

## Project Completion Report Validation

### Rural Economic Growth Support Project

### Republic of Benin

Date of validation by IOE: November 2018

## I. Basic project data

			Approval (US\$ m)		Actual (US\$ m)	
Region	Western and Central Africa	Total project costs	47.78		19.96	
Country	Republic of Benin	IFAD loan and percentage of total	8.96	18.8%		
Loan and grant number	Loan 774-BJ Grant DSF-8029-BJ	IFAD grant and percentage of total	8.96	18.8%	16.08	81%
		Government of the Republic of Benin	4.39	9.2%	1.96	10%
Type of project (subsector)		West African Development Bank (BOAD) – loan	9.06	19%	0	
Financing type	Loan, DSF grant	United Nations Development Programme (UNDP) grant	3.04	6.4%	0	
Lending terms *	Highly concessional	Food and Agriculture Organization (FAO) grant	0.50	1%	0	
Date of approval	30-Apr-2009	Cofinancier 4				
Date of loan signature	21-Jul-2009	Beneficiaries	2.93	6.1%	1.25	6%
Date of effectiveness	01-Oct-2010	Financial institutions - loan	9.94	20.8%	0.66	3%
Loan amendments	22-Jan-2015	Number of beneficiaries	72,000 (direct)		117,375	
Loan closure extensions	0	Project completion date	31-Dec-2016		31-Dec-2016	
Country programme managers	A. Barry (current); L. Nsimpati; L. Beltchika; M. Tounessi	Loan closing date	30-Jun-2017		30-Jun-2017	
Regional director(s)	L. Martin (current); I. De Willebois; M. Béavougui	Mid-term review			3-27 Nov 2013	
Project completion report reviewer	Valeria Galletti	IFAD loan/grant disbursement at project completion (%)			91%	
Project completion report quality control panel	Catrina Perch Fumiko Nakai	Date of the project completion report			23-Oct-2017	

Source: President's Report (2009), Project Status Reports (PSR), Project completion report (PCR).

\* IFAD loans granted on highly concessional terms are free of interest. A service charge of three fourths of one per cent (0.75 per cent) per annum and a maturity period of forty years, including a grace period of ten years are applied, starting from the date of the approval by the Executive Board. DSF grants are provided to countries with low level of debt sustainability, as ascertained by the annual debt sustainability assessments carried out by the International Monetary Fund.

## II. Project outline

1. **Introduction.** The Rural Economic Growth Support Project (PACER)<sup>1</sup> was a project in the Republic of Benin aiming to help create the conditions for sustainable rural economic growth and poverty reduction by developing well-integrated value chains for four non-cotton crops with a broader range of markets: roots and tubers, rice, vegetables and pineapples.
2. The project was approved by IFAD's Executive Board on 30 April 2009. The financing agreement was signed on 21 July 2009 and ratified by the Parliament of the Republic of Benin on 25 June 2010. It became effective on 1 October 2010 with 31 December 2016 and 30 June 2017 as completion and closing dates respectively.
3. **Project area.** According to the 2009 President's Report, the project was designed to be implemented throughout the national territory, covering the same areas as two other IFAD financed projects in the country, i.e. the Rural Development Support Programme (PADER)<sup>2</sup> and the Roots and Tubers Development Programme.<sup>3</sup> Given the large area of intervention and the need to avoid dispersion, PACER was expected to operate on the basis of concentration zones to be selected at the beginning of implementation in consultation with stakeholders.
4. **Project goal, objectives and components.** The goal of the project was to help create the conditions for sustainable rural economic growth and poverty reduction. The specific objectives were to support: (i) the development of rural agro-based micro and small scale enterprises (MSEs) and income-generating activities (IGAs) in the priority value chains; (ii) the establishment and strengthening of producers' organizations (POs)<sup>4</sup> able to defend members' interests; and (iii) the construction of rural infrastructure to improve agricultural outputs marketing by the target groups.
5. **Components.** The project had two technical components: (i) development of agricultural value chains; and (ii) rural infrastructure. Each technical component was structured around two sub-components.<sup>5</sup> A management and coordination system was expected to be integrated into the IFAD Framework Programme in Benin<sup>6</sup>, to ensure the coordination, management, and monitoring and evaluation (M&E) of the project.
6. *Component 1* was intended to develop a sustainable decentralized mechanism for promoting the development of selected value chains by supporting 200 IGAs and 400 MSEs. More precisely, PACER planned to: (i) put in place the value chain fund (VCF), a facility for the development or consolidation of MSEs and IGAs (micro-projects); and (ii) provide support and capacity building to the groups promoting IGAs, MSEs and their POs at grassroots, communal and departmental levels.
7. *Component 2* aimed to develop 420 ha of lowlands, construct/rehabilitate 250 km of rural roads, and construct the equivalent of 7,500 m<sup>2</sup> of market support infrastructure in order to promote the development of rural micro-entrepreneurship, access to markets and services for rural producers.

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<sup>1</sup> From the French "Projet d'Appui à la Croissance Economique en Milieu Rural".

<sup>2</sup> From the French "Programme d'Appui au Développement Rural".

<sup>3</sup> From the French "Programme de développement de la culture des racines et tubercules".

<sup>4</sup> From the French "Organisations interprofessionnelles".

<sup>5</sup> Sub-components: 1.1: the VCF; 1.2: support to the professionalization of actors; 2.1: lowland development; 2.2 market support infrastructure.

<sup>6</sup> The IFAD framework programme was created in 2010 under the name PADER Framework Programme to ensure the national coordination of IFAD interventions in the country as well as harmonized approaches, synergies and complementarities among IFAD-financed projects. In 2014, it became the IFAD Rural Intervention Framework Programme (ProCar). The Framework Programme ensures a single coordination and management of the entire integrated programme with key functions being shared among projects (e.g. national coordination, administration and finances, M&E, communication and knowledge management, procurement).

8. **Strategies.** The project's main principles and strategies included: (i) a focus on limited number of value chains; (ii) a demand-driven intervention; (iii) synergies with complementary projects; (iv) cost-sharing with recipients; (v) strategic partnerships with the Government's financing instruments (the Micro-Finance National Fund – FNM<sup>7</sup>, and the National Fund for the Promotion and Employment of Youth Entrepreneurship<sup>8</sup>); and (vi) the introduction of the “push-pull” concept of market-driven support for production.
9. **Target group.** The project target group included women, young people and men involved in the selected value chains belonging to: (i) village-level groups conducting rural IGAs and their inter-professional unions, set up to forge strong value chains; and (ii) individual MSEs characterized by high growth potential, market-oriented economic activities and potential borrowing capacity. According to the Project Completion Report (PCR) the project targeted 72,000 direct and 170,000 indirect beneficiaries in 576 villages.
10. **Financing.** The total project cost at approval was US\$47.78 million, of which US\$17.92 million was financed by IFAD through a highly-concessional loan (US\$8.96 million) and a grant under the Debt Sustainability Framework (DSF) (US\$8.96 million). Additional sources of financing included the following: (i) the West African Development Bank (BOAD, US\$9.06 million loan), the United Nations Development Fund (UNDP) (US\$3.04 million grant), the Food and Agriculture Organization (FAO) (US\$0.5 million grant), the Government (US\$4.39 million), beneficiaries (US\$2.93 million) and financial institutions (US\$9.94 million loan).
11. However, expected co-financing from UNDP and FAO never materialized, while the agreement between the Government of Benin and BOAD was signed with delays.<sup>9</sup> After deducting the co-financing which did not materialize and part of the Government contribution intended to co-finance the BOAD investment, the revised total cost of the project was US\$33.56 million.

