

Project Completion Report Validation

Sustainable Rural Development Programme for the Northern Region Republic of Guatemala

Date of validation by IOE: September 2020

I. Basic project data

			Approval (US\$ m)		Actual (US\$ m)	
Region	Latin America and the Caribbean	Total project costs	40.4		19.1	
Country	Guatemala	IFAD loan and percentage of total	18.0	44.5%	11.5	60.3%
Loan number	770-GT (loan) 1070-GT (grant)	IFAD grant	0.45	1.1%	0.26	1.4%
IFAD project ID	1100001473	Borrower	4.3	10.6%	1.1	6.2%
Type of project (subsector)	Rural development	OPEC Fund for International Development - OFID	15.0	37.1%	3.5	18.3%
Financing type	Loan and grant	Beneficiaries	2.7	6.6%	2.6	13.6%
Lending terms*	Ordinary terms					
Date of approval	17/12/2008					
Date of loan signature	13/12/2011					
Date of effectiveness	27/01/2012	Number of beneficiaries	50 000 direct		51 356 direct	
Loan amendments	2					
Loan closure extensions	1					
Country programme managers	Murguia Oropeza; Juan Diego Ruiz Cumplido (current)	Loan closing date	31/03/2018		30/09/2019	
Regional director(s)	Josephina Stubbs; Joaquín Lozano; Rossana Polastri (current)	Mid-term review			05/06/2017	
Project completion report reviewer	Federica Lomiri	IFAD loan disbursement at project completion (%)			Loan: 68.3% Grant: 61.8%	
Project completion report quality control panel	Eoghan Molloy Fabrizio Felloni	Date of the project completion report			29/04/2020	

Source: PRODENORTE. Project Completion Report. 29/04/2020.

II. Project outline

Country & Project Name	Republic of Guatemala. Sustainable Rural Development Programme for the Northern Region (PRODENORTE).
Project duration	Total project duration: seven years; Date of approval: 17 December 2008; Date of effectiveness: 27 January 2012; Completion date: 30 September 2019; Eighteen months of extension granted; Effectiveness lag: 37 months; Time from entry into force to first disbursement of funds: two months.
Project goal, objectives and components	The general objective of the Program is to improve the living conditions of the target population. The specific objective is to increase income and employment opportunities for beneficiaries through a better linkages with productive chains and greater access to markets. The programme has five components: (i) human and social capital development; (ii) sustainable production and natural resources management; (iii) market access and rural business development; (iv) rural roads; and (v) programme coordination and institutional strengthening.
Project area and target group	The project area covers 19 municipalities in the Northern region of Guatemala, including 13 municipalities already supported by PRODEVER. ¹ The target group consists of small agricultural producers, landless farmers and daily paid workers, agricultural and non-agricultural micro-entrepreneurs, craftsmen, rural women, young people and indigenous people. The design document identified specific targeting criteria: (i) 20 per cent of total beneficiaries as women headed households; (ii) 30 per cent of total beneficiaries as women; (iii) 10 per cent of total beneficiaries as young people; (iv) 25 per cent of total beneficiaries without access to land; and (v) 90 per cent of total beneficiaries as indigenous people. The targeting strategy used a participatory approach to select the rural communities.
Project implementation	The National Peace Fund (FONAPAZ) was designated as the executing agency of PRODENORTE. In 2012 the Ministry of Agriculture, Livestock and Food (MAGA) was appointed as implementing agency in place of FONAPAZ. The first project coordination unit was closed and restructured around a centralized unit within the MAGA.
Changes during implementation	The project completion date was extended by 18 months from March 2018 to September 2019. The executing agency was changed.
Financing	Total budget at appraisal was US\$40.4 million. The project was financed by: (i) an IFAD loan of SDR12.1 million (approximately US\$18.4 million); (ii) a loan of the OPEC Fund for International Development (OFID) of US\$15 million; (iii) counterpart funds from the Government of Guatemala of US\$4.3 million; and (iv) an in-kind contribution of beneficiaries of US\$2.7 million.

Table 1
Project costs (US\$ '000)

<i>Funding source</i>	<i>Appraisal</i>	<i>% of appraisal costs</i>	<i>Actual</i>	<i>% of actual costs</i>	<i>% disbursed</i>
IFAD (loan)	17.9	44.5%	11.5	60.3%	64.2%
IFAD (grant)	0.45	1.1%	0.26	1.4%	59.2%
Government	4.3	10.6%	1.1	6.2%	26.7%
Beneficiaries	2.7	6.6%	2.6	13.6%	97.7%
OFID	15.0	37.1%	3.5	18.3%	23.3%
Total	40.4	100%	19.1	100%	47.26%

Source: PRODENORTE. Project Completion Report. 29/04/2020. Table 14.

¹ The Rural Development Program for Verapaces (PRODEVER) is an IFAD-funded operation implemented in the northern region of the country from 2001 to 2011 co-funded by OFID for US\$5 million.

