

Project Completion Report Validation

Inclusion of Small Scale Producers in Value Chains and Market Access Project (PROCAVAL)

Republic of Nicaragua

Date of validation by IOE: April 2018

I. Basic project data

			Approval (US\$ m)		Actual (US\$ m)	
Region	LAC	Total project costs	37.9		36.2	
Country	Nicaragua	IFAD loan and percentage of total	10.4	27.5%	10.0	27.6%
		IFAD grant and percentage of total	9.9	26.1%	9.5	26.5%
Loan/grant number	LI: 760,863 G-I-DSF: 8009A, 8097	Borrower	0.96	2.5%	0.97	2.7%
Type of project (subsector)	Marketing	Cofinancier 1 (BCIE)	8.0	21.2%	7.7	21.3%
Financing type	Loan	Cofinancier 2 (FONDECA)	4.5	11.9%	3.8	10.5%
Lending terms*	DSF-Highly Concessional/Grant	Cofinancier 3				
Date of approval	12-Sep-2007	Cofinancier 4				
Date of loan signature	22-Jan-2008	Beneficiaries	4.1	10.8%	3.9	10.8%
Date of effectiveness	20-Aug-2008	Other sources				
Loan amendments	2	Number of beneficiaries (Direct families)	21,000		24,397	
		(Direct persons)	109,200		97,458	
Loan closure extensions	1					
Country programme managers	Ladislao Rubio (2002-2016) Juan Diego Ruiz (2016-)	Loan closing date	31-Mar-2016		28-Sep-2016	
Regional director(s)	Joaquin Lozano Josefina Stubbs	Mid-term review			30-sep-2011	
Project completion report reviewer	Jorge Carballo	IFAD loan disbursement at project completion (%)			96.4	
Project completion report quality control panel	Hansdeep Khaira Michael Carbon	Date of the project completion report			15-Feb-2017	

Source: Design report, Project Completion Report.

* There are four types of lending terms. Under the Debt Sustainable Framework, this was a 50% grant and a 50% special loan on highly concessional terms, free of interest but bearing a service charge of three fourths of one per cent (0.75 per cent) per annum and having a maturity period of 40 years, including a grace period of 10 years.

II. Project outline

1. **Introduction.** The Inclusion of Small Scale Producers in Value Chains and Market Access project (PROCAVAL) was approved by the Executive Board in September 2007, the loan agreement was signed in January 2008 and it became effective in August 2008. It had a duration of 7.3 years and was completed in December 2015 after a 6 months extension. The project was closed in September 2016.
2. PROCAVAL was designed in a period of important institutional changes in the country and aimed at supporting the rural poor through their insertion in the main local and national socioeconomic development processes. The project built on the results achieved by two previous projects: FAT¹ and PRODESEC.² After five years of implementation, supplementary funds were approved in order to expand the project and strengthen all the conditions generated during the period already in implementation. In addition, the project intended to generate more opportunities to enhance production, productivity, and the possibility to develop mechanisms for value addition appropriation and insertion to value chains.
3. This report benefited from the findings and conclusions achieved by the Country Strategy and Programme Evaluation (CSPE) conducted between 2016 and 2017.
4. **Project area.** Initially, the project covered three departments in the central region of Nicaragua: Jinotega, Matagalpa and Boaco. After the approval of the supplementary funds in 2012, the project area was extended to three departments in the north (Nueva Segovia, Madriz, Estelí), two in the west (Chinandega and Leon), three in the south (Rivas, Masaya and Carazo) and one in the centre (Managua). In total, the project covered twelve departments.
5. One of the criteria for the project area selection was the high concentration of national and local activities deployed under the Agriculture and Rural Development Programmes "PRORURAL" and later "PRORURAL Incluyente".³ The project area produces a high variety of commodities that were supported by the project such as: basic grains, dairy, meat, roots and tubers, fruit, vegetables, coffee, cocoa and apiculture.
6. Nicaragua is one of the countries located in the dry corridor, which signifies one of the main challenges for the project areas in the west and north of the country. These areas suffer from continuous droughts due to "El Niño" phenomenon. This issue has become one of the major threats for small scale producers and the rural poor due to a great loss of basic grain crops, which are the foundation of the region's subsistence. In contrast, during years of more intense rains, there are tropical storms that often have devastating effects.
7. **Project goal, objectives and components.** The project's initial *main goal* was: "to support the rural poor (men and women) of targeted areas by inserting them in markets and value chains to improve their incomes and employment opportunities, within the national rural development framework." The project's initial *specific objectives* were to: (i) promote the participation of small-scale producers in strategic value chains; (ii) contribute to income diversification; and (iii) help achieve the Rural Development Institute (IDR)'s objectives and results framework by aligning project activities with its institutional objectives.
8. The project had **three main components**: (i) Insertion of small-scale producers into value chains; (ii) income diversification; and (iii) project management, including institutional alignment. The main activities for these components were: a) the identification of leading actors in selected value chains and help small-scale producers develop alliances with them; b) the provision of rural and

¹ Technical Assistance Fund.

² Economic Diversification in the Dry Corridor of Nicaragua.

³ Part of the National Plan for Human Development.

entrepreneurial (financial and non-financial) services for a wide range of initiatives (e.g. production, processing, entrepreneurial activities and management), strengthen organizational capacities and provide support for more vulnerable groups; c) improvement of the rural road network; and (d) the development of small-scale producers (including those from the most vulnerable groups) and their organizations' capacity.

9. **Target group.** The main characteristic of the target group, according to the classification adopted from PRORURAL are:
 - a. *Semi-farmers:* farmers with available land between 2 and 3 ha but usually without land title. Their main production are basic grains (maize and beans), mainly for self-consumption. Agricultural income is not enough for family reproduction.
 - b. *Smallholders:* Their land situation is similar to semi-farmers. However, their income per capita is higher, with some degree of production accumulation and diversification capacity. This group also includes small-scale coffee producers.
 - c. *Farmers with land:* their land availability can be around 8 to 9 ha and produce basic grains (for self-consumption and commercialization). They own livestock on a small scale. This category also includes coffee and horticulture growers.
 - d. *Poor farmers with land but without capital:* they have more land than the others, but in less accessible areas which makes difficult the accumulation of crops or livestock. They produce basic grains but have no capacity to create surplus for commercialization.
10. The project's targeting approach was determined using the following criteria: (i) high poverty levels; (ii) alignment with government strategies as set out in a sector-wide approach; (iii) agricultural potential; (iv) complementarity with IDR operations; (v) potential impact on the project area; and (vi) existence of potential for dynamic markets.
11. **Financing.** The original project cost was estimated at US\$22.86 million of which US\$9.02 million (50% loan and 50% grant) were going to be provided by IFAD, US\$8.0 million from the Central American Bank for Economic Integration (BCIE), US\$0.89 million from the Government of Nicaragua, US\$3.50 million from the "Fondo para el Desarrollo Campesino" (FONDECA), and US\$1.44 million from beneficiaries. In 2012, IFAD approved the use of remaining resources from the Performance Based Allocation System (2010-2012) and provided supplementary funds through a US\$ 5.91 million loan and a US\$5.37 million grant. The beneficiaries and FONDECA also provided additional funds for a total of US\$4.17 million and US\$4.50 million respectively. The total project cost at completion was US\$36.20 million.