Table 1

**Project costs (without UNDP, FAO and BOAD co-financing)**

Source of Funding	Type of financing	Estimated amount (US\$ m)	Estimated amount (% of total)	Actual expenditure (US\$ m) <sup>10</sup>	Expenditure (% of total)	Disbursements (% of estimated amount)
IFAD	Loan	8.96	27	8.04	40	90
IFAD	Grant	8.96	27	8.04	40	90
Government		2.77	8	1.96	10	71
Beneficiaries		2.93	9	1.25	6	43
Financial instit.	Loan	9.94	30	0.67	3	7
<b>Total</b>		<b>33.56<sup>11</sup></b>	<b>100</b>	<b>19.96</b>	<b>100*</b>	<b>59</b>

Source: PCR, IFAD database - Oracle Business Intelligence.

\* Any inconsistencies in percentages are due to rounding up.

<sup>7</sup> From the French “Fonds National de Micro Finance”.

<sup>8</sup> From the French “Fonds National de Promotion de l'Entreprise et de l'Emploi des Jeunes”.

<sup>9</sup> According to the PCR, the financing agreement with BOAD was effective on 23 May 2017 only, one month before the closing date of the agreement between the Government of Benin and IFAD.

<sup>10</sup> According to the PCR an unjustified balance of the initial advance estimated at XOF222 million (approximately US\$390,000) was to be transferred by IFAD before the financing closing.

<sup>11</sup> According to the PCR the total costs of the project were US\$33.56 million. In fact, in the PCR US\$1.631 million from the government contribution for the co-financing of roads (to be mainly financed by BOAD) is deducted from the total amount.

Table 2  
**Component costs**

<i>Components</i>	<i>Planned (US\$ m)</i>	<i>Planned amount (% of total)</i>	<i>Actual amount (XOF bil.)<sup>12</sup></i>	<i>Actual (% of total)<sup>13</sup></i>
Development of agricultural value chains	25.45	76	6.13	58.7
Rural infrastructure	5.16	15	1.65	15.8
Project coordination and strategic partnership	2.95	9	2.66	25.5
<b>Total</b>	<b>33.56</b>	<b>100</b>	<b>10.44</b>	<b>100</b>

Source: PCR.

12. **Project implementation.** The project was designed to be implemented by the Ministry of Agriculture, Livestock and Fisheries (MAEP<sup>14</sup>) and guided by the national steering committee of the IFAD Framework Programme in Benin.<sup>15</sup>
13. The management and coordination of the project was to be led by the Programme Coordination Unit<sup>16</sup> of the IFAD Framework Programme in Benin, with the support of three Regional Support Units.
14. Other envisaged key partners were financial institutions (FIs) for credit delivery and a wide range of service providers, including the following: (i) *Opérateurs Partenaires Polyvalents* (OPP)<sup>17</sup> for community-level work, group formation, training, and information, education and communication; (ii) *Opérateurs Partenaires Spécialisés* (OPS)<sup>18</sup> to provide advisory services and training for financial services associations; (iii) work managers for construction design, tendering and supervision; and (iv) specialized expertise to provide advisory services to MSEs.
15. **Changes and developments during implementation.** Significant changes occurred during implementation, including the following:
  - The BOAD financing, representing 19 per cent of the project cost at approval, became effective only in May 2017, about one month before the expected closing date of the IFAD financing. Co-financing from FAO and UNDP never materialized;
  - Based on the Mid-term Review (MTR) findings and a weak performance of the project, the following changes were implemented: (i) reallocation of IFAD funds<sup>19</sup> and the reorganization of the project subcomponents; (ii) the review of financing modalities under the VCF with the increase of grant rates to facilitate the financing of micro-projects and the restructuring of the fund with a single financing window instead of two;<sup>20</sup> (iii) the limitation of the number of supported

<sup>12</sup> The PCR does not contain data on expenditures by component in US\$. Data on expenditures is only available in PCR Annex 7 and it is expressed in XOF (CFA franc). The exchange rate used is not specified in the PCR.

<sup>13</sup> Being budget and expenditures expressed in the PCR with different currencies (in US\$ and XOF respectively), it is not possible to present percentages representing actual expenditures against budget.

<sup>14</sup> From the French "Ministère de l'Agriculture, de l'Élevage et de la Pêche".

<sup>15</sup> Meeting twice a year, the national steering committee was presided by MAEP and integrated by all the ministries and the representatives of the technical and financial partners involved in the execution of the IFAD Framework Programme in Benin. A technical steering committee was also established for the implementation of the recommendations from the national steering committee.

<sup>16</sup> The Programme Coordination Unit was composed of five technical components and a management system organized around a programme coordinator, an administrative and financial manager, a M&E unit, a procurement officer and secretariat.

<sup>17</sup> Multifunction operating partners.

<sup>18</sup> Specialized operating partners.

<sup>19</sup> The reallocation of funds by categories saw an increase of funds for staff and functioning costs, contracts/service providers, studies, training and technical assistance; and a decrease for infrastructure and the VCF.

<sup>20</sup> The fund was initially designed with two windows, financing processing or production equipment (75 per cent of funds), and the development of emerging value chains and the promotion of PPP respectively (25 per cent of funds).

value chains to five;<sup>21</sup> (iv) the reduction of the targets under component 2 (405 ha of lowland to be developed instead of 420 ha; 6,494 m<sup>2</sup> of market infrastructure to be constructed instead of 7,500 m<sup>2</sup>); (v) the reduction of the number of OPP and OPS involved in project implementation from 14 to seven in 2014 and from nine to five in 2015; (vi) the provision of a financing line of over XOF350 million for the FNM to facilitate the increase of loan resources made available by FIs.