Table 2²**Component costs (USD '000)**

<i>Component</i>	<i>Appraisal</i>	<i>% of appraisal costs</i>	<i>Actual</i>	<i>% of actual costs</i>	<i>% disbursed</i>
Human and social capital development	5 109	15.2%	1 998	13.0%	39.1%
Sustainable production and natural resources management	0.903	2.7%	0.519	3.3%	57.4%
Market access and rural business development	10 966	32.8%	7 853	51.2%	71.6%
Rural roads	9 850	29.4%	0.811	5.2%	8.2%
Programme coordination and institutional strengthening	6 594	19.7%	4 142	27.0%	62.8%
Government	4.3	11%	1.1	6%	26.7%
Total³	37.7	100%	16.4	100%	43.65%

Source: PRODENORTE. Project Completion Report. 29/04/2020. Table 11.

III. Review of findings

PCR finding	Rating
A. Core Criteria	
Relevance	
<p>1. PRODENORTE was conceived as an expansion of Government's presence in the northern region of Guatemala, where poverty and social exclusion are at their most acute, and to consolidate the achievements of PRODEVER by covering the same thirteen municipalities among its areas of intervention. The project goals were aligned with the National Development Plan (2008-2012)⁴ focussing on job creation, poverty reduction, provision of basic infrastructures and social justice. Project objectives remained relevant also to the Government's General Policy 2016–2020 called <i>K'atun National Development Plan: our Guatemala 2032</i>, which recognizes the need to "promote an economic, social and environmental model in rural regions that will foster the democratization of access to means of production for people living in poverty". By the same token, project objectives were consistent with the three strategic objectives of the IFAD's country strategy as defined in the Country strategic opportunities programme 2008-2012 (extended until 2016), and in particular with strategic objectives 1 and 2 focussing on market access and capacity-building, respectively. The project remains relevant to the rationale of the country strategy note⁵ focussing on strengthening assets, capacities, knowledge, organisation, and access to markets of the agricultural and non-agricultural producers, with particular emphasis on indigenous peoples.</p> <p>2. The PRODENORTE was also relevant as it addressed the needs of the target population through the design of capacity-building activities and technical support to improve farmers' productive capacity and access markets, and contributing to job creation for improving their livelihoods.</p> <p>3. The project internal logic was based on achieving local development through the enhancement of production and entrepreneurial potential, the development of sources of employment, the improved access to financial services and savings mechanisms, the strengthening of human and social capital by providing</p>	4

² The Project Completion Report (PCR) presents project components costs by including separately the Government's contribution. The PCRV has replicated the same structure in Table 2.

³ The PCR does not provide an explanation for the discrepancy between the total project cost columns in the two tables; the PCRV was not able to further investigate this issue.

⁴ "Plan de la Esperanza" in Spanish.

⁵ The country strategy note is a transitional strategic document to establish IFAD's engagement with Guatemala for 24 months, specifically for the period from July 2018 to June 2020.

PCR finding	Rating
<p>technical expertise and promoting gender equality. The Project Completion Report (PCR) highlights some deficiencies of the project logical framework, related to the poor definition of indicators, as well as their limited relevance: most of the indicators outlined just refer to outputs and only few of them allow outcomes to be measured; some others were not relevant to the project's context. For this reason, according to the PCR, various indicators have low or even zero achievement rates, with a negative impact on the overall project effectiveness. At least three striking examples of this can be found in the PCR: one concerns the capacity building of 50 Councils of Elders,⁶ that could not be carried out due to the inexistence of such bodies in the project area; the second pertains to the impossibility to build rural roads due to the confusion made between MAGA's mandate, which does not cover road construction, and MAGA responsibility to fulfil the tasks assigned as executing agency. Similarly, the design of the Rural Financial Services sub-component placed great importance on expanding rural financial services coverage, taking advantage of the technical and financial capacity existing in the area of intervention; however, such capacity does not exist on the ground because the provision of financial services and credit is still concentrated in urban areas.</p> <p>4. Overall, the PCRV agrees that the design of PRODENORTE was coherent with national poverty reduction strategies and addressed the needs of the target population. However, the design flaws identified in the project design document have affected project effectiveness and for this reason this PCRV also assigns a rating of <i>moderately satisfactory</i> (4) to this evaluation criterion.</p>	
Effectiveness	
<p>5. Overall, results are below target for most of the log frame indicators (total achievement rate of log frame indicators is 73.8 per cent) and the few encouraging results reported are not sufficiently supported by reliable evidence and data, which makes it difficult to attribute the alleged changes to project intervention. With regard to the achievement rate of the project development objectives, only one exceeded expectations through the creation of 1,501 new jobs against a forecast of 1,000.</p> <p>6. PRODENORTE intervened in 408 communities out of the 383 planned in the 19 municipalities targeted. At completion, 46,033 households were reached against a target of 50,000 (92 per cent of the target) while 51,356 individuals directly benefitted from project services against a target of 50,000.</p> <p>7. The results achieved under Component 1 are mixed: a great number of community promoters (2,347 against a target of 200) were trained to disseminate sustainable production practices and technologies. However not all of them became active promoters and the project did not monitor the actual number of people reached by the promoters by the end of the Program, nor the quality of the lessons shared. The results in terms of improved capacities of COCODE,⁷ COMUDE⁸ and Elders' Councils were poor: 73 COCODEs and two COMUDEs were strengthened against a target of 100 and 19, respectively, and not even one Elders' Council was supported against a target of 50, due to their non-existence in the project area, as already outlined in the Relevance section. The achievement rates of the activities carried out under Component 2 are overall satisfactory and exceed targets in terms of number of women producers encouraged to initiate business plans, and hectares of family gardens supported to increase/diversify the family-based production. However, adoption rates by farmers and local bodies remain below targets.</p> <p>8. With regard to Component 3, the project was able to support only 39 per cent of the planned micro-enterprises, but managed to create 1,501 new jobs of which 84 per cent were for rural youth. Regrettably, the incomes generated through these jobs have not been monitored nor quantified and the effects in terms of</p>	3