Table 1
Project costs

Financier	Appraisal +Supplementary funds (in 000' US\$)	Percentage of appraisal costs	Actual (in 000' US\$)	Percentage of actual cost	Disbursement rate (%)
IFAD (loans)	10,429	27%	10,063	28%	96%
IFAD (grants)	9,891	26%	9,523	26%	97%
Government of Nicaragua	959	3%	969	3%	101%
BCIE	8,000	21%	7,769	21%	97%
FONDECA	4,500	12%	3,819	11%	85%
Beneficiaries	4,171	11%	3,991	11%	96%
Total	37,951		36,136		95%

Source: project completion report

Table 2
Component costs

Component	Appraisal +supplementary funds (in 000' US\$)	Percentage of appraisal costs	Actual (in 000' US\$)	Percentage of actual cost	Disbursement rate (%)
I. Value chain participation through strategic alliances	25,490	67%	18,602	51%	73%
II. Income diversification	7,150	19%	12,661	35%	177%
III. Project management, including institutional alignment	5,311	14%	4,873	14%	92%
Total	37,951		36,136		95%

Source: project completion report

12. Significant changes/developments during implementation.

A. *Supplementary funds and revised project design*: the most significant changes during implementation were experienced during the insertion of additional funds in 2012 (described in par.11). At the time, the following areas of the original project design were revised:

- i. **Total beneficiaries**: from 10,500 (original) to 21,000 families (revised)
- ii. **The project's main goal**: "Poor rural women and men have improved equitably their livelihoods and increased their assets through a sustainable use of natural resources".
- iii. **Redefined specific objectives**: a) rural families with access to markets and engaged in value chains; b) Poor population (women and youth) engaged in income generating activities; and c) efficient and effective project execution by the IDR and contribution to the IDR's objectives.
- iv. **Extended project area**: nine departments were added (see par.4)

- v. **Additional target group:** women and groups of women from the Food Productive Bonus (BPA)⁴
- vi. **Targeting approach:** further strengthening of small producers and their engagement in value chains with special attention on women and youth participation.
- vii. **Additional indicators:** a) 10,500 families engaged in productive plans; b) at least 80 per cent of rural families benefited increase their assets, at least 20% with respect to baseline; c) 11,000 families improved their food security; d) at least 80% of rural families have adopted measures of mitigation and adaptation to climate change; and e) at least 30% of productive plans integrate women in their management.

In addition, it is important to mention that the components, main activities and targeted commodities did not experience any changes during this transition.

B. **Institutional changes:** From 2008 to 2012, the project was implemented by the IDR. In 2012, the implementing agency experienced an institutional transition and became the new Ministry of Family, Communal, Cooperative, and Associative Economy (MEFCCA) becoming the entity responsible for the overall project implementation. This Ministry was created as part of the national strategy for productive transformation and poverty and inequality reduction. As part of the institutional transition, there were also changes in project staff and organizational structure.

C. **Project Extension:** The project was granted a 6-months extension in 2015.

13. **Project implementation.** As mentioned in the previous section, IDR was the implementing agency during the first phase of the project (2008-2012). During this period, the project management unit (PMU) merged with the PRODESEC's PMU, which was already operating under the IDR structure and in collaboration with the Directorate of Agroindustry. This helped the project to accelerate the pre-implementation stages, to avoid duplication of efforts and to reduce costs. In addition, PRODESEC's project director was also appointed for the same position within PROCAVAL. After MEFCCA was appointed as the new implementing institution for the second phase (2012-2015), the project continued with the same project management guidelines but with some changes in staff, mainly in the area for fiduciary aspects. MEFCCA coordinated and supervised all resources and main activities of departmental PMUs.
14. The National Institute for Agricultural Technology (INTA), the National Autonomous University of Nicaragua (UNAN-León) and the Nicaraguan Institute for Cooperative Development (INFOCOOP) were hired as technical service providers for the development and strengthening of technical capacities in the production of agro ecological seeds, rehabilitation of crops, and organizational and managerial skills. Furthermore, the participation of the Ministry of Agriculture (MAG) helped to link alliances that supported the accomplishment of activities defined in the productive plans, in the project areas, as well as to encourage the participation of MAG's technical assistance promoters. Furthermore, the creation of formal agreements between the implementing agency and grass-root organizations made it possible for the project to design, implement and achieve results from productive plans.
15. **Intervention logic.** PROCAVAL was based on the idea that contributing to generate conditions to achieve greater economic inclusion of poor and vulnerable families would lead to improved food security, access to services, and climate change resilience. The first phase of the project aimed at strengthening the production and technical capacity of farmer's organizations, while the second phase

⁴ A National programme where poor Nicaraguan families receive domestic animals for breed, seeds and other agricultural inputs to reduce malnutrition and poverty.

aimed at promoting the engagement of these groups into value chain processes. The project's approach was to promote activities focusing on vertical and horizontal integration to value chains. Support activities were divided into two basic models: i) support to production groups where leadership were strong and with potential to include vulnerable groups; and ii) support to production groups with low levels of vertical and horizontal integration and limited leadership.

