

Peru: Management of Natural Resources in the Southern Highlands Project

Item	Assessment Remarks	Rating
Country & Project Name	Peru: Management of Natural Resources in the Southern Highlands Project (MARENASS)	
Loan No.:	386-PE	
Project Id.:	475	
Board Date	September 1995	
Effectiveness date	April 1996	
Closing date	June 2005 (extended by GoP request)	
Total Project Cost USD(M)	USD 15 million	
IFAD loan USD (M)	USD 12 million (12 278 900)	
Cofinanciers if any	Opec\$4.0M	
Implementing Agency	Ministry of Agriculture (MINAG)-note the Andean Development Corporation (CAF) was a partner but not donor and OPEC was supposed to donate an additional 4 million that did not materialize	
Principal Components	(i) Training and technological change; (ii) Production support services	
Project Performance		
Design	<ul style="list-style-type: none"> · Innovative. Opening bank accounts and counterpart funding on the part of the communities linked them to the formal economy · Designed to help rural communities to help themselves through capacity building and tech assistance identified by the communities themselves. · "Contest" structure was effective in creating participation and demand for project services. Also flexible enough to adjust the amount and type depending on local needs, harvest schedules, etc. 	5
Implementation	MINAG was the national counterpart for implementation and the cooperating institution was CAF (Andean Development. Corp). Very flexible to expand funding and add modifications for the different components as needed. Appears to have been implemented in total partnership with GoP, communities and IFAD with conditions developed and accepted by all partners (there were however some delays and bureaucratic problems).	5
Relevance	<ul style="list-style-type: none"> · MINAG is seeking additional resources to continue, replicate and expand project. · Demand driven and highly innovative. 	5
Effectiveness	Main objective was to improve NRM (natural resource management) in the Sierra Sud and improve the commercial value of NR. This was to be achieved through technology; empowerment (gender and community); improving productivity and expanding production; capacity building; and contests. Almost all objectives were met and exceeded.	6
Efficiency	<ul style="list-style-type: none"> · At a cost of \$400/family with very positive results for approx 13000 families lifted out of their poverty categories and more than 36000 families improved their income and increased assets · Direct transfer of funds for communities that had a high degree of participation and empowerment from direct fund management · Political situation made initial implementation difficult at first. 	5
Partner Performance		
Partner Perf. & Quality	The contribution of 4mil that was supposed to come from OPEC never materialized and had an impact on the AFA fund (agricultural expansion fund) that was responsible mainly for infrastructure. The project was able to compensate somewhat by involving communities to submit development plans into a bidding system. Not all infrastructure was financed but communities have their own development plans that can later be financed through other sources.	IFAD-5; GoP-4; CAF- NA; OPEC -1
Rural poverty impact		
Physical Assets	Families/communities have incorporated new technologies; improved land and increased physical assets (land, livestock, stables)	5
Food Security	All families that were direct beneficiaries achieved food security (also see 'rural poverty')	5
Environment	Identified natural resource deterioration as main cause of poverty. Large component that included: organic production of ag products; NRM; planning and technology. Positive impact on poverty/environment link, not clear about impacts of expansion	5

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Human Assets	Improved standard of living (stoves, latrines, separate rooms for kitchens, decreased household workloads-esp. for women). Time saved has allowed for increased school enrolment (and attendance) for men, women and children	5
Soc. Cap. & Emp.	Large scale empowerment in fund management and participation; local organizations strengthened	5
Ag. Productivity	Increased agricultural frontier as well as productivity considerably. Quality and quantity of food for consumption has improved. Increased livestock production and improved irrigation	5
Inst. & Serv.	Project has had institutional impact in that project experiences will be incorporated into national policies and replicated in other regions	4
Financial Assets	Community participants worked within the formal banking system (but still depend on outside funding to an extent); increase in incomes through low cost inputs and improved productivity in agriculture	4
Markets	Local formal markets developed.	4
Rural Poverty	10000 families went from "extremely poor" to "poor" classification; 3000 from "poor" to "non-poor"; goals for income and asset increases reached for 36000 families; improved management of natural assets and expansion of agricultural frontier; all direct beneficiary families achieved food security and improved production, physical assets and incomes	5
Overarching factors		
Targeting	Seven provinces with the highest poverty levels in Peru—esp. post conflict areas where community structures were disintegrating. Regions were target of COSOP.	6
Gender	Positive impact on gender awareness. One instrument was capacity building for men and women on the subject of human rights, gender, participation, responsibility and representation. Positive impact on social, economic and productive participation and they received preferential treatment for tech assistance. However, women trained and brought into the "internship" program is relatively small 876/3986. It is not clear why	4
Sustainability	At project conclusion several studies and evaluations were carried out to ensure projects would continue beyond intervention. Some additional funding would be necessary. <ul style="list-style-type: none"> Political: Strengthened and empowered local communities to participate and replicate MARENASS. Strong government and stakeholder interest. Social: strong gender component. Community support Institutional: unclear Economic and Financial: Good, local formal markets developed and the community participants worked within the formal banking system Environment: Good, one major component was NRM, minimizing external inputs. Local control over the ecosystems. Technical: Appropriate technical solutions and training for local use 	4
Innov, Rep & Scaling	The methodology is both innovative and replicable. Fund transfers directly to communities proved to be very effective and efficient. Plans were made with "Talking Maps, included technical assistance, generated a participatory process that helped in M&E as well. Created contests where local leaders were trained to pass on information and technology that made for low cost and efficient training mechanisms. Developed a local, private technical assistance market.	5
Overall Performance	Very substantial contributions to poverty indexes, quality of life, natural resource management capacity and organizational strengthening. This project has been evaluated by several entities and used as a case study for "Ten keys to successful rural development" (and several IFAD studies).	6
Contribution to IFAD Strategic Objectives	Project was designed to specifically meet all three SO's and has successfully contributed to all of them	6
Contribution to MDG's	1) Improved poverty indicators and food security; 2)N/A but likely indirect impacts; 3) Strong gender component (and objective) but the number of women trained and brought into the "internship" program is relatively small 876/3986. It is not clear why; 4,5 and 6) likely indirect impact; 7) positive impact in improved capacity to manage and awareness of NRM and poverty linkages	5
PCR Quality		5
Scope	Covered all major points	5

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Quality	Clear and well written. Includes all components and discusses each section with a fairly good amount of detail	5
Lessons	Lessons learned section is fairly positive but from the document itself it appears like some lessons were incorporated into the project from past experience and from the project itself. Good features and replicability were brought out as were the benefits of empowerment, demand driven approaches, gender rights (human rights training), and the production focus for NRM among others.	5