16. **Intervention logic.** The project was designed to support beneficiaries to improve their livelihoods by developing rural agro-based micro and small-scale enterprises and income-generating activities.
17. Capacity building to MSEs and IGAs coupled with the availability of tailored financial services under component 1, and the construction of rural infrastructure under component 2, were expected to facilitate smallholders' engagement in more remunerative activities, improve their access to market and contribute to economic growth and reduced vulnerability in rural areas.
18. The support to POs would further enable all actors (farmers, processors, traders, exporters) to be empowered and influence decision-making within their value chains.
19. The role of women in POs decision-making was also expected to be enhanced through women's participation in capacity building and economic initiatives. Similarly, the inclusion of rural youth as a target group would generate employment and improve livelihoods in rural areas.
20. The integration of PACER in the IFAD Framework Programme in Benin was also expected to improve synergies with other projects in the IFAD portfolio and projects financed by other donors, and to improve dialogue with the Government.
21. **Delivery of outputs.** According to the PCR, the following main activities were implemented and outputs delivered by the project:
  - *Component 1:* (i) the establishment of the VCF; (ii) the selection and training of seven financial institutions participating in the financing mechanisms of micro-projects; (iii) the set-up of three regional committees and a national committee for the approval of micro-projects; (iv) the elaboration of 544 micro-projects (out of the 600 expected) for the benefit of MSEs and IGAs. Of these, 423 were approved and 309 financed; (v) the identification of soy as emerging value chain to be integrated in the financing mechanism; (vi) the mapping of POs operating within the selected value chains; (vii) the support to over 1,200 POs; (viii) the elaboration of 65 value chains mid-term development plans by POs out of the 246 expected; (ix) the provision of training and capacity building to POs, MSEs and IGAs, the organization of 18 exchange visits out of the 40 expected, and the participation to five fairs and exhibitions out of the six expected.
  - *Component 2:* (i) the identification of lowlands to be developed and the selection of 25 sites; (ii) the signature of two framework agreements to conduct studies and ensure the supervision of works for lowland development as expected; (iii) the development of 270.34 ha of lowlands exploited (out of 420 ha expected) by 1,041 producers (out of 1,200 producers expected); (iv) the construction of 6,990.74 m<sup>2</sup> of market infrastructure out of 7,500 m<sup>2</sup> expected.

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<sup>21</sup> Pineapple, rice, cassava, vegetables and soy (the latter identified among emerging value chains during implementation).

### III. Review of findings

#### A. Core criteria

##### Relevance

22. **Relevance vis-à-vis IFAD and Government policies and strategies.** The project's objectives were fully aligned with the Government and IFAD strategies.
23. In particular, the project was in line with IFAD's strategic objectives for 2007-2010 to promote access by the rural poor to financial services and promote non-farm employment and entrepreneurship in rural areas.
24. The objectives of PACER were coherent with the IFAD 2006 and 2011 country strategic opportunities papers (COSOPs) in that they sought to improve access by small and medium-sized rural operations to adapted financial and non-financial services, empower rural poor and help POs and local associations take part in steering and managing economic development within their communes.
25. The project was also coherent with the Growth and Poverty Reduction Strategy<sup>22</sup> 2007-2009 and sectoral strategies of the Republic of Benin, such as the Strategic Agricultural Sector Revitalization Plan 2010-2015<sup>23</sup>, in which the diversification of the economy is considered key to fight against poverty and the promotion of value chains is a major axis for the revitalization of the agricultural sector. In addition, the PACER selected value chains were among priority value chains in the above mentioned strategic plan and in the National Investment Plan for the Agricultural Sector 2010-2015.<sup>24</sup>
26. Further, the development of diversified financial tools, the promotion of infrastructure and the professionalization and modernization of family farms to foster their transformation into dynamic enterprises were among key priorities of the Strategic Plan for the Development of the Agricultural Sector (2011-2015).
27. **Relevance of design.** The project structure along the two components and the supported activities reflected the needs of the targeted populations and were relevant to meet project objectives.
28. In particular, the objectives of the two technical components addressed major structural constraints to rural and agricultural development among small-scale producers in Benin such as the mismatch between financial products and services and the financing needs of the rural environment the lack of access to adapted training and advisory assistance; an unfavorable climate for agricultural entrepreneurship due to poor access to information on economic opportunities and services; and weaknesses in rural commercial activities (e.g. low value added, irregular market supply, lack of quality standards, limited opportunities for conservation and/or processing of agricultural products).
29. The targeting approach was also relevant. The multi-pronged targeting strategy proposed was in line with the IFAD Policy on Targeting and aimed to foster participation, inclusiveness and sustainability by focusing on: (i) areas where IFAD-financed interventions were or had been active; (ii) crops that farmers were familiar with; and (iii) the real constraints of vulnerable groups. Quotas for vulnerable groups (women and youth) were to be established.
30. Nonetheless, the design had some weaknesses. In particular, the weak performance of key stakeholders such as OPS, OPP and FIs (see more below), might indicate a weak assessment of their strengths and weaknesses at design. The tripartite financing arrangement proposed (see more in para 36 below) seemed overambitious and/or not appropriate for this context and the capacities of key

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<sup>22</sup> Stratégie de croissance et de réduction de la pauvreté.

<sup>23</sup> From the French « Plan Stratégique de Relance du Secteur Agricole au Bénin ».

<sup>24</sup> Plan National d'Investissement Agricole.

stakeholders. Nonetheless, those aspects are not discussed much in relation to the relevance in the PCR.

31. Also, although some of the changes and adjustments made during implementation (see Chapter II above) can be seen as an indicator of the capacity of the project to adapt to emerging needs, this was not the case for all of them. In particular, according to the PCR, some of the proposed changes were not relevant and did not result in improved effectiveness. For example, the decision to increase the grant rates for the financing of micro-projects through the VCF was not based on a detailed analysis (e.g. by comparing the proposed approach with other similar projects and initiatives). Also, the decision to re-fund the FNM was not accompanied by a feasibility study and did not lead to improved micro-projects' financing.
32. Overall, project relevance is rated moderately satisfactory (4) by the PCR, one point below the PCR.

### **Effectiveness**

33. **Objective 1 - Development of MSEs and IGAs in the priority value chains.** The first project component aimed at setting up a VCF to enable promoters of 400 MSEs and 200 IGAs to access financing to conduct their productive micro-projects.
34. PACER established the VCF and set-up a tripartite financing mechanisms involving the VCF, the promoters of micro-projects, and the decentralized financial systems.<sup>25</sup> In particular, in order to promote access to credit for MSEs and IGAs, micro-projects were to be financed partly with loans (through FIs) and partly with grants<sup>26</sup> (through PACER funds). Beneficiaries were also expected to co-finance their projects.
35. The socio-economic impact study conducted in March 2017 indicates PACER funded a total of 309 MPs (173 MSEs and 136 IGAs<sup>27</sup>), of which 234 were recorded in the project M&E database. It was reported that only 63 per cent of the credit needs was met for micro-project promoters and the repayment rate by borrowers for MSEs and IGAs was only 82 per cent. Also, according to the PCR, of the registered micro-projects, only 55 were considered viable. Further, according to the November 2016 supervision report, only 60 micro-projects were led by youth.
36. The main causes for the limited achievements under component 1 can be summarized as follows:
  - *The process.* According to the PCR the process for the financing of micro-projects was lengthy and ineffective with 15 steps from the launch of calls for project proposals to the granting of funds. The process lasted more than a year on average with a low completion rate. Further, the non-participation of FIs in the process did not allow them to have a better appreciation of the quality of micro-projects and ensure their financial commitment.
  - *The tripartite funding.* FIs were not compliant with their commitments for triangular financing. In fact, they were often reluctant to finance MPs (particularly those led by youth) and required a guarantee fund or line. As a consequence, in some cases they arbitrarily and illicitly retained a portion of the micro-projects grant financing. This, coupled with the very limited mobilization of funds by FNM and the National Fund for the Promotion and Employment of Youth Entrepreneurship, resulted in the triangular financing mechanisms not effectively and transparently implemented. Although the number of FIs involved in the financial mechanism exceeded the forecasts (seven out of five), their

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<sup>25</sup> From the French "Systèmes Financiers Décentralisés".