16. PROCAVAL's demand-driven and market-driven approaches supported organizations/cooperatives/ groups and private/public institutions through four main instruments: Value Chain Insertion Plans (PICV) and Organizational Strengthening and Value Adding Plans (PFDC) through component I; and Income Diversification Plans (PDING) and Food Security Plans (PSA)⁵ through component II. In order to access the different types of productive plans, the project used four organization or cooperative categories: vulnerable⁶, incipient⁷, transition⁸ and superior.⁹
17. Additionally, PROCAVAL promoted plans to improve tertiary roads to facilitate the production transfer to main markets and to improve the access to different types of services. It was expected that the vertical and horizontal integration processes, together with quality improvement, value-adding and stable access to markets would improve household incomes and consequently, food security and climate change resilience.
18. **Delivery of outputs.** The overview of the project's outputs (annex III), considering the 2012 update to the logical framework, shows that some of the quantitative target were ambitious. For example, PROCAVAL only achieved 24 per cent of the target for the people trained in post-production, processing and commercialization, and was only able to form and reinforce 103 commercialization groups against an initial target of 162 (64 per cent). On the other hand, some targets were overachieved by the project such as reaching commercialization groups with women in management positions (518 per cent) and people producers receiving entrepreneurship capacity building (230 per cent).

III. Review of findings

A. Core criteria

Relevance

19. **Policy relevance.** PROCAVAL was highly relevant for the execution of national policies. The project was implemented under the first part of the Agriculture and Rural Development Programme (PRORURAL 2005-2009), which had a wide sectoral coverage and focused on strengthening productive clusters in the country. Most of the project's life was implemented under the second phase of the national programme, PRORURAL Incluyente (2010-2014).
20. One of the three national sub-programmes covered by the PRORURAL Incluyente was the Rural Agroindustry National Programme (PNAIR). The sub-programme provided support to small and medium-scale producers by strengthening productivity, value adding processes, and access to markets. In 2014, the PRORURAL Incluyente was substituted with the Production, Consumption and Trade System as a new strategy to promote and expand the participation of institutions that have a direct or indirect role in the various value chain stages, from production to the final consumer.

⁵ Focused on basic grains, dairy and horticulture.

⁶ Beneficiaries without organization membership or in incipient organizations with members with food security issues and difficult access to infrastructure or services.

⁷ Weak organizations with limited access to infrastructure and services.

⁸ Organization with different levels of consolidation: experienced in accessing markets, with management capacity or with established relationship with value chain actors.

⁹ Organizations with high level results.

21. The project was well aligned with the objectives of both the 2005 and 2012 Country Strategic Opportunities Programmes (COSOPs). The last COSOP made an important emphasis on supporting vulnerable groups in the country, the strengthening of the rural poor's organizational capacity and the promotion of alliances and joint actions among different actors. The positive evolution of the IFAD strategy has been the result of lessons learned generated by previous IFAD interventions which set an important foundation for PROCAVAL and its operationalization.
22. **Relevance of project design and adjustments.** The design and its revision in 2012 provided a deep analysis of the different strategies to be implemented in order to achieve the expected results. The targeting strategy focused on covering different commodities and levels of productive groups in terms of organizational and technical capacities and assets. The demand-driven and market-driven approaches allowed the project to meet the organizations' and markets' requirements. The implementation of these strategies made it possible for the project to effectively execute a variety of productive plans. The logical framework was comprehensive and its structure, in terms of objectives and activities, was relevant for both governments and IFAD's priorities.
23. Almost all targets were gender disaggregated. However, the project design did not include a target for the total number of productive plans and important outcomes such as the number of intended alliances created by the project. The amount of outcomes for the first specific objective is substantial and some of them are not very clear and/or have no means of verification. The project design and its adjustment missed the opportunity to address some issues that could impact the sustainability of results. One of these is the lack of sanitary and phytosanitary certificates for the PICV and PDING plans.
24. The approval of additional funds and the extended geographical area were relevant to the project. These adjustments were justified by the existing need to strengthen and generate more favorable conditions than the ones existing at the beginning of the project. These changes provided the opportunity to increase production and productivity, the possibility to generate mechanisms to improve farmers and organizations' appropriation in the value adding processes and the insertion to value chains. The additional financial resources and geographical extension of the project reinforced the project's relevance in an area that focused on value chain activities and dealt with environmental and climate change challenges. The targets in the logical framework were revised accordingly, taking into consideration the extended geographical area.
25. The project design included an *exit strategy* that would consolidate the achievements at the producers and organizations level. This strategy focused on developing strategic alliances between the public and private sector. Furthermore, it aimed at achieving significant progress in the programmatic management and institutionalization of the executing agency.
26. **Relevance of local needs.** PROCAVAL is considered highly relevant for local needs. The project was created in order to provide opportunities for the rural poor to become part of the economic dynamics generated through the regional economic integration and the implementation of free trade agreements. In the country, there are more than 800 cooperatives and most of them are working in agricultural production and multiple services and five main unions of cooperatives (which shelter more than 60 per cent of total agricultural producers in the country). Most of these cooperatives experience different types of weaknesses: organizational capacity, access to opportunities to engage in productive activities, access to markets and access to legal status.
27. **Overall,** PROCAVAL was highly relevant for the three different national policies covered by the project, to which the project was able to adapt. The project design

and its adjustments during mid-term review were relevant and appropriate for the use of additional financial resources as well as for the expansion in geographical territory and targeted beneficiaries. The project design missed the opportunity to add relevant activities in relation to the sustainability of results. The project was also relevant for the local needs and the opportunities in the areas to improve social and economic conditions. This PCRV agrees with PMD and rates the project's relevance as **satisfactory (5)**.

