

## Guyana: Poor Rural Communities Support Services Project

Item	Assessment Remarks	Rating
<b>Country &amp; Project Name</b>	<b>Guyana: Poor Rural Communities Support Services Project</b>	
Loan No.	436-GY	
Project Id.	1009	
Board Date	4 Dec 1996	
Effectiveness Date	4 Mar 1999	
Original Closing Date	31 Dec 2003	
Final Closing Date	31 Dec 2007	
Total Project Cost USD(M)	USD 13.13	
IFAD loan USD (M)	USD 10.50 (91% disbursed)	
Cofinanciers (if any)	Caribbean Development Bank (CDB): USD 2.50 million	
Implementing Agency	Ministry of agriculture	
Principal Components	The project's objective was to reduce rural poverty by: (i) increasing rural incomes, (ii) expanding the production and productivity of small farmers of rice and non-traditional crops and livestock; and (iii) fostering the promotion of rural micro-enterprises by means of providing efficient and sustainable support services to rural communities in Regions 2 and 3. Its specific objective was to <b>provide efficient and sustainable support services to rural communities in selected regions of the country with particular focus on rural households headed by women</b> . Project components included: (a) Drainage & Irrigation component; (b) Credit Component; (c) Community Infrastructure Component (CIF)	
<b>Project Performance</b>		
Design	Project design follows a model successfully applied in the Caribbean region. It implies a comprehensive approach to socio-economic change and empowerment of the target group that integrates the social and economic aspects of poverty. Transposed to Guyana, the design was too complex for the implementation capacity of the PMU and the assumptions on the availability of technical support services and qualified staff was not realistic. It was assumed that financial sustainability of ag. support services would be promoted by decentralizing and privatizing them. This assumption was too optimistic. Also, the targeting mechanism showed weaknesses in that it did not allow the needs of the most vulnerable to be properly addressed.	3
Implementation	Project implementation was affected by: (i) social and political conflicts, (ii) increased level of crime; (iii) economic stagnation; and (iii) adverse climatic conditions over past 3 years (heavy rainfalls, flooding). The project was based on a demand-driven approach, but implementation was hampered by the absence of qualified staff at national level, unable to internalize and implement the approach. The project management unit (PMU) was slow and lacked coordination in its interventions. Approval processes for development and infrastructure (D&I) projects were slow (4-5 years) and priority was given to large scale D&I projects which required little beneficiary involvement, with an altogether negative impact on beneficiary participation and ownership. Group membership declined and because of the delays in processing requests, beneficiaries were forced to accept substandard works. A baseline was carried out in 2001, i.e. 2 years after effectiveness but the M&E system was altogether weak. The PMU was continuously understaffed. 21 persons resigned and were not systematically replaced, incl. the Project Manager. One of the reasons for high staff turnover was low salaries which were not adapted despite the CI's request.	2
Relevance	The project was designed to meet the priority needs of the rural poor, using infrastructure as a means to create the basic conditions for sound and sustainable socio-economic processes. However, since the project shifted from a support services-oriented project responding to existing demand to an infrastructure-driven project, it lost some of its relevance. It was therefore less relevant at completion than at design. By contrast, the project was highly relevant in responding to Government's development priorities. To some extent, it was ahead of what became later the National Development Strategy and then Government's first PRSP.	4
Effectiveness	Assessment of project effectiveness is rendered difficult due to the weakness of the M&E system in place. Data on results and outcomes was scattered and incomplete and impact data quasi inexistent. Project effectiveness was affected by the general lack of ownership and empowerment among beneficiary groups. D&I infrastructure works were carried out without proper financial and marketing analysis. As a result, some incomplete works were financed. TSS was given less importance than originally foreseen. Beneficiary training was altogether insufficient and untimely (done in 2006). The credit component was partly effective due to the positive partnership with the Institute of Private Enterprise Development, a recognized institution. 1864 people got access to 6507 loans, of which 41% were women. Also, only 3% of the loans were non-	2

Item	Assessment Remarks	Rating
<b>Country &amp; Project Name</b>	<b>Guyana: Poor Rural Communities Support Services Project</b>	
	performing. These loans were however not linked to the D&I infrastructure projects requested by the beneficiaries. Project effectiveness suffered altogether from the lack of coordination between components in spite of the holistic approach advocated by the project.	