<sup>26</sup> The PACER grant initially covered 35 per cent of the cost of the MSEs' micro-projects and 50 per cent IGAs' micro-projects. Grant rates were revised upwards at MTR to cover up to 50 per cent of the cost of MSEs' micro-projects and 75 per cent of IGAs' ones, depending on the total costs of the proposed.

<sup>27</sup> Source: 2016 supervision mission report.

financial contribution to the project remained well below expectations (8 per cent compared to forecasts). Also, it did not enable the project to finance 100 per cent of investment costs for the implementation of micro-projects, thus compromising their profitability and viability.

In addition, the capacity of the promoters of MPs to contribute to the financing of their initiatives was overestimated. In many cases, they could not cover their contribution to micro-projects costs. This was particularly true for youth.

- *Supporting operators.* According to the PCR, the OPP and OPS of PADER were transferred to PACER without an assessment of their performance and without taking into account project needs. They did not have the technical, managerial and financial skills to ensure support to the promoters of micro-projects. Training delivered were often generic and not related to the specific needs of micro-projects.

37. **Objective 2 - Establishment and strengthening of POs able to defend members' interests.** The implementation of activities to support the professionalization of POs showed a better performance. According to the PCR, over 1,200 POs were touched by PACER through key activities such as conducting POs mapping, supporting the creation of communal and interdepartmental unions, restructuring existing POs, supporting the elaboration of POs development plans, providing technical and management training, organizing exchange visits and fairs. Of these, approximately 84 per cent were operational and providing services in 59 per cent of the PACER concentration zones (e.g. facilitating access to inputs and supporting marketing). Further, PACER supported the creation of 37 and six communal unions of pineapple and vegetables producers respectively, and a departmental union for vegetable producers.
38. **Objective 3 – Construction of rural infrastructure to improve agricultural outputs marketing by the target groups.** PACER planned to develop 420 ha of lowlands, construct/rehabilitate 250 km of rural roads and build the equivalent of 7,500 m<sup>2</sup> of market support infrastructure. Targets were revised at MTR with 405 ha to be developed and 6,494 m<sup>2</sup> of market support infrastructure to be built.
39. As of December 2016, 270.3 ha were developed in 25 sites (including 14 rice, nine rice and vegetable, two vegetables lowlands) with a rate of achievement of 66.7 per cent compared to targets at MTR. Lowlands were used by 1,041 producers out of the expected 1,200 mainly for the cultivation of rice and vegetables.
40. According to the PCR, this weak performance is attributable to the following elements: (i) works beginning with one year delay (in year 3 instead of 2); (ii) the early cessation of activities at the end of 2015, one year before the project closing date; (iii) lengthy procurement procedures; and (iv) delays in the implementation of works due to the weak performance of certain selected enterprises.
41. The support to the construction of market infrastructure showed a better performance, with a total of 6,990.74 m<sup>2</sup> built, including the construction of 50 storage facilities and 74 warehouses. However, the PCR has no information on how and to what extent these market infrastructures have been used and what the outcomes are.
42. The construction/rehabilitation of roads, that had to be covered through BOAD financing, was never achieved.<sup>28</sup>
43. Although the project supported the establishment of committees for the management of market infrastructures, a management conflict arose with municipalities considering infrastructures as belonging to communal property. A co-management and revenue sharing system was finally agreed between the different

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<sup>28</sup> However, according to the November 2016 supervision mission report, starting from 2014, BOAD provided resources to conduct feasibility studies for roads construction.



parties (village associations and municipalities) although in a small number of communes only (16 per cent). Also, its application was not effective with village associations being subject to the payment of taxes on their share of revenue.

44. **Summary.** Overall, the project objectives were only partially achieved and activities were implemented with consistent delays.
45. The tripartite funding mechanism under the VCF did not work as expected and the capacity of stakeholders to participate to financing was over estimated. At completion only 309 micro-projects were funded out of the 600 planned. Further, only 55 micro-projects were considered viable.
46. Failure to meet the financial commitments by BOAD, FAO and UNDP, considerably limited the resources available, particularly for the implementation of component 2. Only 270.3 ha were developed out of the 420 ha planned, and rural roads were not rehabilitated/constructed.
47. On the other hand, relevant capacity building activities were conducted for the benefit of target groups and support provided to POs resulting in improved capacities and services offered to members. Further, market infrastructure was successfully built exceeding the expected targets at MTR.
48. Although the project finally reached 108,739 people out of the 72,000 planned, women and youth could not benefit from the project as expected (see more on Section C below).
49. The effectiveness of PACER is considered both in the PCR and PCRV moderately unsatisfactory (3).

### **Efficiency**

50. PACER suffered significant implementation delays since the very beginning with approximately 14 months from the signature of the financing agreement to its entry into force.<sup>29</sup> The year 2011 was dedicated to the set-up of the project framework and its management tools, while field activities only started in 2012. A low level of achievement of targets was recorded in the period between 2012 and 2013<sup>30</sup> mainly due to lengthy procurement procedures, a poor performance of OPP and OPS, challenges in the financing of micro-projects, and the limited Government co-financing. Following the MTR in November 2013, the project improved performance thanks to the support provided to address organizational, technical and financial constraints encountered, also resulting in the revision of targets with more feasible indicators. The lack of financing from UNDP and FAO, coupled with the late approval of BOAD financing further affected the efficiency of the project and the development of synergies among donors.
51. According to the available financial information on the status of cumulative expenditures, the overall financial execution stood at around US\$19.96 million, or 59 per cent of the total costs of the project. This low execution rate was mainly due to a significant shortfall in the contribution by FIs (only 7 per cent of the expected amount of US\$9.94 million), while the disbursement rate for the IFAD funds was at 90 per cent. Also, according to the PCR, the project showed high management costs which represented 25 per cent of the total project costs expressed in XOF.<sup>31</sup>
52. Further, while PACER was designed as a productive investment project with emphasis placed on the financing of micro-projects and the construction of infrastructures, the use of funds at completion indicated a reversed logic with a

<sup>29</sup> The regional average in the Western and Central Africa Division is 9.1 months for the projects approved in the period 2007-2009 (excluding those signed after 2010).

<sup>30</sup> According to the MTR report 23.24 per cent of project budget or US\$8,176 million were spent as of 30 October 2013.

<sup>31</sup> According to the PCR high management costs were mainly due to the fact that starting from 2012, when PADER closed, all project staff was retained by the IFAD Framework Programme. At that time, PACER being the only IFAD financed project being implemented in Benin, all staff costs and overall running costs of the Framework Programme (see footnote 6) were attributed to it. PACER remained the only IFAD project being implemented in Benin until 2014.

high percentage of funds being used for project management and capacity building activities.