Effectiveness

28. This section presents the effectiveness of each specific objective of the project, in relation to the outcomes planned at project design, and considering the delivery of outputs presented in section II. PROCAVAL benefited a total of 24,397 families (116 per cent of revised target) of which 46.09 per cent were women-headed households (original target: 45 per cent). The project facilitated access to assets and services to a total of 97,458 people (89 per cent of revised target) and reached 371 groups (229 per cent of revised target).
29. **Rural families with access to markets and engaged in value chains.** The PCR reported 40 PICVs and 18 PFDCs for a total of 58 productive plans (no target was defined at design) and represents a 68 per cent of all productive plans implemented. A total of 58,652 people were supported by these plans (141 per cent of target) and 103 commercialization groups were formed (64 per cent of target). The productive plans allowed producers to create initiatives focused on value adding, transformation and processing of products mainly based on commodities such as coffee, rice, cocoa, meat, honey, cassava, fruits, dairy, basic grains and horticulture. In addition, these plans provided access to markets through the rehabilitation and construction of commercial infrastructure for storage, collection and commercialization.
30. A total of 6,140 families were integrated into alliances and business agreements for value adding and access to markets (122 per cent of target). The CSPE mission visited horticulture cooperatives in the departments of Matagalpa and Jinotega which engaged in contractual relationships with important supermarket chains such as Wal-Mart and La Colonia. A total of 26 contractual relationships were established between poor rural producers and commercial enterprises (no target was set at design). PROCAVAL enhanced the managerial capacity of 371 producer organizations (229 per cent of target) of which 292 had women as leaders (262 per cent of target). In addition, the project trained 7,583 people in agricultural production technologies; however there is no data that can verify the expected outcome of this activity (80 per cent of small-scale producers implementing these technologies). Similarly, this PCRV could not find quantitative means of verification for the indicator related to productive plans implementing measures for adaptation to climate change (targeted at 80 per cent of total plans).
31. Through FONDECA, PROCAVAL provided access to financial services to 4,105 families or 16.8 per cent of total families benefited (102 per cent of target). The financial support helped the families to improve the quality of their products (rice, coffee, cocoa, beans, dairy, fruits, honey and jicaro seeds) to meet the required standards to become part of cooperatives with access to local, national and international markets. On the other hand, the process to have access to credits was described as lengthy and with too many procedures.
32. In addition, in order to improve access to markets, PROCAVAL invested in the rehabilitation and maintenance of community roads. This work was conducted under the responsibility of each municipality covered by this component. As a result, 137 roads (equivalent to 1,079 km) were repaired (98 per cent of target). The commercial, collective and private transportation flows improved, as well as the access to technical services.

33. **Poor population (women and youth) engaged in income generating activities.** A total of 15 PDING and 12 PSA were executed under the second component (the target was not set at design). A total of 38,806 people participated in these two types of productive plans (299 per cent of target). This clearly marks an emphasis of the project and national priorities towards food security and income diversification for the rural poor families and vulnerable territories.
34. Through the income diversification plans, a total of 5,752 young people and women acquired technical and entrepreneurship capacities to become part of the job market through the offering of technical services (230 per cent of target). On the other hand, only 6,733 people were able to improve their capacities to formulate plans (51 per cent of target). The limited specialized human resources to guarantee that the technical and environmental prerequisites were met, impacted the possibility to reach more producers.
35. Results related to food security and agricultural productivity will be further assessed under the rural poverty impact section.
36. **Efficient and effective project execution.** The expected outcomes of this specific objective include only qualitative targets that will be assessed under the section on efficiency and performance of partners (efficient project coordination, disbursement rates, fiduciary aspect, etc.).
37. **Overall,** PROCAVAL was able to achieve and in some cases to overachieve most of the targets set for each of the specific objectives. The targeted population was overachieved due to the implementation of productive plans that allowed small-scale producers to improve their productive and commercial capacities to become part of farmer groups, cooperatives and organizations. This step allowed them to engage in different value chain activities such as value addition, access to markets, and commercialization. The implementation of these productive plans was possible through the creation of formal agreement between MEFCCA and grass-roots organizations. On the other hand, there were a few targets that were not analysed or identified throughout the PCR or reports available. This PCR agrees with PMD and rates the project effectiveness as **satisfactory (5)**.

Efficiency

38. PROCAVAL was approved by the board on 12 of September 2007 and became effective on 20 of August 2008, experiencing an effectiveness lag of 11.4 months. Considering that the average effectiveness lag in the country is 13.1 months and the regional average is 17.7 months, the project managed efficiently pre-implementation processes and benefited from lessons learned and the experience provided by the project management units (PMUs) from PRODESEC. Despite the changes in executing agency in 2012 (from IDR to MEFCCA), the project did not suffer any significant implementation delays. On the other hand, the necessary fiduciary modifications caused a temporary delay in the flow of funds. The project was completed on the 31st of December 2015, after the approval of a 6-month extension.
39. During the first year of implementation (2008-2009), PROCAVAL disbursed a total of US\$ 0.6 million which were used to establish the PMUs. During the second year (2009-2010), the project did not generate any disbursement. The November 2009 supervision mission indicated that this time was invested in activities to promote and build alliances with organization, to train management teams and to consolidate investment plans. In the first two years, the project disbursed only 3 per cent of the IFAD funds available (loan/grant). After the third year of implementation, the project experienced an improvement in the disbursement rates. This was mainly due to the execution of productive plans such as the PICVs and the PFDCs. For the following year of implementation, the project disbursed an average of US\$3.41 million per year, therefore reaching the target set at design. At completion, the project disbursed 96 per cent of the total IFAD funds available.

40. According to the IFAD parameters regarding project management cost, IFAD projects (globally) have maintained a mid-range between 8 and 24 per cent of the total project cost. PROCAVAL used 12.87 per cent of the funds available for project management, which exceeded the level set at design only by 1.26 per cent. Despite an increase in the coverage and activities, the project was still able to maintain project cost as satisfactory levels.
41. The cost per family benefited was US\$1,484 (US\$371 per family member).¹⁰ This cost was 17.87 per cent lower than the cost per family benefited set at design. However, it is important to consider that, even though 14 per cent of the total funds were allocated to the rehabilitation of rural roads, the M&E systems did not make clear how the direct families benefiting from this activity¹¹ were counted or the criteria to classify a direct beneficiary.
42. Based on the design adjustments in 2012, the project conducted an internal rate of return (IRR) analysis using the information management system and the project impact evaluation conducted in 2016. The analysis takes into consideration that, because of the supplementary funds, the 2012-2015 period is the one with the highest level of implementation, when 84.6 per cent of the funds were used. This affected the IRR because of the high cash flows during the middle of the project's life. At completion, the IRR was calculated at 137.5 per cent (against 25 per cent estimated by the revised design). However, this analysis has to be taken with caution given that the calculation of the IRR seems to be affected by changes during implementation and therefore, presenting an over-inflated figure.
43. **Overall**, PROCAVAL took advantage of the experience generated by its predecessors and managed to start the project's implementation in timely manner. Despite some delays in disbursements during the first two years and the difficulties experienced while changing the implementing agency, the project was able to disburse 96 per cent of the total funds. The expected percentage of project management cost was maintained at completion and benefited from the additional funds. The cost per family benefited was lower than the one estimated at design. However, the calculation for the direct beneficiaries under the "rural roads rehabilitation" activities is unclear. Even though the IRR calculated at completion was more than 100 per cent, the calculation methodology makes this result challengeable. This PCRV agrees with PMD and rates the project efficiency as **satisfactory (5)**.

