

Project Completion Report Validation

Rural Territorial Competitiveness Programme (Amanecer Rural)

Republic of El Salvador

Date of validation by IOE: January 2020

I. Basic project data

			Approval (US\$ m)		Actual (US\$ m)	
Region	Latin America and the Caribbean	Total project costs	36.62		42.8	
Country	El Salvador	IFAD loan and percentage of total	17.0	46%	15.7	36%
Loan number	I-828-SV	Borrower	0.15 ¹	0.4%	1.2	3%
Type of project (subsector)	Rural Development	Cofinancier 1 OPEC Fund for International Development (OFID)	15.0	41%	15.0	35%
Financing type	Loan	Cofinancier 2				
Lending terms*	Ordinary	Cofinancier 3				
Date of approval	15/12/2010	Cofinancier 4				
Date of loan signature	09/03/2012	Beneficiaries	4.47	12%	11.2	26%
Date of effectiveness	01/06/2012	Other sources				
Loan amendments	March 2016 July 2016 December 2016 January 2017	Number of beneficiaries	40 000		56 460	
Loan closure extensions	1	Project completion date	30/06/2017		31/12/2018	
Country programme managers	Enrique Murguía, Glayson Ferrari Dos Santos, Juan Diego Ruiz Cumplido	Loan closing date	30/06/2019		30/06/2019	
Regional director(s)	Joaquin Lozano; Josefina Stubbs	Mid-term review	29/05/2016			
Project completion report reviewer	Chiara Maria Grimaldi	IFAD loan disbursement at project completion (per cent)			97.4	
Project completion report quality control panel	Fumiko Nakai	Date of the project completion report			18/10/2019	

Source: President's report, project completion report (PCR).

¹ A contribution of the Government of El Salvador of US\$0.15 million was estimated at the design. However, during programme's implementation, the Government of El Salvador provided a much higher amount of funds, reaching US\$1.26 million.

II. Project outline

1. **Introduction.** IFAD financing for the Rural Territorial Competitiveness Programme (Amanecer Rural) in the Republic of El Salvador was approved in December 2010, and the loan agreement was signed in March 2012. It entailed a cofinancing, through a loan, from the OPEC Fund for International Development (OFID). IFAD loan agreement entered into force in June 2012, but the programme began its implementation only in the last quarter of 2013. The programme was expected to be implemented over a period of five years, with the original date for programme's completion being June 2017 for IFAD and December 2016 for OFID.
2. **Project area.** The programme's intervention area had a national perspective, covering 14 departments of El Salvador located in the western, central and eastern areas.² The programme's regions, areas and municipalities were selected according to: (i) the typology and characteristics of the local population, i.e. where there was a concentration of poor rural users-beneficiaries, and small-scale producers with productive assets to take advantage of enhanced value chains; (ii) the agricultural production/territorial capacity of the area, featuring food and commercial value chains relevant to IFAD's target groups (such as: fruits, vegetables, small producer livestock, basic grains, coffee, rural tourism, handicraft, dairy products, beekeeping); (iii) areas with the potential to trigger a localized rural development process; and (iv) presence of other rural development initiatives, allowing for complementary coverage and financing, as well as for strategic alliances.
3. **Project goal, objectives and components.** According to the President's report, the overall goal of the programme was to help increase employment, incomes and food security among the families of small agricultural producers, through enhanced and diversified production and through access to competitive markets. This was to be achieved through the expansion of production units (i.e. agroentrepreneurial associations) and the creation and consolidation of agricultural and non-agricultural rural businesses and microenterprises. The programme's specific objectives were: (i) development of entrepreneurial linkages to allow producer associations to strengthen their capacity for production, value aggregation/transformation and commercialization, creating rural businesses and microenterprises, executing business plans, and accessing market-based rural financial services (RFS) and local, national and external markets; (ii) food security and adaptation to climate change, by supporting subsistence agricultural producers to improve their production/post-harvest and value-aggregation practices and technologies, as well as reduce their vulnerability to climate change; and (iii) human development, strengthened associations and territorial management.
4. The programme was constituted of three components:
 - (i) Entrepreneurial competitiveness and market access (Component A) (49 per cent of base costs). The objective of this component was to facilitate access of associations of agricultural and non-agricultural producers in El Salvador to local, national and international markets through the implementation of entrepreneurial linkages, by strengthening their production, commercialization and administrative capacities, and establishing and consolidating competitive rural businesses and microenterprises.
 - (ii) Human development, association building and territorial management (Component B) (45 per cent). The objective of this component was to strengthen organizational, entrepreneurial and management capacities of producer associations and rural communities for productive and social development, promoting leadership and entrepreneurship among rural women and young people as well as municipal territorial planning.