⁶ Component 1, Output 1 of the logical framework reads as follows: "100 COCODEs, 19 COMUDEs y 50 Elders' Councils improve their capacity to promote community development and access to government and other funds".

⁷ Community Development Council, *Consejo Comunitario de Desarrollo* in Spanish.

⁸ Municipal Development Council, *Consejo Municipal de Desarrollo* in Spanish.

PCRVR finding	Rating
<p>youth insertion in the labour market are not yet known. In terms of rural financial services, as anticipated in the relevance section, this sub-component has been penalized by significant design flaws which affected: i) the planned opening of financial-service centres⁹ as a result of the impossibility to transfer resources to profit-making organizations such as micro-finance institutions (achievement rate 0 per cent); and ii) the support by micro-finance institutions to rural microenterprises through working credit (achievement rate 44 per cent). In response to this situation, the project focussed on the community savings groups¹⁰ strategy, which replaced the support from financial services in the targeted communities.</p> <p>9. The installation of 1,778 water tanks and 2,000 energy-saving stoves for the members of CADER¹¹ (Component 4) resulted in increased availability of safe drinking water, lower fuelwood consumption, reduction in deforestation and in family spending for buying firewood. However, the planned construction of 220 km of rural roads was not achieved at all but replaced by the rehabilitation of 71.93 km of rural roads (against a target of 100 km); as a result, the budget allocated to this expenditure category was executed at 8.2 per cent. The reason for this is to be found in the confusion made between MAGA's mandate and responsibility (see relevance section).</p> <p>10. On the one hand, the actions carried out by PRODENORTE contributed to generating employment opportunities especially for young people through occupational scholarships but, on the other hand, the actual achievement in terms of job creation and income generation was not measured and remains uncertain. The CADER savings proved to be an effective tool for generating micro-credit for the most vulnerable by providing immediate loans to invest in individual productive enterprises or rural micro-enterprises. However, the objective of linking financial service providers with target population was not achieved. Finally, the construction of water tanks and energy-saving stoves had a positive impact in the reduction of women's workload, households' health conditions and reduction of clear-cutting practices. However, the goal of enhancing economic integration of rural and indigenous beneficiaries through expanded rural roads was very partially achieved. Based on this, this PCRVR rates project effectiveness as <i>moderately unsatisfactory (3)</i>, in agreement with the PCR.</p>	
Efficiency	
<p>11. PRODENORTE has been categorised as a 'chronic problem project' by IFAD. Upon completion, PRODENORTE had executed US\$16,487,911 and mobilized 43.6 per cent of all resources allocated (excluding in-kind contributions from beneficiaries). The percentage of IFAD financing disbursed was 64.2 per cent for the loan and 59.2 per cent for the grant. Funding from OFID has been lower than planned and utilized at 23.4 per cent. The contribution from the Government was also lower than expected (26.7 per cent). The serious disbursement delays determined that 87 per cent of the 43.6 per cent actually disbursed was executed during the last four years of implementation (2016-2019). Time from approval to entry into force was 37 months,¹² which is more than the already high average for Guatemala (35 months¹³) and the average for the Latin America and Caribbean region (16 months).¹⁴</p>	2

⁹ Component 3, Output 2 1of the logical framework reads as follows: nine financial-service centres, active from at least five different rural financial service providers

¹⁰ *Grupos de ahorro comunitario* in Spanish.

¹¹ The CADER (Rural Development Learning Center or *Centro de Aprendizaje de Desarrollo Rural* in Spanish) is a training tool promoted by the MAGA to increase the productivity of peasant families through the methodology of "learning by doing" and the "farmer to farmer" approach.

¹² The political instability and the frequent government changes in Guatemala have affected the effectiveness lag of all IFAD-funded operations. With particular regard to PRODENORTE, there have been two political crisis in Guatemala which have coincided with the year of approval (2008) and the year of effectiveness (2012). The changes in governments led to political and bureaucratic issues that delayed the signing of the contractual commitments.

¹³ The average has been calculated over the three projects approved before PRODENORTE: PRODEVER (1999-2011), PRONADER OCCIDENTE (2003-2012), and PNDR ORIENTE (2004-2017).

¹⁴ Source: IFAD. Latin America and the Caribbean Division. Annual Portfolio Performance Report 2012 - 2013. Volume I.