Rural poverty impact

44. The analysis of this section benefited from a baseline study conducted by PROCAVAL in 2012 and a third level RIMS assessment conducted in 2016. The last one included a sample of 900 households in 90 rural communities from 36 municipalities located in 10 different departments. This sample was formed by 450 beneficiary households and 450 households as control group. However, the methodology of the impact assessment report presents limited information on whether or not the sample size was scientifically calculated, for both, beneficiaries and non-beneficiaries. Therefore, the results from the impact assessment have to be taken with caution due to difficulties in attributing these changes to PROCAVAL. The baseline study did not include some relevant data such as pre-implementation net income of beneficiaries.
45. **Household income and assets.** The main hypothesis for PROCAVAL was that the integration of small-scale producers into value chain would have increased household incomes. Average net incomes from all commodities combined for beneficiaries was 196 per cent higher than control groups. According to the 2016 RIMS assessment, the top five income-generating commodities (average income per annum) were rice (US\$1,618.1), carrots (US\$916.9), coffee (US\$851.3),

¹⁰ Considering that the project had an average of 4 persons per family.

¹¹ 82,244 direct families benefited by the rehabilitation of rural roads.

cabbage (US\$832.8) and roots and tubers (US\$785.8). But these commodities represented only 40 per cent of the beneficiaries sampled. On the other hand, the least profitable commodities providing incomes at the same level of control groups were maize, beans, fruits and honey. As mentioned in the introduction of this section, there was not a "before and after" analysis in the 2016 RIMS assessment given that the baseline study used productive assets as an indicator for household income.

46. According to the 2016 RIMS assessment, the beneficiaries' asset value was 65 per cent higher than control groups. It is also important to take into consideration that one of the objectives of this project was to create the necessary conditions for producers to engage in processing and value adding activities by providing them with machinery from the investment/productive plans. The project beneficiaries reported to have higher value of assets such as machinery and equipment, infrastructure, livestock and land (crop investment). The biggest differences in asset value were in livestock (152 per cent higher) and machinery and equipment (100 per cent higher). This is also consistent with the results obtained from the analysis between the baseline and end-line surveys. This analysis show that at completion 95 per cent of beneficiaries used agricultural equipment compared to the 76 per cent before the implementation of the project. Also, livestock ownership improved, mainly for pigs (50 per cent higher) and cows (25 per cent higher).
47. **Human and social capital and empowerment.** As mentioned under the effectiveness section, the project was able to strengthen the human capital capacity of producers (including women and youth) through technology transfer, counseling and technical assistance. For example, the project trained and improved the managerial capacity of 371 producer organizations of which 292 had women as leaders. The demand-driven approach of project allowed beneficiaries to have access to technical assistance services that would adapt to their capacity needs. Nonetheless, this validation highlights the fact that the project did not meet the agreed target for an important and highly relevant activity for a value chain approach such as capacity training for post-production, processing and commercialization.
48. The targeting strategy used by PROCAVAL resulted in a high participation of women in producer organizations and better access to managerial positions and economic activities in their communities. The strengthened capacities and enhanced productivity allowed producers to engage in negotiations that resulted in contractual arrangement with important private entities in the national and international markets. Through the access of these markets, PROCAVAL producers were able to negotiate better prices for the commodities previously mentioned, which resulted in an average difference of 14.5 per cent in comparison to prices of control groups' production.
49. **Food security and agricultural productivity.** Despite the long dry seasons, one of the main impact results in terms of food security was the reduction, between 2012 and 2016, of households affected by the first (10 per cent reduction) and second (5 per cent reduction) hunger seasons. PROCAVAL contributed to increasing food availability through productivity improvement. The PCR presented data regarding child malnutrition between 2012 (baseline) and 2016. The results showed that chronic malnutrition went down from 21.4 per cent (in 2012) to 17 per cent (in 2016). On the other hand, acute and global malnutrition increased considerably. They went from 0.7 and 3.7 per cent (in 2012) to 17.5 and 16.2 per cent, respectively. In comparison to control groups, the results showed that the incidence of chronic malnutrition was twice higher than PROCAVAL's beneficiaries; and acute malnutrition was 54 per cent higher, while the global malnutrition was 80 per cent higher than PROCAVAL's beneficiaries.

50. In terms of productivity, PROCAVAL's PCR showed that beneficiaries from the project reached a higher production level (219 per cent) than control groups. The commodities that presented higher differences in the total production were rice, vegetables and maize. The commodity with lowest differences in total production was beans given that this commodity represents one of the main income sources for vulnerable groups. On the other hand, more diversified groups tempt to use vegetables as their main source of income. According to the RIMS assessment, between 2011 and 2012, there was an increase of 3 per cent of beneficiaries engaged in agricultural production activities (70 per cent of total in 2016).
51. **Institutions and policies.** The coordination with state institutions allowed beneficiaries to have access to specialized trainings in areas such as: legalization of cooperatives, administration and management of revolving funds from participating groups. Despite the changes in executing agency, the project and institutional strategies maintained the necessary focus on the project's logical framework and to the extension of the geographical area.
52. PROCAVAL's extension in 2012 contributed to the formulation of the PNAIR which guided the governments' priorities towards initiatives for small and medium producers to add value to primary production and to have access to markets. The government's programme learned from the PROCAVAL's experiences in order to improve and replicate contributions for the public sector.
53. **Overall,** the activities and results from PROCAVAL led to an increase in household incomes in comparison to non-beneficiaries, some more than others depending on the commodity produced. The value of beneficiaries' assets was higher than the control groups as a result of productive plans and their investment in assets. Project beneficiaries improved their human and social capital and empowerment through training activities and the targeting strategy promoted by the project. This was reflected in the strengthened technical and managerial capacities of benefited producers and organizations. Food security and productivity reached significant level of improvement by reducing child malnutrition and beneficiaries affected by the hunger seasons; and reaching productivity levels capable to reach market demands. PROCAVAL contributed to the formulation of one of the most important programmes that support production, market access and support to value chain processes. On the other hand, the quality of some of the impact domains in the RIMS assessment was affected by the lack of data necessary to do a "before and after" analysis. From the impact assessment presented in the PCR, it is difficult to attribute all reported positive changes to the project's interventions. Nonetheless, taking into consideration also the CSPE assessment informed by the field visits, the PCR agrees with PMD and rates the project's rural poverty impact as **satisfactory (5)**.

