing the rural population's development processes, mainly thanks to the efforts of the School of Human Talents "Guillermo Rivas", in Barlovento. This School succeeded in adapting the project to the Barlovento's context and culture. It promoted a continuous training and knowledge sharing process among the community leaders, together with promoters, financial specialists and service providers who work with the communities. In addition, thanks to the project, an administrative team (comprising only people from Barlovento) has been trained, with skills in public management tasks; it has been also established a management model based on large and decentralized networks of service providers, technicians, leaders and change agents. With regard to human capital, the project also had a positive impact through the construction of aqueducts which guaranteed an easier access to water.	5
Institutions & Policies	During its implementation, the project established 117 Communal Councils as well as 17 cooperatives; it also supported 81 pre-existing organizations, for a total of 215 organizations. In addition, the project withstood national Gov't missions (fondos zamoranos) with training, consultancy and support in organizational and productive areas. The project also established 24 rural loan and savings associations, of which 18 are consolidated, while the remaining 6 are still in an incipient phase. On the less positive side, the project was not able to link the rural micro-finance system to the commercial public banks. In addition, the project established only weak relationships with local governments in order to jointly work on social development issues. This limited the opportunity to implement community-focused social development projects.	4
Markets	The project put some effort in providing training on marketing. However, in the cocoa as well mandarin production chains, there are still difficulties to process and market these agricultural products.	3
<b>Project Impact</b>		<b>4</b>
<b>Other Performance Criteria</b>		
Innovation	The project presented three main innovative features: (i) integrated implementation of rural-development and productive-chain-development components, which address the social and economic constraints of project beneficiaries in synchrony and coordination and in a participatory manner; (ii) an agro-productive-chains approach to agricultural and non-agricultural development that focuses on the simultaneous solution of production, post-harvest, transformation and market constraints present in beneficiary economic activities, thus promoting incremental income through vertical, horizontal and market integration and (iii) organization of an inter-institutional mechanism to promote the exchange of proven methodologies and best practices among IFAD-government-and other donor-supported projects and programmes in Venezuela.	5
Replicability and Scaling-up	Few information are provided at this regard. The 120 young professionals who joined the technical and administrative project's team, (social promoters, service providers and administrative assistants) represent an opportunity of human talents deeply-rooted in the region. These young people could use the newly acquired skills in public management tasks to manage other development projects. In addition, the management model that has been established based on large and decentralized networks of service providers, technicians, leaders and change agents, could be replicated for other interventions of rural development.	4
<b>Innovation, Replicability and Scaling-up</b>		<b>4</b>
Sustainability and Ownership	Within this regard, the project should: i) strengthen its efforts in production-chains, ii) guarantee the institutional sustainability of the School "Guillermo Rivas", iii) keep on supporting the grass-roots organizations that have been recently built up and still need the project's support. The sustainability of the Communal Councils, of which only 20 out of 123 are active, depends on the project's effort to link them with the local and regional governments. In order to ensure the sustainability of the 24 savings-and-loan	3

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	institutions, mechanisms should be included to increase the number of their members as well as to get a higher rotating working capital. The 120 young professionals who joined the technical and administrative project's team, (social promoters, service providers and administrative assistants of the co-executing agencies) represent an opportunity of human talents deeply-rooted in the region. Other municipal and governmental institutions have already benefitted from the experience of these young professionals.	
Targeting	Project targeting was good. Project beneficiaries comprise small farmers with landholdings of less than 5 ha and more than 1 ha as well as landless rural workers and/or small-scale processors. These groups present daily family incomes of USD 1.60 for poor families and USD 1.00 for extremely poor families. They also live in highly vulnerable environmental areas, also lacking basic infrastructure and public services (light, water, transport, gas). According to the Ex Ante, direct project beneficiaries have been estimated at 12 000 families. However, during project implementation, this number was reduced to 8000, as according to the Census conducted by the PMU, the original number estimated at Appraisal was much higher than the effective one.	5
Gender Equality and Women's empowerment	The project implemented a comprehensive gender approach aiming at reducing social and economic inequalities currently affecting rural women. A notable effort was made by providing training in gender-related issues to 399 community leaders as well as to 105 technicians. With regard to women's participation to the project's activities, the project has overcome its targets with a 53% of participating women against an initial target of 30%. In addition, women made up 57% of the members of the savings-and-loan institutions. Women's participation has also been enhanced in the productive sectors; In addition, they have benefitted from the establishment of 97 family vegetable gardens, which contributed to increase family's food disposal. On the less positive side, there project lacked of a differentiated gender strategy according to the different production systems (cocoa, yucca, mandarin and banana) as well as project's interventions concentrated mainly in the plains, with less emphasis on the other project areas. Finally, a strategy to reduce women's workload and child rearing was not implemented, as foreseen at Appraisal.	5
<b>Overall Performance</b>		<b>4</b>
Estimated number of beneficiaries	Estimated project target group: 16 500 families. Direct project beneficiaries estimated at 12 000 families, comprising: i) families headed by 8000 men and women small farmers; ii) 1500 landless and wage-workers; iii) 500 families who are members of local savings and loan organisations; iv) 2000 rural families who are beneficiaries of social investment programmes. After the MTR, the 12 000 target has been reduced to 8000 families.	
<b>PCR Quality</b>		
Scope	The PCR is only partially in line with the guidelines and it lacks many of the requested annexes	3
Quality	The PCR lacks a more systematized and in-depth analysis of the project's main strengths and weaknesses. In addition, few quantitative figures have been provided.	3
Lessons	The lessons learned are too few and weak compared to the huge number of problems the project had to face.	3
Candour	Although the PCR is sometimes critical, it generally uses too much of a rosy tone, for example at the time of assessing partners' performance. In addition, other critical information that have been presented in the MTR, have not been mentioned in the PCR.	3