PCR finding	Rating
<p>12. The PCR outlines the various bottlenecks experienced by PRODENORTE that resulted in low disbursement rates, namely: i) the switch in project management from FONAPAZ to MAGA and the resulting “paralysis” of project implementation for twenty months;¹⁵ ii) the complexity of the national process for disbursements to organizations; and iii) the Government procedures requiring the execution of at least 50 per cent of a previous allocation before a new disbursement request can be submitted. The first economic investment took finally place in mid-2015, however in September 2015 the project was interrupted again for almost one year due to the political situation. In 2017 and 2018 the project was able to implement the activities, but with restrictions due to the ceilings established in the national budget.</p> <p>13. The internal rate of return at design was estimated at 20.6 per cent while the PCR estimate is 16.9 per cent. There is a considerable gap between the Net Present Value (NPV) of the aggregated investments in the two scenarios (NPV ex-ante was US\$63.6 million; NPV ex-post is US\$9.8 million). This could be explained by the intermittent suspension of activities and the failure to carry out some planned investments. Overall, economic profitability is slightly lower than anticipated: the investments made, although lower than expected, are likely to achieve positive results with lower levels of cost per beneficiary than those initially projected (US\$321 against a forecast of US\$755).¹⁶ The higher number of individuals reached in such a low-investment project could be interpreted as the project being cost-effective; however, given the shortcomings observed in terms of effectiveness and rural poverty impact, the PRODENORTE is more likely an example of benefits having been diluted.</p> <p>14. It is evident from the PCR’s assessment that the project faced significant implementation and budget execution challenges, largely related to the ever-changing political stage and actors. Considering the poor results achieved in terms of efficiency, the PCR rates this criterion as <i>unsatisfactory (2)</i>, one point below the PCR.</p>	
Rural poverty impact	
<p>15. The project’s impact on rural poverty is assessed against the following four impact domains: (i) household incomes and assets; (ii) human and social capital and empowerment; (iii) food security and agricultural productivity; and (iv) institutions and policies.</p> <p>16. The data provided in the PCR is mainly drawn from the Final Evaluation of Results (FER) prepared by a team of consultants and not annexed to the PCR. No information about the size of the sample used and the level of representativeness of the population is provided.</p> <p>17. Concerning the impact on incomes and assets, the PCR recalls the creation of 1,500 new jobs¹⁷ most of which for young people; according to the FER, 51 per cent of total beneficiaries and 56 per cent of the young people newly employed increased their incomes. However, the FER did not quantify the increase generated and therefore does not provide any data to underpin this assessment. The distribution of 2,000 improved cooking stoves also had an impact on household incomes; the great majority of beneficiaries reported they no longer need to buy firewood and can save on average 85 GTQ per week.¹⁸</p> <p>18. On the other hand, project impact on food security is mainly described as a natural consequence of two factors: a better access to agricultural products through the support provided to sustainable production, and a greater financial availability stemming from increased incomes. However, the FER does not provide any data that can be used to assess the impact on food security in project areas. According to the FER, 38 per cent of farmers recorded an increase of 25 per cent in agricultural productivity, and 33 per cent indicated an improvement between 51 and 75 per cent. In terms of access to markets, the project</p>	3

¹⁵ From January 2013 to September 2014.

¹⁶ The cost per beneficiary is below the one recorded by PRODEVER (US\$370) and PNDR ORIENTE (US\$640).

¹⁷ According to the PCR, the jobs created were divided as follows: 1,252 permanent jobs and 249 temporary jobs.

¹⁸ Which corresponds to around US\$10 at October 2020 conversion rate.

PCR finding	Rating
<p>supported the certification of 24 coffee producers (50 per cent of which women), allowing to market 10.23 metric tons of coffee produced through good agricultural practices to a European roast house. Finally, 30 hectares of organic cocoa from 561 farmers were certified, allowing to market 72 metric tons of fermented cocoa to Greece and France. However, the results achieved under this impact sub-domain are globally considered as unsatisfactory by the PCR.</p> <p>19. With regard to human and social capital, a partnership was established with INTECAP¹⁹ to provide occupational scholarships to train 740 people (56 per cent of which were women) in gastronomy, tailoring, packaging of fruits and vegetables and chocolate processing; the knowledge acquired allowed 56 per cent of the trainees to start small businesses and 26 per cent have been hired by third parties thanks to the skills gained. Empowerment has been an important result of the strengthening of social capital, mainly in the case of women. The support provided for the formalization of organizations with business plans allowed women to be included in managerial positions of organizations, thanks to their involvement in CADER savings and credit and COCODE. Finally, no major impact on institutions or public policies is reported, despite some incipient capacity-building activities of the Municipal Planning Directorates and Environmental Management Units.</p> <p>20. In conclusion, it is clear that the delays experienced in carrying out planned investments have affected the capacity to have a significant impact on rural poverty in the region. On the other hand, it is undeniable that PRODENORTE was able to support job creation in rural areas and promoted savings and credit groups for the benefit of rural women, but without the capacity to assess and quantify the actual impact. Similarly, the additional incomes generated through the development of small-scale business development plans, were not estimated neither for young people nor for women. On the basis of such shortcomings, and given also the poor results in terms of food security, access to markets and institution and policies, the PCRV rates rural poverty impact as <i>moderately unsatisfactory (3)</i>, one point below the PCR rating.</p>	
Sustainability of benefits	
<p>21. The PRODENORTE developed an exit strategy aiming at (i) strengthening the capacities of people and organizations supported and empowered through business plans; (ii) transferring knowledge and skills to project beneficiaries and (iii) providing advice and support to “youth managers” to give continuity to the activities after project closure.</p> <p>22. According to the PCR, one of the most important measure taken to ensure project social sustainability was the education and training programme implemented, which made it possible to strengthen the human and social capital of the beneficiaries and achieve the ownership of economic and social initiatives to ensure the execution of business plans. More specifically, the integration of 27 Youth Managers (17 men and 10 women), responsible for the execution of business plans, in legally constituted organisations,²⁰ contributed to the intergenerational sustainability by offering continuity in work streams within the different productive chains.</p> <p>23. The community savings methodology supported the economic empowerment of women and 91 per cent of the 158 savings CADER were considered sustainable thanks to the administrative and financial skills acquired and are actually experiencing steady growth in savings and credit funds.</p> <p>24. The economic and financial sustainability of the various production chains supported was determined by the programme management unit (PMU) through an analysis of economic indicators (production costs) and financial indicators (NPV, internal rate of return and investment recovery period). According to the results, 42 per cent of the value chains supported are highly sustainable while</p>	3