53. The results from the economic and financial analysis appear below forecasts at design. The internal rate of return is estimated at 12 per cent (against 19 per cent forecast at design) with an estimated benefit/cost ratio at 1.17.
54. Based on the above, efficiency is rated moderately unsatisfactory (3) both in the PCR and the PCR.V.

### **Rural poverty impact**

55. **Lack of data.** According to the PCR the baseline study was conducted in 2014, almost four years after project effectiveness. Based on the above, the socio-economic impact assessment concerned the last two years of implementation only. Also, it involved 40 communes out of the 59 covered by the PACER and only part of project stakeholders but the data for all categories were combined (e.g. IGAs, MSEs, households).
56. This lack of information coupled with a weak M&E system and performance did not allow the PCR team to conduct a thorough and relevant analysis of the effects and impacts of the project. However, the PCR indicates that the information contained in the impact assessment, data collected in the field as part of the discussions with the beneficiaries and implementing partners, and the conclusions of the stakeholders' workshop enabled the PCR mission to partly assess the impact of the project.
57. **Household income and asset.** According to the PCR a change in the average turnover of MSEs and IGAs was registered with an increase per promoter from XOF368,612 (US\$650 approximately) in 2013 to XOF2,883,192 (US\$5,100 approximately) in 2016, representing an increase of nearly 682 per cent over the period.
58. The evolution of the average rate of return of MSEs and IGAs (from 7.9 per cent to 54.81 per cent over project implementation) is considered in the PCR as an indicator of the good performance of the project compared to the forecasts (10 per cent increase by the end of the project).
59. MSEs and IGAs further generated 994 jobs (572 full-time and 422 seasonal) against the target of 800. Seasonal jobs particularly benefitted youth employment.
60. Household assets also improved, particularly in terms of housing. The percentage of home-owners increased between 2014 and 2016 from 59.4 per cent to 71 per cent for men, and from 41.1 per cent to 56 per cent for women.
61. However, data presented in the PCR in terms of households income and asset are not always coherent or easy to compare<sup>32</sup> and it is not clear how to interpret them. Similarly, it is hard to find consistency between the PCR and the 2016 PACER progress report, covering the period from project start up to 31 December 2016, and including consolidated data on project performance. In addition, the positive performance highlighted in the impact section does not seem consistent/coherent with the rest of the document, in which overall project performance is considered rather negative.
62. **Food security and agricultural productivity.** According to the PCR, the impact assessment study showed that the percentage of households suffering from food insecurity decreased significantly (from 88 to 69 per cent) although in the period from 2014 to 2017 the food security situation deteriorated by 8 per cent for women (see more below). The nutritional situation of children under 5 remained stable.

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<sup>32</sup> For example, in para 47 the PCR indicates an evolution of the average rate of return from 6.3 per cent in 2014 to 88.6 per cent in December 2016 for 234 micro-projects registered in the database; while in the updated logframe it indicates that the rate of return doubled over implementation, from 7.9 per cent to 54.81 per cent.

63. The PACER final report further showed an increase in yields from 2012 to 2016 for all the supported value chains with the exception of pineapple. This is particularly true for rice (132 per cent increase on average), soy (128 per cent increase on average), and vegetables (e.g. 367.95 per cent increase on average for onions). Production also saw an increase (with the exception of pineapple) well exceeding the target of 5 per cent growth.
64. According to the 2016 supervision mission report, the transformation of raw materials into finished products saw a positive development too, particularly for the processing of pineapple juice (from 3,017 kg produced in 2013 to 16,273 kg produced in 2015).
65. **Human and social capital and empowerment.** The project supported over 1,200 POs of which 84 per cent (out of 80 per cent planned) were functional and gained a good maturity level to serve their members (e.g. with a regular organisation of statutory meeting; periodic renewal of leadership; payment of membership fees; existence of action plans). However, POs were not able to develop managerial capacities and ensure the mobilization of financial resources likely to give real impetus to their activities. Also, their capacity to effectively provide services to their members was still under development.
66. **Institutions and policies.** According to the PCR, the project did not bring changes in the policy or institutional framework as a result of project-led policy dialogue activities.
67. Several partnerships and contracts were signed with different public and private organizations such as the technical directorates of the MAEP, OPP and OPS. In some cases, PACER supported their reinforcement to improve the quality and range of services delivered for the rural poor. This was the case for the two laboratories that received adequate equipment for the production of inoculum for soy producers and of pineapple seeds derived from vitro culture; and for the OPP and OPS that benefitted from training on micro-credit or entrepreneurship.
68. Nonetheless, while laboratory support produced convincing results (e.g. improved soy yield) the capacity of OPP and OPS to effectively provide support to the IGAs and MSEs remained weak. Similarly, despite training delivered by PACER, the knowledge and skills of FIs related to micro-credit and their contribution to triangular financing remained overall low.
69. **Overall,** PACER performance was limited with only 309 micro-projects funded (out of 600 planned) and 55 considered viable, and with a low level of achievements under component 2. Further, impact data available in the PCR (particularly in terms of household income and asset) are not always coherent and consistent with other project documents. This, coupled with a weak M&E and an incomplete impact assessment questions the credibility of the data presented in the PCR.
70. Based on the above, rural poverty impact is rated moderately unsatisfactory (3) in the PCRV, one point lower than the PCR.

### **Sustainability of benefits**

71. **Social sustainability.** According to the PCR, PACER generated social cohesion and empowerment at the village level through training, institutional strengthening and capacity building, the participatory approach, support to POs and the set-up of committees for the management of lowlands and market infrastructure.
72. Nonetheless, targeted actions are still needed to ensure sustainability. For example, relevant challenges were observed in the management of market infrastructures, representing a risk for their sustainable use and maintenance.
73. Further, the project was not effective in reaching women and youth (see below), and did not put in place mechanisms to facilitate their participation and ensure they continue the approaches or manage the investments promoted by the project.

74. **Institutional sustainability.** Despite the good level of maturity reached by the majority of POs supported, assistance was still needed to improve their managerial and resource mobilization capacities. Further, POs were not able to seize all the opportunities offered by the project to diversify the range of services provided to their members. Overall, despite progress, supported POs were fragile structures, requiring further capacity building to achieve their empowerment and, consequently, their sustainability.
75. **Economic and financial sustainability.** The project enabled the promoters of MSEs and IGAs to implement micro-projects, improve their entrepreneurial capacities and the management of their activities.
76. Nonetheless, the sustainability of the supported micro-projects was considered weak, with only 55 micro-projects considered viable out of the 309 financed. Without adequate investments and durable and strong linkages with FIs, targeted marketing support and technical assistance, most of MSEs and IGAs will remain at the subsistence level without a large profit margin. This is particularly true for IGAs.
77. **Technical sustainability.** The PCR indicates that although technical assistance provided to beneficiaries yielded some results, weaknesses are still noticed in relation to the management and profitability of micro-projects, and will require further support.
78. **Environmental sustainability.** According to the PCR, PACER did not have any impact on the environment. However, the effects of climate change (droughts, floods) on production were increasingly noticeable and will require tailored support and adapted production techniques.
79. In summary, significant sustainability risks were associated with the maintenance and management of the infrastructure, the quality support services required by MSEs and IGAs, the capacity by POs to deliver services to their members and become independent and sustainable organizations, the sustainability of micro-projects and the availability of micro-credit. Further, notwithstanding recommendations made at MTR, the project did not develop an exit strategy.
80. Based on the above, sustainability is rated unsatisfactory (2) in the PCR, one point lower than the PCR.