Efficiency	With an implementation period of 10 instead of 6 years, the project was not efficient. At the end of 2004 (orig. completion date), only 37% of total project costs were disbursed. It reached 90% at its final closing date, but reduced chances of sustainability of the infrastructure provided (little time left to consolidate achievements). Training activities did generally not respond to the needs, they came late (2006) and were therefore not efficient. Regarding the credit component, the PCR concluded that the procedures in place did not allow the revolving fund to start before the last implementation year (all of IFAD resources earmarked for credit had first to be transferred onto the transfer account). The same amount of credit could have been granted with only 30% of IFAD resources. Also, using loan resources to subsidize credit was not sustainable and therefore not efficient. By contrast, costs per beneficiary were relatively low at completion. A revised ERR was not calculated. Lack of coordination among components and long delays in delivery suggest that the resources allocated to the different components did not yield the expected economic returns. Effective participation of beneficiaries in supervision of works could have avoided inefficiencies and improved quality of works delivered.	2
<b>Partner Performance</b>		
IFAD	IFAD held a passive attitude and did not provide the required assistance to the project during implementation. The PCR mentions that IFAD did not try to address the slow implementation pace of the project and problems related to the approach. IFAD did not succeed to re-direct the work of the CI and to avoid that the CI comes up with the same recommendations during every mission. Successive SM dealt with the same topics and made the same recommendations with no action taken by IFAD. Finally, IFAD did not react with sanctions against Government's unwillingness to review remuneration of project staff.	2
Cooperating Institution	The performance of CDB as CI was inadequate. CDB was not prepared to supervise a project where development processes at community level were given as much importance as physical outputs. As a result, CDB supervision focused on infrastructure results and administrative details and not on strategic guidance and impact monitoring. Approval processes were slow, resulting in substantial delays in the delivery of project services to the beneficiaries. Beneficiary groups had to wait 4-5 years for the approval of their proposals - which led to the demotivation of beneficiary groups instead of building up their sense of ownership and responsibility.	2
Government	The PCR seems to indicate that Government generally complied with loan covenants but only 60% of expected Government contribution was paid. Audit report was regularly submitted. Government ownership of the project was inadequate, in particular on the side of the MoF. The PMU was understaffed almost throughout the duration of the project. Major key positions were vacant for longer period of time including the project manager position. Altogether, 21 persons resigned from the PMU and were not systematically replaced. The main reason for this high turnover was the low salaries which were cut by half in 2001. The CI requested Government to review the salary scale applied to project staff, but this never happened.	2
NGO/Other	Not assessed.	NA
Cofinancier(s)	See CI	2
<b>Combined Partner Performance</b>	Collaboration and communication between partners was apparently weak.	2
<b>Rural Poverty Impact</b>		
Physical Assets	The D&I infrastructure component should have substantially contributed to improving household ownership of physical assets. Given, however, the low ownership of the project among beneficiaries, impact on physical assets was probably moderate.	3
Financial Assets	Implementation of the credit component was entrusted to the Institute of Private Enterprise Development (IPED), a recognized institution. The on-lending agreement established between IPED and the project fixed a lower than market rate of 15% for the beneficiaries (subsidized interest rate). Using loan resources to subsidize the interest rate was however not sustainable and therefore not efficient. The credit component was effective in terms of providing access to credit to the rural poor by delivering 6507 loans to 1864 individuals, of which 41% were women. Only 3% of the loans were non-performing. The quality of the portfolio was good essentially due to the experience of the institution and the credit demand assessment study carried out before starting loan operations which provided important insights into the needs and characteristics of the target group. Impact of credit activities was however reduced by the lack of correlation with the infrastructure and training provided. The focus was on short-term loan to non-recipients of TSS or infrastructure.	4

Item	Assessment Remarks	Rating
<b>Country &amp; Project Name</b>	<b>Guyana: Poor Rural Communities Support Services Project</b>	
Food Security	Not assessed. Presumably low, given the little impact of project activities on production, productivity and income increases.	2
Environment	In spite of the direct environmental impact of D&I investments, the PCR states that there is no evidence that the project gave any attention to environmental impact and sustainability. There is also no evidence of sensitization or training in environmental conservation and protection. On the contrary, it appears that the project even promoted environmentally non-sustainable practices (use of chemical fertilizer and pesticides in coastal regions)	1