² The departments were: San Salvador, Ahuachapán, Cabañas, Chalatenango, Cuscatlán, La Libertad, La Paz, La Unión, Morazán, San Miguel, San Vicente, Santa Ana, Sonsonate and Usulután.

- (iii) Programme management (Component C) (6 per cent).
5. **Target group.** According to the President's report, the programme's main target groups included: (i) poor, subsistence small agricultural producers with self-consumption oriented agriculture; (ii) small agricultural producers with the potential to produce for and benefit from the markets, and producers with emerging linkages to markets and value chains; (iii) micro and small-scale rural entrepreneurs involved in processing/value aggregation (agricultural and non-agricultural); (iv) handicraft artisans and community-based rural tourism entrepreneurs; and (v) rural women, young people with limited opportunities for development, and families of indigenous origin with households in poverty and extreme poverty. The programme was expected to reach approximately 40,000 households, of whom 14,000 households, strictly linked to primary production and transformation/value aggregation in the context of business linkages, were to benefit from specialized technical assistance, business plans, access to (non-reimbursable) asset-building funds (capitalization funds), and market-based RFS; and 26,000 families were expected to benefit from social and environmental infrastructure, training, affirmative action for rural women and young people, scholarships for technical education, and enhanced municipal and territorial planning.
 6. **Financing.** According to the President's report, the programme cost was estimated at US\$36.6 million, with IFAD contribution amounting to approximately US\$17.0 million (46 per cent); OFID contribution amounting to US\$15.0 million (41 per cent); the Government of El Salvador counterpart standing at US\$0.15 million (0.4 per cent); and the beneficiaries amounting to US\$4.47 million (12 per cent).³ At programme's completion, the cumulative execution stood at US\$42.76 million, with IFAD's funds being US\$15.32 million; OFID US\$14.92 million, Government of El Salvador US\$1.26 million and a beneficiaries' contribution of US\$11.26 million.
 7. The tables below show the cost of the programme and its components at appraisal and the actual expenditure.

Table 1
Project cost by financier

<i>Funding source</i>	<i>Planned cost</i>	<i>Actual expenditure</i>	<i>% expenditure</i>
IFAD loan	17,000,000 ⁴	15,320,000	97
OFID loan	15,000,000	14,920,000	99
Government	150,000	1,260,000	841
Beneficiaries	4,470,000	11,260,000	251
Total	36,620,000	42,760,000	105

Source: President's report and project completion report (PCR).

³ The design document presented a different figure (US\$40.7 million) for the programme cost. The variance reflects different amounts for estimated Government contribution (US\$0.15 million in the President's report while US\$4.4 million in the design document) due to the following factors: (i) the design estimated US\$4.25 million for the payment of value added tax (13 per cent VAT) and income tax (9 per cent); and (ii) with the subscription of IFAD loan, the subcontracting of an agency managing the funds of the programme and all the purchases of goods and services would be tax-exempt, so the cash contribution of the counterpart of the Government of El Salvador was set at US\$0.15 million. However, the Government of El Salvador maintained a greater availability of funds throughout every year of implementation, reaching US\$1.26 million (841 per cent). Therefore the analysis of the execution of the Government's contribution has been made based on the contractual amount (US\$150,000).

⁴ Due to the exchange rate, it was disbursed US\$15.73 million against an estimated US\$17.71 million, resulting in a significant loss of the value of money over time of US\$1.98 million.

Table 2
Project cost by component

<i>Component</i>	<i>Planned cost at design⁵</i>	<i>Actual Expenditure</i>	<i>% disbursed</i>
Entrepreneurial competitiveness and market access (component A)	17,943,800	26,400,000	147
Human development, association building and territorial management (component B)	16,479,000	13,000,000	79
Programme management (component C)	2,197,200	3,360,000	152
Total	36,620,000	42,760,000	116%

Source: PCR.