## **B. Other performance criteria**

### **Innovation and scaling up**

81. **Innovation.** According to the PCR, PACER introduced and tested some innovative approaches to poverty reduction. These include the following:
  - The creation of value chain consortia, connecting producers or producer groups with transformation/export companies or POs to ensure the sufficient supply of quality inputs and access to markets for the first ones and the provision of quality products for the latter. Six consortia were operational (pineapple, rice and vegetables sectors), although only two had a satisfactory performance.
  - The organization of 25 value chain shows aiming to create or strengthen effective and sustainable business links between value chain stakeholders (seed suppliers, producers, processors, traders, financial structures). According to the PCR, the value chain shows facilitated the signature of 55 formal contracts and the organization of 127 market research trips.
  - The tripartite funding mechanism, aiming to facilitate innovative access to financing for MSEs and IGAs through a tripartite shared costs mechanism, developed in partnership with FNM and DFS. Nonetheless, as above mentioned (see para 36), the mechanism was not effective due to the weak technical and financial capacities of concerned partners, and particularly FIs.

- Innovative technologies, particularly for soy production, including the use of the Jenguma seed and the soy inoculation technique for yield improvement. The limited availability of innovative seeds prevented producers from their use.
82. Nonetheless, the documentation, promotion and adoption of tested innovations were limited and the knowledge management (KM) function of the project did not perform well (see more below).
  83. Overall, although some innovations were introduced by the project, in most cases they were not effective or were not adopted. Based on the above, innovation is rated moderately unsatisfactory (3) in PCR, as in the PCR.V.
  84. **Scaling up.** As previously mentioned, knowledge generated by the project was not adequately captured. Also, while the project introduced some innovative aspects, their adoption was limited and scaling up is unlikely to happen.
  85. For example, the VCF was expected to generate a financial intermediation system regulated by the market with the permanent availability of adapted financial services for rural entrepreneurs. However, the contribution by FIs was not as expected and serious issues were experienced affecting the VCF capacity to deliver financial services. According to the PCR, for replication and scaling-up, the model should be revised (e.g. putting FIs at the heart of the mechanism from the outset).
  86. The PCR.V rating on scaling up is unsatisfactory (2), one point lower than the PCR.

### **Gender equality and women's empowerment**

87. According to the design document,<sup>33</sup> out of the 600 projects to be financed 225 (or 38 per cent) were expected to be led by women and youth. At least 15 per cent of VCF resources was expected to finance their initiatives. A survey had to be conducted at the beginning of project implementation to collect data on the composition of supported groups and MSEs, serving as starting point for the development of a targeting strategy to be developed by PACER.
88. Nonetheless, PACER's efforts to promote the economic empowerment of rural women were limited. In particular, according to PACER 2016 progress report, the project operated in the absence of a targeting strategy at the start-up of the project, and of tools for gender monitoring and evaluation. The 2016 IFAD supervision report further underlines the absence of a positive discriminatory strategy in the analysis, selection and funding of micro-projects. As a result, according to the PCR, of the 173 MSEs funded, only 36 or 21 per cent were women led and their financing mobilized only 28 per cent of grant funding available. According to the 2016 supervision report, the groups implementing the 136 financed IGAs involved 2,225 people of which 72 per cent were women. However, women-led IGAs received 18 per cent of grant funding only against 45 per cent mobilized by mixed (men and women) IGAs.
89. Overall, the project did not develop positive discrimination in favor of women (e.g. in terms of grants, non-financial support and differentiated monitoring) or any other innovation. According to the PCR, the project's effort to identify and support women entrepreneurs with economic potential was insignificant.
90. The project also supported POs to enable women to have equal voice and influence in rural institutions and organizations. Although decision-making bodies of village cooperatives and communal organizations globally included 33 per cent of women, the representation of women in decision-making bodies of communal organizations remained low (17 per cent). This indicates that although the objective of PACER to position women in decision making organs (30 per cent) was achieved, women influence on decision-making was still low. Further, leading roles (e.g. presidency

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<sup>33</sup> Working paper 2 – intervention zones and targets; Working paper 4 – VCF.

and management) were mainly entrusted to men, while treasury/management of cash assumed both by men and women in equal shares.

91. Finally, the project impact assessment showed that the food security situation of women deteriorated in the period from 2014 to 2017 by 8 per cent. According to the PCR, this regression may be due to their limited access to financing indicating the project was not effective in targeting them.
92. Gender equality and women empowerment is rated in the PCRV unsatisfactory (2), one point lower than in the PCR.

### **Environment and natural resources management**

93. According to the President's Report, pursuant to IFAD's environmental assessment procedures, the project was classified as a Category B operation in that it was not likely to have any significant negative environmental impact. Also, the positive effects of micro-projects activities were expected to outweigh any negative effects.
94. According to the PCR, some activities were implemented to improve environment and natural resources management, including the use of improved technologies reducing wood consumption within micro-projects, and the provision of training (e.g. in wastewater management, rational use of fertilizers and pesticides).
95. Nevertheless, according to the PCR, cases of deforestation and poor wastewater management were observed (particularly within cassava processing). Further, although PACER developed 270.34 ha of lowland, it did not elaborate an environment management plan and did not conduct the environmental and social impact study. According to the PCR, this resulted in land conflicts on some developed sites.
96. Taking into account the issues observed during implementation (land conflicts, deforestation and poor wastewater management) and the absence of an environmental and management plan, the PCRV rating on environment and natural resource management is moderately unsatisfactory (3), one point lower than the PCR.

### **Adaptation to climate change**

97. Climate change was not an explicit objective of the project and the section on climate change is left empty in the PCR. However, climate change was recognized at design as a risk affecting agricultural production through water shortages, droughts and extreme weather events. Also, recurrent floods particularly affected rice production during implementation (i.e. in 2010-2011 and 2013).
98. Although some of the activities supported (see above) likely helped climate change adaptation, there were no specific adaptive activities to help build resilience of beneficiaries.
99. Taking into account the project did not have a focus on climate change, this criterion is not rated neither in the PCR nor the PCRV.

## **C. Overall project achievement**

100. Although the project had some positive impact on improving the living conditions of beneficiaries in its area of intervention and contributed to increased production, food security and incomes, results achieved were below expectations. Further, women and youth were not reached as expected and only benefitted to a limited extent from the results of the project.
101. Project performance was particularly hindered by a limited capacity by beneficiaries and FIs to participate to the financing of micro-projects, inadequate capacities of OPS and OPP, the lack of expected co-financing (Government and donors), delays in the implementation of activities, a weak M&E system, and procurement procedures.