Human Assets	The project's impact on human assets must have been low, given the low ownership acquired. Training of beneficiaries was insufficient and untimely (done in 2006). It can however be assumed that the provision of D&I infrastructure had some impact on human assets.	3
Social Capital and Empowerment	The project's contribution to building social capital and empowerment was weak. One of the main weaknesses at completion was the general lack of ownership and empowerment in beneficiary groups.	2
Ag. Productivity	Investments in D&I and productive infrastructure should have led to increases in production and productivity. The type and size of the investments financed under the project however suggest that the project did not properly address the needs of the rural poor in terms of production/productivity increases. Also, related infrastructure works were not accompanied by a proper analysis to justify the investments and calculate potential and real productivity and income increases, impact on marketing etc.	2
Institutions and Services	The project developed a valuable experience in the promotion of WUAs but sustainability is questioned given the large amount of infrastructure provided during the last 3 years of project implementation which did not allow achievements, incl. WUAs established, to be sufficiently consolidated. (see section on sustainability)	3
Markets	Marketing and impact on market access was given insufficient attention by the PMU. Production and productivity increases should have had an impact of the marketing of produce. The project however failed to undertake the necessary analysis when screening infrastructure proposals and did not assess the impact thereafter, also because most works were done during the past 2 years of project implementation. Also, TSS training programme of the project did not give sufficient attention to marketing issues which were however raised as common problems by the beneficiaries when discussing issues related to different commodities. As a result, marketing still remains one of the major limiting factors to agricultural production and improved farm income within the project area.	1
<b>Rural Poverty Impact</b>	<b><i>The demand-driven approach advocated by the project failed to be properly implemented. Lack of ownership and empowerment among beneficiary groups was a major constraint to the project's results and outcomes. The project was therefore unable to adequately address the needs of the rural poor. The project also failed to establish an operational link between the components, reducing its overall impact.</i></b>	<b>2</b>
<b>Overarching Factors</b>		
Innovation	The project's demand-driven approach to the implementation of the CIF component was highly innovative: eligible communities would submit project proposals to the PMU formulated with MOA TSS assistance or a hired consultant. Proposals would be reviewed by the Regional Steering Committee and approved by the Project Steering Committee prior to implementation. It was assumed that a more intensive and regular support would be provided to the beneficiaries through contracting qualified TSS. This, however, did not happen and the project faced severe constraint in contracting qualified TSS, which led to very important delays in the implementation of D&I activities (4-5 years).	4
Replicability and Scaling-up	The CDB assessment mentions that the project contributed to the evolution of the policy on water management and the role of WUAs. Also, Government has adopted a PRSP that is very similar to the original project design. The holistic approach stipulated in the original design document would have more chances of success in future project operations since this approach has now been internalised at Government level.	4
<b>Innovation, Replicability and Scaling-up</b>	<b><i>The project was very innovative in its approach and concept, even ahead of time which did not allow it to yield the expected results, outcome and impact. Nevertheless, there are good chances for replicability and scaling up of the original project concept within the framework of the country's PRSP. The project's approach which builds on infrastructure investments together with TSS as a means to foster capacity building and empowerment at community level has more chances of success now than 10 years ago.</i></b>	<b>4</b>
Sustainability and Ownership	The project did not develop a clear exit strategy that would ensure sustainability of project interventions. Sustainability was to be achieved through training and empowerment of beneficiary populations, i.e. their capacity to better manage their own development and maintain achievements. Sustainability of project interventions seems	2

Item	Assessment Remarks	Rating
<b>Country &amp; Project Name</b>	<b>Guyana: Poor Rural Communities Support Services Project</b>	
	however weak, given the lack of ownership and empowerment among beneficiary groups. The future of the WUAs (water user associations) established by the project are of particular concern. They are still weak and need further consolidation. An assessment carried out in 2006 concluded that the successful establishment of WUAs would require much more than capacity building and infrastructure development. It implies a radical change away from established models towards individual and collective responsibility at community level and a new role for the state agencies. It was concluded that all partners involved still have a great challenge ahead. The question remains what institution or programme will take over this responsibility, in the absence of an exit strategy.	