8. **Project implementation.** The Ministry of Agriculture and Livestock (MAG), through the General Directorate for Rural Development, was the programme's executing agency. A programme management unit (PMU), set up within the structure of MAG, was expected to implement the programme and to follow the General Directorate for Rural Development's policy, strategy and management guidance. At design level, the Government of El Salvador was expected to sign a fund administration support agreement with an international development agency. Programme's implementation also entailed the following decision-making and approval bodies: (i) a programme advisory council; (ii) a committee for the analysis and evaluation of proposals to be financed; and (iii) PMU's technical commissions or area-based technical teams.⁶ Key implementing partners included municipalities and their associations involved in local/territorial planning and development promotion; community development associations; and government agencies. Strategic partnerships were also established with: producer associations providing technical services; financial and microfinance institutions offering RFS and training, contracted private technical/entrepreneurial service providers and commercial partners participating in business plans' formulation and export promotion. After MAG's long selection process of an international development agency to be charged with the provision of fund administration support (as indicated in the loan agreement), in December 2013 the United Nations Office for Project Services (UNOPS) was selected and contracted by MAG through a supplementary agreement to deal with contracting and all procurement processes for goods, works and services for programme's implementation.⁷
9. **Intervention logic.** While IFAD's presence in El Salvador had previously involved specific area development and reconstruction projects, the Amanecer Rural programme moved towards a national rural development approach aimed at increasing production, employment and incomes, through a rural modernization and territorial competitiveness strategy. Taking the market signals and actual demands as its driving engine, the programme focused on promoting: (i) a strategy of business consolidation of rural associations and microenterprises through entrepreneurial linkages, improved access to RFS and rural microenterprises' access to market; and (ii) human and social capital development, i.e. strengthening the organizational and entrepreneurial capacity of producer associations and communities, as well as consolidating municipal planning and

⁵ As the figures for the original components' allocation could not be found in any consulted documents, their amount has been inferred from the available information.

⁶ The programme advisory council had to define programme's policies, plans and strategies for intervention; the committee for the analysis and evaluation of proposals to be financed was a decision-making body tasked to analyze and approve proposals (through project profiles or business plans) submitted by the programme's organizations; PMU's technical commissions functioned as internal units in the three covered regions (west, central and east), being responsible to address and analyze the requests of the participating organizations, as well as to make decisions, together with the programme's coordination, about the organizations' proposals for funding initiatives, prior to their presentation to the committee for the analysis and evaluation.

⁷ No information is available on why it was decided to rely on the services' of an international development agency to deal with the fund administration support.

rural territorial management.⁸ This strategy was to be accomplished through: (i) technical assistance to promote the commercialization and export value chains; (ii) investments in human development, food security and adaptation to climate change; and (iii) by strengthening the planning capacity of local and municipal government structures for effective territorial rural development. The overall intervention strategy was also based on partnership building with the private commercial sector to expand market access networks and technical assistance services.

10. **Changes in the context and development during implementation.** Although the design of the original logical framework largely responded to the needs and priorities identified in the formulation, the logical framework was adjusted in June 2014 to improve its quality. During the mid-term review (MTR) held in November 2016, the programme's unsatisfactory performance and low financial disbursement were brought to attention and measures were taken to improve the overall situation.⁹ In December 2016, IFAD approved a programme completion's extension by 18 months to 31 December 2018 and IFAD and OFID loan agreements were amended, with adjustments concerning funds' reallocation between categories (or components).¹⁰ A significant change, not considered in the design, concerned the decision to support the coffee chain through the project called "Support for the reactivation of the coffee park of El Salvador with varieties with coffee rust resistance", in response to the national priority to revive the coffee sector in the country, as a rust-provoked crisis had affected the sector. This new intervention required a change in the amounts of the programme's investment categories.
11. **Delivery of outputs.** Table 3 in annex II summarizes programme's outputs delivery by component, by comparing the physical outputs achieved during implementation to the targets set at the phase of the programme's completion. In almost all the cases, output targets were exceeded, whereas the only not fully achieved result concerned the target to establish strategic alliances with second tier financial institutions.