¹⁹ Technical Institute of Training and Productivity, *Instituto Técnico de Capacitación y Productividad* in Spanish.

²⁰ The operational strategy of youth managers required a minimum educational profile, being the son or daughter of a partner in the organisation and possessing leadership qualities.

PCR finding	Rating
<p>23 per cent are not sustainable and/or unsustainable. On the other hand, 77 per cent of the production chains with business plans are considered to have the physical, social and economic conditions to achieve sustainability. Finally, sustainability of business plans under OFID funds remains a concern, since seven business plans had received financial support to their investment plans only at the end of the project, which limits their economic and organisational sustainability.</p> <p>25. With regard to project institutional sustainability, despite some synergies with the MAGA observed in the field, the PCR was skeptical about it due to the change of government scheduled for January 2020. The partnerships established with the private sector, government institutions, local governments, specific secretariats, NGOs and second-tier producer organizations are considered potentially more effective in ensuring the continuation of support and follow-up to the organizations that still require it.</p> <p>26. Overall, while the activities carried out to strengthen the human and social capital of target organizations pave the way for sustainability of the project's interventions, the general context of poor effectiveness and low delivery rates affect the sustainability of the whole intervention. For this reason, the PCR agrees with the PCR in rating sustainability of PRODENORTE as <i>moderately unsatisfactory</i> (3).</p>	
B. Other performance criteria	
Innovation	
<p>27. The Program has been innovative in focussing on the development of comprehensive training processes for young people and pursued the strategy of intergenerational renewal through the concept of "youth manager" in legally constituted organizations which are responsible for the execution of business plans. The training methodology was based on technical aspects to promote the good administrative and financial management and accountability within the organizations. According to the information provided by the Latin America and Caribbean (LAC) Division of IFAD, the "youth manager" strategy is being currently systematised within an IFAD Policy Brief in order to influence the "Institutional Policy for Gender Equality and Strategic Implementation Framework 2014-2023",²¹ of the Ministry of Agriculture.</p> <p>28. The PRODENORTE implemented innovative technologies in 22 organizations to make production processes more efficient, including: cold rooms for export vegetables, production and post-harvest beekeeping equipment, conventional and unconventional dryers, etc. The PCR estimates that 2,262 producers benefited from the new technology and claims that producers continue to use these practices thanks to the added value of the training received. No data are provided in support of this assertion.</p> <p>29. In conclusion, the project seems to have been able, among many difficulties, to develop and introduce some innovative practices, mainly related to agricultural technologies and training; while the deployment of technological innovations has been certainly hampered by poor implementation, the "youth manager" model has been already replicated by others (see Scaling up section). In light of this, the PCR rates innovation as <i>moderately satisfactory</i> (4), one point above the PCR.</p>	4
Scaling up	
<p>30. When it comes to analyzing project performance in terms of scaling-up, the PCR mainly recalls the various strategic alliances established by PRODENORTE with the private sector, government institutions, study centers, local authorities, NGOs etc., as a proof of its scaling-up potential. However, the PCR also points</p>	4

²¹ *Política Institucional para la Igualdad de Género y Marco Estratégico de Implementación 2014-2023*, in Spanish.