Sustainability of benefits

54. The PCR is unclear on whether the value chain approach applied to this project shows signs of sustainability or not. However, it can be said that PROCAVAL gathered many factors towards the sustainability of benefits. The first one would be the activities conducted with farmer organizations in terms of capacity strengthening and productive plans which allowed them to build alliances. This group of activities opened doors for small-scale producers to engage in local and international markets. In addition, some of the value adding processes have been supported by the acquisition of production quality certificates that allowed organizations to export their products.
55. There were efforts targeted to ensure the sustainability of the productive plans such as the creation of the "Fondo de Desarrollo para el Campesino"¹² which aimed at supporting the implementation of these plans. In terms of environmental

¹² In English: Farmer Fund for Development.

sustainability, the project made efforts to implement positive environmental practices that generated value addition to agricultural activities such as soil protection, forestation, and the promotion of bee production. The last one contributed to the pollination process that improved agricultural results. Furthermore, the project analyzed the environmental consequences that livestock production (meat and dairy) could bring. Therefore, activities to improve pastures were promoted with the objective to improve not only the environmental sustainability but to improve the meat and milk production as well.

56. The responsibility for sustainability of the rural roads supported by the project was assigned to the respective municipalities which acted as the guarantors of their execution and maintenance. This was possible through the inter-institutional coordination with the City Halls, which provided support in the execution of these activities.
57. The financial sustainability depends highly on the level and capacity of producers to get organized and the targeted commodities. For example, organizations involved in coffee, milk and cocoa production showed advanced organizational levels in terms of integration to value chains and better financial and administrative processes. There were other organizations working with commodities such as plants (*moringa oleifera*) that required better complementary support in understanding and analysing internal management processes and available markets. The technical assistance proved to be crucial for the improvement of production and transformation processes. However, the PCR states that one of the main issues is the incentives that producers have to request and pay for these services after project completion.
58. Finally, as mentioned under the relevance section, the lack of sanitary and phytosanitary certificates (mainly for the PICVs and PDING) can result in fines imposed by the Ministry of Health or the closure of production centers. These negative results would put in danger the sustainability of productive plans.
59. **Overall**, PROCAVAL focused on activities that are relevant for the sustainability of benefits. From the organizational and capacity strengthening to the enhancement of agricultural practices. However, beneficiaries could face sustainability issues if they do not reinforce their knowledge through technical assistance. Obtaining the necessary sanitary and phytosanitary certificates is crucial for the sustainability of productive plans. This PCRV agrees with PMD and rate the project sustainability as ***moderately satisfactory (4)***.

B. Other performance criteria

Innovation

60. Perhaps one of the main innovations provided by PROCAVAL was the combination of productive plans with access to financial services used as a mechanism to help producers and organization to get inserted in value chain processes and to improve their access to better markets. The methodology of the different productive plans helped to involve producers located in different development stages. It also helped to cover a variety of commodities (previously covered by previous projects and also new) and competitive markets.
61. The project also built on the operational methodologies and activities from previous IFAD-supported projects in Nicaragua. According to the PCR, one clear example is the support to gain access to technical assistance services. This has been a crucial element for the development projects implemented in Nicaragua. However, this PCRV considers that for technical assistance services to be called innovative in the context of Nicaragua, the project could have brought elements of innovation through adjustments to improve the sustainability of these benefits and to raise awareness on the continuity to improve skills and knowledge.

62. The PCRV considers the combination of productive plans and financial services as an innovation that worked. Hence it rates the project's innovation as **satisfactory (5)**, the same rating as provided by PMD.

Scaling up

63. As previously mentioned under the innovation section, this project belongs to a chain of projects implemented in Nicaragua that aimed at improving technical, social and productive capacities. However, the evaluation manual states that scaling up occurs when "expanding, adapting and supporting successful policies, programmes and knowledge so that they can leverage resources and partners to deliver larger number of rural poor in a sustainable way".
64. Therefore, scaling up does not mean transforming small IFAD projects into larger projects. Even though the PROCAVAL continued working on the development of productive clusters (as in PRODESEC), the government funds for PROCAVAL were 48 per cent less than the funds provided for PRODESEC. Nonetheless, this PCRV recognizes how PROCAVAL's methodology and initiatives influenced new government sectoral policies such as the PNAIR and leveraged 50 per cent more resources from BCIE compared to its previous contribution to PRODESEC.
65. This PCRV agrees with PMD and rates scaling up as **moderately satisfactory (4)**.

Gender equality and women's empowerment

66. The project achieved significant results when it comes to gender equality and women's empowerment. Being one of the main objectives, the project design included a gender strategy with a specific line of budget to promote an active participation of women and improve their productive, organizational and social capacities. This strategy also focused on the institutions involved in the implementation of PROCAVAL. The project provided trainings to the PMUs to acquire fundamental knowledge in terms of gender equality. This was crucial for the institutional technicians to learn and put in practice data collection techniques to capture results with an equality-focused approach. This was further supported with the recruitment of a gender specialist in the project team after mid-term review.
67. As mentioned under the effectiveness section, the women-headed household participation target was slightly over achieved by reaching a total of 46 per cent of the total families benefited by the project (1 per cent higher than initial target). Moreover, 100 per cent of women who participated in PROCAVAL received capacity trainings and 53 per cent participated actively in management decision-making processes. All processes, from the acquisitions of productive bonuses (BPA) to the implementation of value chain initiatives, have helped them to identify their weaknesses, strengths and needs to assure the sustainability of their individual and collective endeavours. On the less positive side, the project managed to have women leaders in only 13 productive plans (15.2 per cent of total).
68. **Overall**, the participation and empowerment of women was one of the main objectives achieved by the project. Through PROCAVAL, many women had the opportunity to improve their organizational and technical capacities, as well as to have a more leading role in different value chain activities. However, their leading role in the different productive plans could have been improved. This PCRV agrees with PMD and rates gender equality and women's empowerment as **satisfactory (5)**.

Environment and natural resources management

69. In the second phase of PROCAVAL, environment and natural resource management became more relevant and even part of the project's main goal. As a result, the project applied positive environmental measures in their activities such as: production of organic fertilizers and soil protection. In other to achieve this, some agreements were established with different specialized intuitions such as INTA,

UNAN-LEON and INFOCOOP. These institutions provided trainings to develop technical capacities in areas such as agro ecological production of coffee seeds to renovate and rehabilitate small-producers' plantations in areas covered by PROCAVAL.