III. Review of Findings

A. Core Criteria

Relevance

12. **Relevance of objectives.** The programme objectives were in line with the country's context. Programme's design was aligned with the strategic objectives of the Government's Five-year development plan for 2009-2014 and with the MAG's institutional strategic plans for 2010-2014, stressing a territorial approach and differentiated interventions for the various segments of the rural population, and with territorial strategic plans (at the municipal or micro-regional level). The programme was also consistent with Central American agricultural/rural territorial development and natural resources management policies and strategies. During its implementation, the programme also aligned to the five-year government plan for 2014-2019, and to MAG's institutional strategic plans for 2015-2019. The programme responded to IFAD's Strategic Framework 2007-2010 and was aligned to IFAD's country strategic opportunities paper for 2015-2019, aiming at helping target groups to gain wider access to: (i) national and regional markets in the context of the opportunities presented by trade liberalization; (ii) employment

⁸ Business plans were the key instrument for business design, investment, production/transformation, and follow-up; the programme also contemplated the application of competitive asset-building funds along the various links of the value chains (production/transformation/commercialization).

⁹ At the time of the MTR, the PMU was still understaffed and there were considerable delays in UNOPS hiring processes.

¹⁰ A reallocation of funds was submitted to IFAD and was approved in December 2016. The reassignment aimed to co-finance more productive projects, as well as to support investments in coffee growth at national level. With regards to OFID, the loan agreement was amended three times: two of them were approved in July and December 2016, respectively, for funds' reallocation among categories, and the other one took place in February 2017.

opportunities, rural financial services, investments and specialized technical assistance for establishing rural businesses and enterprises; (iii) social infrastructure; and (iv) technologies for climate risk mitigation.

13. **Relevance of design.** The PCR explains that the programme's design was realistic and its modalities of intervention were largely appropriate. However, the competitiveness approach constituted a challenge in contradiction mainly with the socio-economic conditions of the poor rural population, which in several cases limited their participation and benefit for access to financing in certain productive chains. The programme made efforts to maintain the competitiveness approach and implemented measures to ensure inclusion of poor families and vulnerable groups, also strengthening the capacities of organizations and population groups to obtain further support.¹¹
14. **Relevance of targeting.** The PCR noted that, although the programme was largely relevant to the needs of the target groups, during its implementation some rural organizations happened not to be eligible for investments for the competitiveness-driven projects supported by component A, mainly due to lack of a suitable productive and organizational structure, and/or lack of assets or resources (land, access to water, working capital).¹² The PCR explained that to overcome this weakness, the programme carried out a process of characterization and diagnostics of the requesting organizations, which were evaluated according to their organizational, administrative, productive and marketing areas. As a result, the organizations were categorized as A, B, C and D-types.¹³ Once categorized, the programme adopted a strategy of differentiated attention and investment phases, by conditioning the less developed organizations (mainly C and D-type) to go first through a process of organizational strengthening and support for the development of their project profiles (pre-investment phase) before any financing stage of their projects.¹⁴
15. **In conclusion,** although the design of the programme was consistent with the needs of the target groups and was aligned to the Government of El Salvador policies and priorities of IFAD, at implementation stage adjustments to the programme's strategy became necessary to harmonize the competitiveness approach and the proposed interventions with the capabilities of the target population. The programme responded to these needs without losing its focus on the competitiveness approach through interventions that were suitable to the less developed organizations. The Project Completion Report Validation (PCRVR) rating for relevance is **satisfactory (5)**, in line with the PCR rating.

¹¹ The programme's design established the attention to the young population without defining a specific coverage goal, except in the case of granting scholarships. However, during the programme's implementation, priority attention was devoted to young people, expanding their participation in different activities, some of which have been specific for them.

¹² These also included women's groups, youth and indigenous peoples.

¹³ A and B: organizations with a higher development level; while C and D: organizations with lower development level.

¹⁴ According to their performance, the organizations would then be supported (investment phase) through the transfer of capitalization funds for projects with moderate financing amounts (micro irrigation projects, food security, environment and climate change).