PCR finding	Rating
<p>out that at the time of the completion mission, effective scaling up of project strategies was not assured, quite the contrary.</p> <p>31. On the other hand, the PCR reports that some methodologies implemented by PRODENORTE (such as the Savings and Credit Groups based on the Oxfam methodology) have been replicated by other UN Agencies (UN Women, FAO and WFP) and integrated in their intervention strategies. The replication of this methodology should be seen in the framework of the strategic linkage with the Joint Programme "Accelerating progress on the economic empowerment of rural women", in which IFAD, FAO, WFP and UN Women participate, and which has provided a very important space for the scaling up of processes such as the implementation of CSC groups. Meanwhile, the integration of the "youth manager" in organizations executing business plans is being replicated by other international NGOs²² within some of their interventions in the territory. However, while the replication of a practice used in an IFAD project by others is certainly one of the conditions for scaling up, the PCR also highlights that overall scaling up of project's strategies is not ensured at all, given the unfavourable environment within MAGA.</p> <p>32. In light of the above, the PCRV gives the rating of <i>moderately satisfactory (4)</i> to scaling-up, in agreement with the PCR.</p>	
Gender equality and women's empowerment	
<p>33. According to the PCR, PRODENORTE contributed to gender inequality reduction in rural areas through the promotion of access to and control over the resources and benefits offered by the project.</p> <p>34. PRODENORTE has supported women in various ways to promote their economic empowerment, including developing and implementing business plans, setting up community savings groups, income generation through sustainable use of natural resources and providing vocational training for young women. All the training activities were carried out in the local indigenous languages to ensure the active participation of rural women.</p> <p>35. Overall, 26,346 women were reached at completion (51.3 per cent of the total beneficiaries); the gender gap in terms of access to rural financial services reduced for more than 4,000 women (85 per cent of the total beneficiaries of savings, credit funds). With regard to the increase in women's participation in organizational leadership positions, the project achieved the participation of 423 women against a target of 250.</p> <p>36. PRODENORTE also contributed to the reduction of the workload for 2,963 women through the implementation of energy-saving stoves and the provision of water tanks that benefitted 800 families. According to the FER, 44 per cent of the people interviewed claimed a two-hour per day reduction in food preparation thanks to stoves received and 94 per cent reported a reduction of at least one hour per day in water collection thanks to water tanks. The time saved is invested in activities promoted by PRODENORTE, such as CADER savings, soil conservation and fruit growing activities. According to the FER, 51 per cent of women increased their incomes, 35 per cent have improved access to food and 30 per cent have established an enterprise; however, the income generated by women small-scale business plans was not estimated by the FER.</p> <p>37. The PCR recalls that the project has received the IFAD Gender Award in 2019 for being effective in ensuring better living conditions, greater economic opportunities and increased participation in decision-making for women.</p> <p>38. Based on the above, the PCRV agrees with the rating of <i>satisfactory (5)</i> given by the PCR.</p>	5
Environment and natural resources management	
<p>39. The environmental impacts of PRODENORTE are related to the implementation of Component 2 "Sustainable production and natural resource management".</p>	4

²² Examples of this replication are Heifer International and Fundasistemas.

PCR finding	Rating
<p>Despite some positive results, the low budgetary execution of the component (57 per cent) is reflected by a low achievement rate for various indicators. For example, the environmental restoration activities involved 569 hectares of forestry plantations and agroforestry systems against a target of 1,000 hectares; the project managed to create only 20 forest production committees instead of the 100 planned; and 101 natural resource conservation plans were implemented by local committees against a target of 180.</p> <p>40. On the positive side, the project was able to apply soil conservation techniques on 300 hectares for 3,155 beneficiaries and to meet the target to train 200 soil conservation promoters of CADER to disseminate these practices. Moreover, 750 agricultural toolkits were distributed to an equal number of CADER, benefitting 11,250 families. According to the FER, 61 per cent of beneficiaries reported to have greater availability of food during lean times, thanks to the implementation of good agricultural practices.</p> <p>41. In light of the above, the PCRV agrees in rating this criterion as <i>moderately satisfactory (4)</i>.</p>	
Adaptation to Climate Change	
<p>42. Although the Program did not have a climate-change perspective and was rather focused on management and conservation of natural resources, the PCR claims important contributions in adaptation and mitigation aspects. The investments in climate resilient post-harvesting infrastructures for storage and processing of vegetables and crops, as well as in social infrastructures of community importance, such as energy-saving stoves and water tanks, are examples of the activities carried out in response to climate change. While the energy-saving stoves contribute to the mitigation of climate change by avoiding excessive deforestation to produce firewood and reduce CO2 emissions, the water tanks reduce the pressure on ground water by allowing rainwater to be stored.</p> <p>43. Furthermore, the project introduced irrigation and drainage systems to promote the efficient use of water in 85 hectares of the region of the Dry Corridor, benefitting 476 families and reducing their vulnerability to effects of drought.</p> <p>44. Despite the positive results claimed, the PCR rates this criterion as <i>moderately unsatisfactory (3)</i> but without providing any compelling evidence in support of this rating and demonstrating a certain degree of inconsistency with the narrative. However, the PCRV finds that the project has been able to promote some good climate resilient technologies, despite the low budgetary execution that affected the achievement of expected results. For this reason, adaptation to climate change is rated as <i>moderately satisfactory (4)</i>, one point above the PCR rating.</p>	4
C. Overall Project Achievement	
<p>45. The assessment of the overall performance of PRODENORTE must certainly consider the several problems that affected the implementation process. Despite being approved by IFAD in October 2008, the financing agreement with the Government was signed three years later and the project became effective in January 2012.²³ In 2012 the executing agency was changed from FONAPAZ to the MAGA, causing disruption of activities until 2015 when investments were frozen again (until July 2016) on account of the political crisis. This situation, combined with the difficulties in budget approval and financial availability, delayed the project technical and financial execution and justified the extension of the loan agreements of IFAD and OFID by 18 months.</p> <p>46. While results in terms of quantity of jobs created are satisfactory, the project was not effective in improving access to markets because, on the one hand, the construction of rural roads to expand economic integration of beneficiaries did</p>	3