102. Expenditures stand at 59 per cent of the planned budget, with 25 per cent of project budget used for project management. This inevitably resulted in the project achieving less than was foreseen.
103. The overall performance of PACER is considered moderately unsatisfactory (3), in line with the PCR.

#### **D. Performance of partners**

104. **IFAD.** According to the PCR, PACER benefited from direct supervision by IFAD with the organization of two supervision missions per year and a MTR mission in November 2013. Missions helped to address organizational, technical and financial constraints experienced by the project and to adjust targets at mid-term resulting in an acceleration of project activities in 2014-2016.
105. Nonetheless, with the exception of the MTR, the composition of the missions lacked the presence of rural finance specialists. Also, the high turnover of Country Programme Managers during the project implementation period (four in five years) affected the quality of support.
106. According to the PCR, IFAD's performance and contributions were appreciated for its flexibility and responsiveness (e.g. timely review of requests of non-objection). However, the processing of withdrawal applications was lengthy<sup>34</sup> and additional support might have been provided, particularly for the development of management tools at the start-up of the project (see below).
107. Finally, although the MTR recommended to find alternatives to BOAD financing to fill the financing gap for the construction/rehabilitation of roads, it seems IFAD did not take action or was ineffective.
108. Based on the above, and taking into account the identified weaknesses in terms of project design, the performance of IFAD is rated in PCRV moderately satisfactory (4), one point lower than the PCR.
109. **Government.** According to the PCR, the provisions of the loan agreement were overall respected and the Government participated in most of the supervision missions, the MTR and the completion mission. The national steering committee regularly held its meetings and played its role in defining the strategic orientations of the project.
110. The technical and financial coordination<sup>35</sup> of PACER was integrated into IFAD Framework Programme (see paragraph 5). Staff was able to efficiently implement their functions. Administrative and financial management and internal control were satisfactory and compliant with IFAD's requirements. The fiduciary risk of PACER, qualified as substantial at the start of the project, improved during implementation.
111. Notwithstanding positive aspects, some weaknesses were also identified including the following:
  - The project team was not proactive enough to provide quick solutions to observed difficulties. For example, it did not put in place any corrective measure against the practice by FIs to retain part of grant funds within the VCF.
  - The systematic transfer of staff from PADER to PACER (see footnote 30) generated conflicts on the roles and responsibilities and a heavy share of salary costs in the project budget, resulting in very high project operating costs.

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<sup>34</sup> On average 47 days passed from the date of receipt of the withdrawal application by IFAD to the date of funds transfer in the period 2011-2013. The situation improved after 2015.

<sup>35</sup> PACER financial management had to be integrated in the IFAD's Framework Programme based on harmonized accounting and financial processes and procedures, and a single designated account for all projects. This required some adjustments to the existing fiduciary management framework. Nonetheless, readjustments were limited and PACER finally had its own designated account and financial management system.

- Ineffective and lengthy procurement procedures<sup>36</sup> affected the implementation of the project. Nonetheless, the recruitment of a procurement manager in 2014 improved the execution of the project procurement plan.<sup>37</sup>
- Cash-flow issues were experienced in the period 2012-2014 particularly due to lengthy procedures for the approval and signature of WAs by the project<sup>38</sup> and for processing them by IFAD.
- PACER did not put in place project management systems and tools at start up, such as the project implementation manual, the targeting strategy, the M&E manual and the baseline study, with a negative impact on project performance.

PACER was particularly affected by the limited use of M&E data for planning and decision making purposes, and a too complex database structure with technical limitations. In addition, quality control of data was found weak. This, coupled with irregular field visits by the M&E officer, raised questions on the reliability of data.

- Despite the importance attributed to KM the project did not develop a KM strategy or system. As a result, project experiences, results and innovations were not systematized, documented and disseminated.
  - The Government showed a limited capacity to mobilize financing for the project.
112. The performance of the Government is rated moderately unsatisfactory (3), one point lower than the PCR.

## **IV. Assessment of PCR quality**

### **Scope**

113. The scope of the PCR is generally in line with the standard report outlines provided in the PCR guidelines, but some sections and criteria are not fully covered (e.g. the section on sustainability). Also, some basic project information, such as data on expenditures by component in US\$ is missing. The scope of the PCR is considered moderately satisfactory (4).

### **Quality**

114. The report's biggest drawback is that data on outcomes and impact is incomplete, due to a weak M&E by the project, and an incomplete impact study conducted upon completion. Although an effort was made in the PCR to compensate this deficiency with the use of other sources, the lack of data did not allow a full assessment of impact and results.
115. Some sections of document are not developed in a clear manner. This is particularly relevant for the Annex 7 and the section on project costs: financial tables and data presented are not consistent, different currencies are used without specifying the exchange rate used, the amount of co-financing by the Government is not clear, and the narrative is not totally comprehensible with reference to unclear implementation periods. As a result, overall project expenditures by components and categories in US\$ do not clearly emerge from the report.
116. Although the section on sustainability covers several criteria, the analysis is silent or incomplete on key aspects. In particular, it does not properly assess the impact on sustainability caused by the lack of counterpart financing and mobilization of resources by the Government and the beneficiaries; linkages and synergies with other complementary investment projects; technical sustainability (e.g. availability of adequate capacities and funds for operations and maintenance; viability of technical approaches promoted).

<sup>36</sup> According to the PCR, contracts were established 6-8 months after the date of the tender on average.

<sup>37</sup> The plan implementation rate increased from 57 per cent in 2011-2013 to 96 per cent in 2014-2016.

<sup>38</sup> 23 days approximately.



117. Some project implementation issues or changes are not explained (e.g. the reasons behind the cancellation of financing by FAO and UNDP; the limited development of development plans by POs; the interruption of lowland development works in 2015) or not treated (e.g. the construction/rehabilitation of roads is not even mentioned among project expected outputs/results).
118. Further, several inconsistencies and imprecisions were found (e.g. the narrative indicates activity with the development of mid-term development plans was carried out at 93 per cent but the logframe refers to only 65 plans developed out of 246, which represents a 26 per cent; the number of approved micro-projects in the narrative is 423 while in the updated logframe appears to be 368). Also, sometimes the narrative is not coherent with the rating (e.g. project performance is rated moderately satisfactory in the narrative, while it is rated moderately unsatisfactory in the table in Annex 3). Further, a large number of acronyms was not spelled out, while others repeatedly making reading sometimes cumbersome.
119. The rating of the quality of the PCR is moderately unsatisfactory (3).

### **Lessons**

120. The PCR presents several lessons which are generally relevant. The rating is a satisfactory (5).

### **Candour**

121. The narrative tone of the PCR is objective and the report states positive as well as less positive results. The rating is satisfactory (5).