Effectiveness^{15,16}

16. **Outreach and poverty focus.** According to the PCR, the programme covered 848 communities (against the 200 foreseen target) in 196 municipalities located in the 14 departments of the country. The programme initiated its territorial work with organizations in the western region, and then extended its services to the eastern and central regions in the last three years, strengthening investments with other MAG-IFAD projects, such as PRODEMORO and PRODEMOR CENTRAL.¹⁷ The programme exceeded the coverage of the target population by 41 per cent, registering a total of 56,460 beneficiary families compared to the 40,000 planned at design. With regards to the indigenous population, in light of their socio-economic characteristics, the programme eventually served 1,357 indigenous people located in the departments of Sonsonate, La Unión and Morazán. The programme implemented 740 projects within the A and B components (207 and 533 projects, respectively), benefitting 664 legally constituted rural organizations of different types.¹⁸ Component A supported a total of 205 organizations¹⁹ with 207 competitiveness-focused projects. On the other hand, component B supported 459 organizations out of 664 (69 per cent), through the implementations of 533 projects. All the organizations covered by both components received specialized technical assistance, and 97 per cent of the total number received capitalization funds, with the amount depending on the level of development of each organization.
17. **Objective (i):** development of entrepreneurial linkages to allow producer associations to strengthen their capacity for production, value aggregation/processing and commercialization, execute business plans, and access market-based RFS and local national and external markets. Thanks to programme's intervention, 100 associations and rural microenterprises (against a goal of 65) were strengthened and have accessed national markets (all chains) and international markets (coffee chains, cashew nuts, honey, aquaculture mainly). With regards to the investments for rural microenterprises or agribusiness in Component A, a total of 136 producer cooperative associations (against a goal of 137) implemented their business plans and the most developed participated in 17 business chains (of the 18 planned goal) (vegetables, basic grains, dairy, fruits and coffee). Other activities implemented by the programme concerned: training in technology for vegetables production; training in business management; strengthening of alliances with public-private institutions and international organizations for market access; participation in business conferences and

¹⁵ The effectiveness of the programme has been assessed against the programme's specific objectives, as presented in the 2010 President's report.

¹⁶ The PCR methodology was based on the careful review of primary and secondary information, also through a process of consultation with direct participants through interviews with key actors and with staff of the programme and the DGDR, as well as through workshops conducted with focus groups made up by organizations' representatives of the programme. The programme's consulted sources supporting the quantitative and qualitative information of the PCR were: (i) databases; (ii) records and reports of the information, planning, monitoring and evaluation system (SIPLASE); (iii) systematization of experiences on key programme topics carried out between 2016 and 2018; (iv) the final external programme evaluation conducted by the United Nations Development Programme (UNDP) (May 2019); (v) results obtained from the exit cards that were raised in the last semester of the year 2018 to 131 organizations supported by the programme with at least one year of operation; (vi) primary information on statistical and demographic data of the country. Six focus groups were developed, two for each region of the country, with the participation of adult and young women and men beneficiaries of the programme's different interventions. Finally, a stakeholders' workshop was held, which entailed the participation of representatives of institutions and service providers that worked in coordination during the programme's implementation.

¹⁷ Initially, the programme intervened with greater emphasis in the departments of the country's western region, consolidating the associative rural enterprises created with the IFAD's Rural Reconstruction and Modernization Programme (PREMODER) and promoting the other lines of action of Amanecer Rural. It also complemented and reinforced, in a coordinated manner, the actions of the other two IFAD programs operating in part of the Amanecer Rural's implementation period: Rural Development and Modernization Program for the Eastern Region (PRODEMORO) and the Rural Development and Modernization Project for the Central and Para-Central Regions (PRODEMOR CENTRAL).

¹⁸ 364 were communal development associations, 262 cooperative associations, 24 livestock associations, nine irrigation associations and five people's unions.

¹⁹ These were cooperative associations (agricultural, livestock and irrigation).

agricultural trade fairs (local and international). On the less positive result, just 32 organizations (against a 50 planned goal) have achieved a market positioning through a properly registered business image. The PCR also reported that the programme provided technical assistance and training to 3,921 producers (against a goal of 4,700) for the application of good agricultural practices, and to 862 producers in good manufacturing practices (against a goal of 1,610). The length and the cost of the certification process prevented the programme to fully achieve the goal of certifications in good agricultural and manufacturing practices (BPA&M).²⁰