70. Each productive plan was approved and supervised (every six months) by the Ministry of Environment and Natural Resources (MARENA). One of the major environmental concerns for horticultural production was the use of agrochemicals. However, this was somehow countered by the implementation of agricultural technologies such as the construction of macro and micro tunnels and greenhouses. PROCAVAL also took the necessary precautions to make sure that all companies involved in the rural roads rehabilitation plans followed the necessary environmental measures. At design, PROCAVAL intended to implement "the environmental procedure for rural development system¹³ (SISPADRU)"; however this was not possible due to different constraints (methodology, technical staff, etc.).
71. In the case of the dairy production, the project faced some challenges to deal with the dairy wastewater. Nicaragua does not have a plant that processes dairy wastewater. Therefore, the whey is poured with other liquid wastes such as detergents, lubricants and other domestic wastes. All whey poured in soils without previous treatment produces a rapid saturation which resulted in waterlogging and unsanitary conditions. When water sources are contaminated by milk producers, these sources become not suitable for human/animal consumption or irrigation.
72. **Overall**, PROCAVAL took into consideration significant measures to prevent and reduce possible damaging impacts to the environments. The involvement of technical institutions was crucial for the implementation of activities towards a positive environment and natural resource management. The wastewater treatment is a topic that has to be further analysed and countered in order to prevent damages to the environment. This PCRV agrees with PMD and rates environmental and natural resource management as ***moderately satisfactory (4)***.

Adaptation to climate change

73. The changes/additions in the project design included the insertion of a new indicator to measure the amount of productive plans (targeted at 80 per cent of total plans) implementing measures for adaptation to climate change (see paragraph 12). However, as mentioned under the effectiveness section, the PCR did not include quantitative data to verify this indicator.
74. As many of the project areas are part of the dry corridor, this was one of the main challenges faced by PROCAVAL due to lack of rain. Nevertheless, this PCRV recognizes some relevant action put in place by the project such as the implementation of drip irrigation systems which guaranteed the continuity of productive activities and food security throughout the whole year. In addition, other interesting activities implemented to adapt to dry seasons were the construction of water harvesting structures and the plantation of "Moringa oleifera", which was achieved with a high level of inter-institutional coordination.
75. This PCRV agrees with PMD and rates adaptation to climate change as ***moderately satisfactory (4)***.

C. Overall project achievement

76. Through PROCAVAL, the value chain has proven to be one of the major drivers for the economic development of rural areas in Nicaragua. The project provided significant programmatic advantages in the following areas: (i) involvement of the "non-agricultural rural sector" by providing opportunities in value adding processes

¹³ A plan for environmental management

leading to employment generation; and (ii) activities oriented to national and international markets, which demanded attention to quality production; and the strengthening of human and social capital as a mean to improve sustainability.

77. Through the demand-driven and market-driven approaches, the project was able to support and upgrade productive groups which acquired a higher organizational level through their participation in the different productive plans. Their access to different market levels was facilitated through their integration into value chain processes. Value adding processes were actively supported by the project (i.e. sanitary certification and establishment of commercial brands).
78. Finally, the rural poverty impact generated by the PROCAVAL interventions is overall satisfactory. The project helped rural families to considerably improve their incomes and assess as a result of an increment in productivity. The increased productivity had also a positive impact in their food security, mainly for children. Women's participation and empowerment was encouraged throughout the different activities implemented by PROCAVAL. However, it is important to take this assessment with caution due to some limitations in the attribution of the results from the analysis of the impact data presented in the PCR.
79. This PCRV agrees with PMD and rates the overall project achievements as **satisfactory (5)**.

D. Performance of partners

80. **IFAD.** The government considers IFAD as an important partner for supporting and developing agricultural and rural initiatives in Nicaragua because of its specialization and experience in the country when it comes to supporting small and medium producers in their insertion into value chains and to access markets. IFAD's flexibility has been crucial for the development of the project. The approval of additional funds from the PBAS allocation had a positive impact on the results achieved by the project.
81. During the project's implementation, IFAD conducted 8 supervision missions and 1 follow-up mission, with an average of 2 missions per year. The supervision mission reports analysed progress made during implementation, taking into consideration positive aspects and areas where the project was facing difficulties. The supervision mission reports also analysed possible solutions and set specific deadlines to implement them. One clear example was the quick reaction from IFAD and the project to accelerate disbursements and the implementation of activities after a slow start-up.
82. Even though Nicaragua does not have a country office, the project was supported by a team of consultants formed by a liaison officer consultant, a rural development specialist, a finance specialist and a procurement specialist; all of them under the supervision of the Country Programme Manager.¹⁴ IFAD provided technical support in areas such as fiduciary aspects, project management and M&E systems.
83. This PCRV agrees with PMD and rated the performance of IFAD as **satisfactory (5)**.
84. **Government.** The government of Nicaragua demonstrated a good level of appropriation, participation and responsibility from the project's design to its completion. Also, the government took important steps towards establishing dialogues with IFAD in terms of ideas and rural development policies. The government of Nicaragua was able to meet 100 per cent the counterpart funds agreed at design and maintained a steady disbursement rate throughout the project's life.

¹⁴ Based in IFAD headquarters during the implementation of PROCAVAL.

85. In comparison to other IFAD-supported projects in Nicaragua, PROCAVAL has excelled for its efforts and results achieved in terms of M&E. Even though the project faced some issues regarding this topic, PROCAVAL was able to make a good use of data collected from first and second level RIMS. In 2014, through PROCAVAL, MEFCCA introduced activities such as "rutas de aprendizaje" to share knowledge and experiences at the field level. However, it is important to highlight the limited harmonization between the M&E systems required at design and supervised by IFAD (baseline, logical framework, RIMS indicators and PCR) and the systems required by the government.¹⁵ The coherence of both systems is crucial for an effective and efficient M&E system.
86. This PCRV agrees with PMD and rated the government's performance as **satisfactory (5)**.

IV. Assessment of PCR quality

Scope

87. All sections requested in the terms of reference are covered in the report. The PCR presented relevant and detailed annexes that contained important data to understand the different topics and contexts. The report could have benefited from an annex with a specific analysis on adaptation to climate change results. This PCRV rates the scope of the PCR as **satisfactory (5)**.