## **V. Lessons learned**

122. The main lessons and recommendations gleaned from the PCR and its validation include the following:
  - The contributions from FAO, UNDP and BOAD could not be mobilized as expected, with a negative impact on project results. In particular, rural roads were not built/rehabilitated undermining the potential impact that was expected in terms of access to markets for agricultural products. For future projects, IFAD and the Government should ensure project contributions are formalized in the financing plan.
  - The tripartite mechanism for micro-projects financing, although relevant, showed malfunctions preventing beneficiaries to access to credit as expected and effectively implement micro-projects. The financing scheme should be revised based on an in-depth assessment of the technical and financial capacities of involved stakeholders. Further, FIs should be involved in the preparation of micro-projects from the outset and specialized and experienced service providers engaged in the process. Rigorous M&E, including external evaluations should be established.
  - The establishment of a framework programme integrating IFAD-financed projects in Benin is relevant as it enables the rationalization of projects' resources and synergies between different initiatives. Nonetheless, its effectiveness and efficiency are still to be demonstrated.
  - The early start-up of the project with the timely implementation of preparatory activities should be ensured, with a particular attention to the preparation of the M&E and financial management manuals and the targeting strategy.
  - The project suffered from the low quality of the services provided by OPS and OPP. For future projects, special attention should be given to the quality and capacities of selected service providers and their performance regularly monitored.

## Definition and rating of the evaluation criteria used by IOE

Criteria	Definition *	Mandatory	To be rated
<b>Rural poverty impact</b>	Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.	X	Yes
	<i>Four impact domains</i>		
	<ul style="list-style-type: none"> <li>Household income and net assets: Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value. The analysis must include an assessment of trends in equality over time.</li> </ul>		No
	<ul style="list-style-type: none"> <li>Human and social capital and empowerment: Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grass-roots organizations and institutions, the poor's individual and collective capacity, and in particular, the extent to which specific groups such as youth are included or excluded from the development process.</li> </ul>		No
	<ul style="list-style-type: none"> <li>Food security and agricultural productivity: Changes in food security relate to availability, stability, affordability and access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields; nutrition relates to the nutritional value of food and child malnutrition.</li> </ul>		No
	<ul style="list-style-type: none"> <li>Institutions and policies: The criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor.</li> </ul>		No
<b>Project performance</b>	Project performance is an average of the ratings for relevance, effectiveness, efficiency and sustainability of benefits.	X	Yes
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project design and coherence in achieving its objectives. An assessment should also be made of whether objectives and design address inequality, for example, by assessing the relevance of targeting strategies adopted.	X	Yes
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.	X	Yes
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.	X	Yes
Sustainability of benefits	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.	X	Yes
<b>Other performance criteria</b>			
Gender equality and women's empowerment	The extent to which IFAD interventions have contributed to better gender equality and women's empowerment, for example, in terms of women's access to and ownership of assets, resources and services; participation in decision making; work load balance and impact on women's incomes, nutrition and livelihoods.	X	Yes
Innovation	The extent to which IFAD development interventions have introduced innovative approaches to rural poverty reduction.	X	Yes
Scaling up	The extent to which IFAD development interventions have been (or are likely to be) scaled up by government authorities, donor organizations, the private sector and others agencies.	X	Yes
Environment and natural resources management	The extent to which IFAD development interventions contribute to resilient livelihoods and ecosystems. The focus is on the use and management of the natural environment, including natural resources defined as raw materials used for socio-economic and cultural purposes, and ecosystems and biodiversity - with the goods and services they provide.	X	Yes
Adaptation to climate change	The contribution of the project to reducing the negative impacts of climate change through dedicated adaptation or risk reduction measures	X	Yes

<i>Criteria</i>	<i>Definition</i> *	<i>Mandatory</i>	<i>To be rated</i>
<b>Overall project achievement</b>	This provides an overarching assessment of the intervention, drawing upon the analysis and ratings for rural poverty impact, relevance, effectiveness, efficiency, sustainability of benefits, gender equality and women's empowerment, innovation and scaling up, as well as environment and natural resources management, and adaptation to climate change.	X	Yes
<b>Performance of partners</b>			
• IFAD	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation. The performance of each partner will be assessed on an individual basis with a view to the partner's expected role and responsibility in the project life cycle.	X	Yes
• Government		X	Yes

\* These definitions build on the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) Glossary of Key Terms in Evaluation and Results-Based Management; the Methodological Framework for Project Evaluation agreed with the Evaluation Committee in September 2003; the first edition of the Evaluation Manual discussed with the Evaluation Committee in December 2008; and further discussions with the Evaluation Committee in November 2010 on IOE's evaluation criteria and key questions.

## Rating comparison<sup>a</sup>

<i>Criteria</i>	<i>Programme Management Department (PMD) rating</i>	<i>IOE Project Completion Report Validation (PCRVR) rating</i>	<i>Net rating disconnect (PCRVR-PMD)</i>
<b>Rural poverty impact</b>	4	3	-1
<b>Project performance</b>			
Relevance	5	4	-1
Effectiveness	3	3	0
Efficiency	3	3	0
Sustainability of benefits	3	2	-1
<b>Project performance<sup>b</sup></b>	<b>3.5</b>	<b>3</b>	<b>-0.5</b>
<b>Other performance criteria</b>			
Gender equality and women's empowerment	3	2	-1
Innovation	3	3	0
Scaling up	3	2	-1
Environment and natural resources management	4	3	-1
Adaptation to climate change	-	-	-
<b>Overall project achievement<sup>c</sup></b>	<b>3</b>	<b>3</b>	<b>0</b>
<b>Performance of partners<sup>d</sup></b>			
IFAD	5	4	-1
Government	4	3	-1
<b>Average net disconnect</b>			<b>-0.73</b>

<sup>a</sup> Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

<sup>b</sup> Arithmetic average of ratings for relevance, effectiveness, efficiency and sustainability of benefits.

<sup>c</sup> This is not an average of ratings of individual evaluation criteria but an overarching assessment of the project, drawing upon the rating for relevance, effectiveness, efficiency, sustainability of benefits, rural poverty impact, gender, innovation and scaling up, environment and natural resources management, and adaptation to climate change.

<sup>d</sup> The rating for partners' performance is not a component of the overall project achievement rating.

### Ratings of the project completion report quality

	<i>PMD rating</i>	<i>IOE PCRVR rating</i>	<i>Net disconnect</i>
Candour		5	
Lessons		5	
Quality (methods, data, participatory process)		3	
Scope		4	
<b>Overall rating of the project completion report</b>		<b>4.25</b>	

Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

## **Abbreviations and Acronyms**

BOAD	West African Development Bank
COSOP	Country strategic opportunities paper
DSF	Debt Sustainability Framework
FAO	Food and Agriculture Organization
FIs	Financial institutions
FNM	Micro-Finance National Fund
IGAs	Income-generating activities
KM	Knowledge management
MAEP	Ministry of Agriculture, Livestock and Fisheries
MSEs	Micro and small scale enterprises
MTR	Mid-Term Review
M&E	Monitoring and evaluation
OPP	Opérateurs Partenaires Polyvalents
OPS	Opérateurs Partenaires Spécialisés
PACER	Rural Economic Growth Support Project
PADER	Rural Development Support Programme
PCR	Project completion report
PCRV	Project completion report validation
POs	producers' organizations
UNDP	United Nations Development Programme
VCF	Value chain fund

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