18. Strengthening access to RFS was another important pillar of programme's strategy to achieve its development objective. A total of 3,742 users (against a target of 4,000), of which 2,859 were women and young people, accessed microcredits, mainly from microfinance institutions and community savings groups, to invest in productive initiatives. The programme's also promoted a savings' culture, with 173 community savings groups being registered and benefiting 3,326 people (mainly women and young people). In addition, 16 savings and credit cooperative associations were set up. Thanks to the programme support, most organizations improved their administrative and accounting capacity and 44 cooperatives (against a goal of 50) were able to mobilize US\$3.3 million (compared to the goal of US\$1.5 million) through formal banking.²¹ As a programme's result, three financial products (micro-leasing, micro-factoring, micro-warrant) were designed for the rural financial services' market. These products that are currently in a "pilot implementation" stage, are meant to expand and innovate the supply of rural financial products and favor the business climate of the rural market segment. Also, six strategic alliances have been signed with first tier financial institutions, improving the access to credit to programme's families and organizations. A diagnosis was made and a study was conducted on the use of the trust funds existing with the MAG, identifying five trust funds (the goal was two) through which around US\$4.6 million (the target was US\$5.0 million) have been mobilized for the agricultural sector.²² On the less positive side, the programme failed to reach an alliance with second tier financial institutions due to the requirements that the beneficiary organizations had to fulfill in order to get access to their financial services.²³
19. **Objective (ii):** food security and adaptation to climate change, by supporting subsistence agricultural producers to improve their production/post-harvest and value-aggregation practices and technologies, as well as reduce their vulnerability to climate change. A total of 14,767 producers have improved and diversified their production and have applied best practices and production technologies. According to the PCR, 97 food security projects were implemented benefiting 46 women's groups, 42 youth groups and nine indigenous people's organizations. Seventy per cent of these projects concerned poultry, consisting in the establishment and management of dual-purpose bird breeding modules (egg production and meat) for family consumption and surpluses for commercialization. The rest (30 per cent) of projects concerned vegetables, beekeeping, crafts and rural tourism; which also contributed to diversify the food diet of families and income generation.
20. A total of 140 subsistence producers' organizations (100 per cent of the planned goal) increased by 35 per cent the production of basic grains for self-consumption and the market. Direct investments in environmental matters concerned 130

²⁰ The certifications carry a process audited for five years and the investment is over US\$5,000.00 for each organization.

²¹ The experience related to obtaining credit was more favorable for the cooperative associations mainly dedicated to the production of vegetables, dairy and fruits.

²² In 2014, it was observed that the result referred to the operation of the MAG trust funds had an institutional feature and was not suitable to the programme. However, upon IFAD's recommendation, it was kept in the logical framework. An investigation was conducted to document the status of these trust funds, as a contribution of the programme to the MAG, which provided reliable and useful information for decision making on this topic as part of the RFS.

²³ Supervision mission report, 2018.

projects (against a target of 120) conducted for soil conservation works and practices implemented to improve soil fertility and retention capacity of humidity.²⁴ Technical assistance was developed with an agroecological approach and emphasis on agroforestry management for soil and water conservation. A total of 5,398 members have benefited (144 per cent of the planned goal) from these interventions, resulting in at least 1,780 hectares being protected, improved and rehabilitated. A total of 5,783 producers (target 4,000) have started applying agricultural technologies adapted to climate change (such as soil conservation works and water, agroforestry management, water harvesting, efficient irrigation). Around 2,398 producers (target 2,800) received financing for works and practices of soil conservation. Three pilot compensation projects were designed and implemented for ecosystem services, benefiting 790 producers (against a target of 400), in communities of important water recharge (Rio San José, Rio Amatal and Rio Cinquera), which are being managed by local water boards, in coordination with the municipalities.