Quality

88. The PCR shows both qualitative and quantitative analysis throughout the whole report. In terms of qualitative analysis, the report included comprehensive sections in which it explained and described the different elements that were crucial for achieving results and aspects to be improved. However, qualitative evidence related to the productive plans is not well explained. There is a need for more qualitative analysis for some of the outcomes achieved. Some outcomes of the first component (i.e. rural roads), according to the logical framework, were analyzed in the PCR as outcomes of the second component. This created confusion when analysing the results from each component. The impact assessment conducted provided crucial data to understand the rural poverty impact achieved. However, the assessment presented some limitations in some of the impact domains in term of lack of "before and after" analysis and limited evidence to attribute some of the results to the project. This PCRV rates the quality of the PCR as **moderately satisfactory (4)**.

Lessons

89. The PCR proposes detailed (some more than others) and accurate lessons related to the challenges faced by the project during implementation. Some additional lessons are proposed in this PCRV. This PCRV rates the PCR lessons as **satisfactory (5)**.

Candour

90. The PCR was most of the time relatively candid in describing the issues experienced during implementation. However, in some parts of the report (i.e. effectiveness), the report misses the opportunity to elaborate deeper on some important issues. This PCRV rates the PCR candour as **satisfactory (5)**.

V. Lessons learned

91. **Women participation and empowerment.** The execution of productive plans developed activities that were crucial for the generation of positive results in relation to women's participation and empowerment. Women benefited by PROCAVAL were able to improve their capacity and knowledge when it comes to rural entrepreneurship, commercialization and markets. It is important to increase

¹⁵ A mechanism based in the recollection and analysis of data from MEFCCA

quality of women's participation by giving them the possibility to lead productive initiatives in the different stages of the value chain, from production to commercialization.

92. **Access to markets and value chain integration.** PROCAVAL contributed to establishing access to markets and value chain strategies taking as starting point three important elements: (i) the strengthening of rural organizations, (ii) the promotion of non-agricultural activities and (iii) the adaptation to climate change. However, these strategies can be further reinforced by: including a wider coverage of family farmers, more formal and stable insertions in the value chains (especially at the commercialization stage), access to working capital, capacity to understand the different markets. The vertical integration was also an important element provided by the project, which allowed producers to engage in value adding processes to reach specialized markets.
93. **Sustainability of benefits.** The organizational and managerial maturity, as well as the organizations' productive experience, is a key element for the sustainability of productive investments. Organization in higher consolidation stages with experience in production management and commercialization tempted to access profit in short-term periods, while other organizations in early consolidation stages required more managerial and administrative strengthening. However, it is imperative for these organizations to prioritize efforts towards elements that are necessary to access and remain in competitive markets. More attention should be paid to details that could affect the quality of the final product or the status of the organizations (i.e. sanitary certificates).

Definition and rating of the evaluation criteria used by IOE

Criteria	Definition *	Mandatory	To be rated
Rural poverty impact	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"> 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. 		No
	<ul style="list-style-type: none"> 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. 		No
	<ul style="list-style-type: none"> 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. 		No
	<ul style="list-style-type: none"> 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. 		No
Project performance	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
Other performance criteria			
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>
Overall project achievement	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, scaling up, as well as environment and natural resources management, and adaptation to climate change.	X	Yes
Performance of partners			
• 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^a

<i>Criteria</i>	<i>Programme Management Department (PMD) rating</i>	<i>IOE Project Completion Report Validation (PCR) rating</i>	<i>Net rating disconnect (PCR-PMD)</i>
Rural poverty impact	5	5	0
Project performance			
Relevance	5	5	0
Effectiveness	5	5	0
Efficiency	5	5	0
Sustainability of benefits	4	4	0
Project performance^b	4.75	4.75	0
Other performance criteria			
Gender equality and women's empowerment	5	5	0
Innovation	5	5	0
Scaling up	4	4	0
Environment and natural resources management	4	4	0
Adaptation to climate change	4	4	0
Overall project achievement^c	5	5	0
Performance of partners^d			
IFAD	5	5	0
Government	5	5	0
Average net disconnect			0

^a 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.

^b Arithmetic average of ratings for relevance, effectiveness, efficiency and sustainability of benefits.

^c 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, scaling up, environment and natural resources management, and adaptation to climate change.

^d 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 PCR rating</i>	<i>Net disconnect</i>
Candour	N/A	5	N/A
Lessons	N/A	5	N/A
Quality (methods, data, participatory process)	N/A	4	N/A
Scope	N/A	5	N/A
Overall rating of the project completion report		5	

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.

Overview of the project's key outputs

<i>Outputs*</i>	<i>Targeted</i>	<i>Actual</i>	<i>Percentage</i>
Component 1- Insertion of small-scale producers into value chains.			
People trained in post-production, processing and commercialization	8000	1926	24
Commercialization groups formed and reinforced	162	103	64
Commercial infrastructure built and/or rehabilitated	N/A	202	N/A
Enterprises with access to financial services facilitated by the project	65	48	74
Commercialization groups with women in management positions	57	295	518
Component 2- Income diversification			
Land with irrigation system built or rehabilitated	N/A	74 Ha	N/A
People trained in income generating activities			
People trained in agricultural production practices and technologies	3360	1175	35
People trained in livestock production practices and technologies	2500	649	26
People receiving entrepreneurship capacity building	2500	5752	230
Enterprises with access to non-financial services facilitated by the project	50	264	528

* Selected outputs with target values, established as part of the project's logical framework or first level results of IFAD Result and Impact Management System

Abbreviations

BCIE	Central American Bank for Economic Integration
BPA	Food Productive Bonus
COSOP	Country Strategic Opportunities Programme
FONDECA	Farmers Development Fund
IDR	Rural Development Institute
INFOCOOP	Nicaraguan Institute for Cooperative Development
INTA	National Institute for Agricultural Technology
MARENA	Ministry of Environment and Natural Resources
MEFCCA	Ministry of family, communal, cooperative, and associative economy
PBAS	Performance Based Allocation System
PCR	Project Completion Report
PCRV	Project Completion Report Validation
PDING	Income Diversification Plans
PFDC	Organizational Strengthening and Value Adding Plans
PICV	Value Chain Insertion Plans
PMD	Programme Management Department of IFAD
PMU	project management unit
PNAIR	National Rural Agribusiness Programme
PROCAVAL	Inclusion of Small Scale Producers in Value Chains and Market Access Project
PRORURAL	Agriculture and Rural Development Programme
PSA	Food Security Plans
RIMS	Results and Impact Management System
SISPADRU	Environmental procedure for rural development system

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