²³ The PRODENORTE is not an isolated case, as shown by the great delays faced by all the other IFAD-funded programs in the country. The most striking case is the Sustainable Rural Development Programme in El Quiché (GT 1519), which was cancelled after having awaited the ratification by the Congress for 30 months. The reasons for such delays are mainly related to the cumbersome legal framework for loans approval and the lack of political interest in projects themes.

PCR finding	Rating
<p>not take place and, on the other hand, most of the organizations supported were in the initial stage of production and therefore unable to meet with market (and private sector) quality standards.</p> <p>47. In conclusion, despite some positive results, mainly related to job creation and women's empowerment, project effects were overall limited in comparison with the project's development goal, which was very ambitious; this level of achievement is, indeed, coherent with the low budget mobilization. Based on the above, the PCRV agrees with the rating of <i>moderately unsatisfactory (3)</i> given to overall project achievement by the PCR.</p>	
D. Performance of Partners	
IFAD	
<p>48. The PCRV notes that the PCR assessment of IFAD performance did not provide sufficient information on the measures undertaken by IFAD to resolve implementation bottlenecks. During the seven years of implementation of PRODENORTE, IFAD carried out four supervision missions, six implementation support/follow-up missions and one mid-term review mission for a total of 11.</p> <p>49. One thing to bear in mind when assessing IFAD performance in supporting and overseeing project activities, is that project implementation has suffered from, on the one hand, the change of the executing agency from FONAPAZ to MAGA, but also, on the other hand, it was heavily conditioned by the political crisis that followed the resignation of the President in 2015, on the thrust of an impressive corruption scandal. According to information provided by the LAC Division of IFAD but not by the PCR, the IFAD country team continued supporting project implementation through regular monitoring activity in close coordination with the new administration that took office in 2016. The monitoring activity has included weekly follow-up sessions with the Ministries of Finance and Agriculture, combined with daily sessions with the PMU. Moreover, the IFAD Country Director used to regularly lead meetings with the Vice-Presidency of the Cabinet to address administrative and institutional bottlenecks concerning project execution. Similarly, the close support provided by IFAD Country Team is deemed crucial by LAC to increase project disbursement rate since 2017. On the other hand, the PCR highlights a couple of issues related to IFAD performance, and namely: i) the lack of oversight, despite the non-objection, of the recruitment process of some project staff, which resulted in hiring unskilled people in key positions;²⁴ and ii) the little follow-up provided to the recommendations made by the supervision and implementation support missions.</p> <p>50. In conclusion, considering the effort made by IFAD to continue supporting the implementation of PRODENORTE despite two suspensions and in the context of a severe political crisis that has overtaken its institutional partner, this PCRV rates IFAD's performance as <i>satisfactory (5)</i>, in line with the PCR.</p>	5
Government	
<p>51. The PCR recalls in this section that the project suffered from many problems strictly connected with the political and institutional instability of Guatemala which led to the paralysis of public spending and affected the budget implementation of externally-funded programs, including PRODENORTE. However, it should be noted that not only PRODENORTE, but all the other projects implemented by MAGA have experienced lower disbursement rates if compared with the project implemented through FONAPAZ; this can be explained by the more rigorous legal, financial, administrative and reporting requirements of MAGA. However, after the closure of FONAPAZ, and thanks to a permanent follow-up with MAGA and the Ministry of Finance, progress was made in the implementation during the period 2015-2017, making it clear that the key</p>	3

²⁴ The PCR provides the example of the new Director of Finance which had no previous experience with IFAD or with international cooperation programs, as required for the position. The PCR clearly says that in this case personal relationships have positively influenced the selection process. (PRODENORTE, PCR. Page 26, par. 135).

PCR finding	Rating
<p>element for the good execution of reimbursable funds is the political support both at the central and municipal levels.</p> <p>52. The project has been rated at risk until 2016, due to the low disbursement rates registered during the first four years of implementation (2012-2015); as a result, 87 per cent of the resources allocated to PRODENORTE were disbursed during the last four years of implementation (2016-2019).</p> <p>53. Based on this, the PCR rates Government's performance as <i>moderately unsatisfactory (3)</i> in line with the PCR.</p>	