Targeting	Efforts were done during design to target the poorest. This was done though the geographical coverage. In addition, the baseline survey carried out in 2001 provided key information about the poorest in the area of intervention: riverain populations in both regions, Amerindian communities in particular, with a larger share of female headed households. Among eligible beneficiaries, priority was to be given to women headed households. The project however found it difficult to address the needs of the most vulnerable, landless and women. Project interventions mostly dealt with civil works that required secure land titling, thus not addressing the needs of the poorest and implementation of the gender approach heavily depended on international consultancies that were not executed.	3
Gender	Project design was gender sensitive, but implementation largely failed to properly address gender issues. Project design specified that activities would be focused on rural households headed by women. The baseline survey of 2001 pointed at gender inequalities in the non-Amerindian communities and the large share of female-headed households within the Amerindian communities. However, lack of gender specific training of PMU staff and TSS prevented the project from developing a gender sensitive approach and appropriate instruments. To address gender issues, the project relied on international assistance which did not come. As a result, it mainly promoted women-group activities focused on domestic responsibilities with no impact on their economic situation. Also, women representation in WUAs is uncertain but seems to be marginal.	2
<b>Overall Performance</b>	Design was replicated from a successful approach adopted in the Caribbean region, but was not adapted to the specific context of Guyana. The PMU and implementation partners were not able to internalize and implement the approach advocated by the project. Project management was weak, slow and uncoordinated (high staff turnover). As a result, the project shifted away from a demand-driven approach to become an infrastructure-driven project. Services seldom responded to the needs of the rural populations and delivery experienced long delays. Beneficiary groups had to wait an average 4-5 years for the approval of their D&I infrastructure proposals. This had a negative impact on the ownership and empowerment among beneficiary groups has reduced performance of the project.	2
Estimated number of beneficiaries	The project targeted 5000 poor rural households of which: 10% landless, 14% Amerindians, and 30% women headed households. Total direct beneficiaries: 8993 of which 1119 were women (12%). 79% of the beneficiaries benefited from infrastructure and TSS activities and 21% benefited from the credit component.	
<b>PCR Quality</b>		
Scope	The outline was respected and almost all required annexes included, with only the financial and economic analysis missing.	5
Quality	The PCR mentions that little time was allocated to the preparation of this PCR. The PCR is rich in information but not always well structured and it is sometimes left to the reader to bring some of the thoughts to the point. The PCR generally lacks data, due to the weakness of the M&E system in place. Nevertheless, the PCR is of good quality in the sense that it provides essential background information and tries to analyze causes and effects.	5
Lessons	The main objective of the PCR exercise was to draw lessons relevant to the design of a new project. The PCR therefore shows a large section on lessons learned which reflect conclusions drawn from project experience in terms of targeting, gender, beneficiary participation, management, supervision, etc.	5