IV. Assessment of PCR quality

PCR finding	Rating
Scope	
<p>54. All the chapters, sections and annexes required by the Guidelines for Project Completion Review 2015 have been included. However, the PCR presents some oversights. For example, in the "Project qualification matrix at completion", the rating attributed to project sustainability is incoherent with the rating attributed in the section "G. Sustainability assessment".</p> <p>55. The tables prevail over the content in various sections of the PCR, while most of them should be rather included in the Annexes (e.g. "Section E.3.Efficiency" which alone consists of 18 pages). Overall, the total number of pages of the PCR is more than double the total recommended by the Guidelines. Taking into account the oversights described, this PCR rates its scope as <i>moderately satisfactory (4)</i>.</p>	4
Quality	
<p>56. The completion process was carried out in a participatory way by involving the PMU, implementing partners and beneficiaries of project's intervention. The final workshop was held in October 2019 and saw the participation of project staff, local authorities, representatives of NGOs, rural organizations and beneficiaries, the Municipal Directorate of Women, among others.</p> <p>57. Overall, the PCR is more descriptive than analytical and the narrative is redundant, at times, while the information is sometimes scattered and also presented in the wrong sections of the report. According to the information made available by LAC during the review of the draft PCR, while IFAD has indeed supported the completion process by providing <i>ad hoc</i> human resources, the commitment of the PMU was overall erratic and the few inputs provided were of low quality, meaning that the self-evaluation opportunity offered by the preparation of the PCR was actually missed.</p> <p>58. The PCR assessment is based on the data provided by the project M&E system combined with the information collected throughout the completion process. The PCR acknowledges the good quality of the M&E system and claims that the data provided by the different project component coordinators generated inputs for decision-making and planning of new actions. However, the lack of quantitative data for various impact domains affects the assessment of the overall project impact. Based on the failure to provide coherent and easy access to relevant information, the PCR quality is considered as <i>moderately unsatisfactory (3)</i>.</p>	3
Lessons	
<p>59. The PCR gives enough space to the description of the lessons drawn from the implementation of PRODENORTE by detailing the administrative and technical challenges faced. This section of the PCR also includes various recommendations for improving specific aspects of project management.</p> <p>60. One of the most interesting points raised concern the cumbersome nature of the approval and execution procedures within MAGA of the funds assigned to IFAD projects, which affected purchasing and contracting procedures. To avoid</p>	4

<p>the recurrence of such situation, the PCR stresses the importance to establish an independent financial administrative unit separated from any Ministry, to easily manage IFAD funds. On the other hand, a training plan in financial management and procurement procedures should also be developed in order to strengthen the capacities of the PMUs. The PCR also calls for greater supervision by IFAD to ensure that program staff are recruited according to transparent and appropriately qualified recruitment processes. Non-objection should be used if the processes are not considered transparent or do not comply with the requirements. Another lesson which is worth mentioning concerns the importance to have a dedicated budget to implement more effectively the gender equality strategy.</p> <p>61. In light of the analysis provided, the PCR rates the lessons drawn by the PCR as <i>moderately satisfactory (4)</i>.</p>	
Candour	
<p>62. The PCR narrative is in various cases not well balanced in assessing PRODENORTE performance. It is possible to identify some inconsistencies between the narrative of some sections of the report and the ratings given to the related impact domains. The reasons for attributing these ratings should have been explained and clarified through a greater analytical effort by the PCR. In other cases, the ratings given in the narrative are not consistent with the ratings reported in the rating matrix, showing some level of inaccuracy in the drafting of the PCR.</p> <p>63. In conclusion, the PCR candour is rated as <i>moderately unsatisfactory (3)</i>.</p>	3

V. Final remarks

Issues for IOE follow up (if any)
No issues have been identified for follow up by IOE.

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 (PCRVR) rating</i>	<i>Net rating disconnect (PCRVR-PMD)</i>
Rural poverty impact	4	3	-1
Project performance			
Relevance	4	4	0
Effectiveness	3	3	0
Efficiency	3	2	-1
Sustainability of benefits	3	3	0
Project performance^b	3.25	3	0.25
Other performance criteria			
Gender equality and women's empowerment	5	5	0
Innovation	3	4	1
Scaling up	4	4	0
Environment and natural resources management	4	4	0
Adaptation to climate change	3	4	1
Overall project achievement^c	3	3	0
Performance of partners^d			
IFAD	5	5	0
Government	3	3	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 PCRVR rating</i>	<i>Net disconnect</i>
Candour	n.a.	3	n.a.
Lessons	n.a.	4	n.a.
Quality (methods, data, participatory process)	n.a.	3	n.a.
Scope	n.a.	4	n.a.
Overall rating of the project completion report		3	

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

CADER	Rural Development Learning Center
COCODE	Community Development Council,
COMUDE	Municipal Development Council
FAO	Food and Agriculture Organization of the United Nations
FER	Final Evaluation of Results
FONAPAZ	National Fund for Peace
LAC	Latin America and Caribbean Division of IFAD
MAGA	Ministry of Agriculture, Livestock and Food
NPV	Net Present Value
OFID	OPEC Fund for International Development
PMU	Programme Management Unit
PNDR ORIENTE	National Rural Development Programme: Central and Eastern Regions
PRODENORTE	Sustainable Rural Development Programme for the Northern Region
PRODEVER	Rural Development Program for Verapaces
WFP	World Food Programme

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