21. A total of 10,444 families and 184 municipalities were supported for the reactivation of the coffee park of El Salvador to recover national production (during years 2016 and 2017). The support of the programme consisted mainly in delivering plants resistant to coffee rust and supplies for handling, in addition to the provision of technical assistance to 201 organizations, allocating US\$5.1 million of the programme's budget. As a result of this investment, 3,655 hectares of coffee plants with rust-resistant varieties were established, benefiting directly more than 10 thousand families, whose plantations from the year 2020 begin a production commercial stage, which will translate into economic and environmental benefits for families and the country.
22. **Objective (iii):** human development, strengthened associations and territorial management. As a result of programme's intervention, a total of 13,118 rural producers (against a target of 12,000) have improved their conditions of basic environmental sanitation, thanks to: (i) 5,506 latrines (goal 4,500), which contributed to the reduction of gastrointestinal diseases and the reduction in soil and water pollution, while promoting the recovery of raw material from human waste for subsequent incorporation into the soil as organic fertilizers; (ii) 2,097 reservoirs or tanks (target 4,500) installed for the collection, storage and use of rainwater; (iii) 5,415 wood-saving stoves (target 12,000) to reduce the extraction of firewood from the forest and the emission of gases from greenhouse effect, as well as contributing to the reduction of respiratory diseases. The PCR pointed out that the number of reservoirs and wood-saving stoves were significantly lower than the targets, as their cost turned out to be higher than estimated in the budget.
23. For 269 producer associations (against a goal of 200), organizational and management capacities for productive, economic and social purposes were strengthened. A total of 140 community extension workers (24 per cent were women) were trained and accredited, while 55 young people, trained by the programme, serviced as managerial links. A total of 1,405 young people (target 1,000) received scholarships in technical and vocational branches, with the objective to link them to the labor market, as well as to promote self-employment through entrepreneurship.
24. The municipalities and micro-regions were an important part of the programme's beneficiaries, with whom a process of training and territorial planning work was established. The programme supported 152 municipalities (101 per cent of the original goal), of which 122 improved their planning capabilities and implemented their municipal plans or micro-regional strategies (with a focus on value chains,

²⁴ 43 projects were for soil and water conservation; five for reforestation of water recharge zones; three for infrastructure recovery of irrigation and 79 destined for the construction of reservoirs to store rainwater for agricultural use for times of lack of water.

gender and youth), in addition to developing the annual operational plans of 60 municipal units for women and the environment (target of 40 municipalities).

25. In conclusion, at the date of completion, the objectives and goals of the programme were mostly met. The PCRV rating for effectiveness is **satisfactory (5)**, in line with the PCR rating.

Efficiency

26. The programme experienced an effectiveness lag of 18 months, due to the initial difficulties faced for programme's launching, mainly related to loan approval process and ratification delays by the Legislative Assembly of El Salvador.²⁵ At the beginning of its implementation, the programme experienced further delays, due to the procrastinated contracting process by MAG of the UNOPS, which, being the programme funds' management agency, was hired only in December 2013. As a result, there was no procurement of goods and services in 2013, except for the hiring of key personnel of the PMU.²⁶ Even then, the programme still suffered from weak management by MAG and UNOPS, with its financial execution standing only at 24 per cent of the total amount of both IFAD and OFID loans, resulting in the programme having been considered to be "at risk" in 2015.²⁷ The 2016 MTR provided recommendations that served to improve the implementation in the remaining (extended) period. Actions were taken at territorial level and with the beneficiary population, by recruiting PMU's support staff in key areas (technical, administrative and monitoring), as well as by strengthening strategic alliances with institutions in key areas of programme's implementation (market, rural financial services, training, gender and youth). The administrative control processes carried out jointly with UNOPS were improved and more resources were transferred to organizations. According to the PCR, the granted extension allowed for a programme's gradual and significant improvement of its performance in the last three years of its implementation, as also evidenced in the aide memories of IFAD missions.
27. Despite the slow implementation in the initial years, the overall disbursement performance at completion was satisfactory, with a disbursement rate of 97.4 per cent for the IFAD funds and 99.7 per cent for the OFID funds.
28. The results of the economic analysis of prioritized value chains (basic grains, fruits and dairy, vegetables and aquaculture) indicate that they all had a positive benefit/cost relationship. Particularly, the net present value figures for the basic grains, fruits and dairy productive chains, show a full recovery of the investment at the indicated discount rate (11 per cent) and with a recovery period of 10 years. The analysis of the programme's ex-post economic profitability shows that the economic internal rate of return reaches an approximate value of 20.2 per cent (against an estimated value of 21.2 per cent estimated at appraisal); the economic net present value stands at US\$43.0 million (discounted at 4.27 per cent) and the cost benefit ratio is calculated at 3.05 for a period of 20 years of benefits' amortization. An important factor that allowed raising the programme's execution level was the transfer of resources to help the reactivation of the national coffee park through an investment of US\$5.23 million.²⁸

²⁵ This issue had been already detected at design level, as loan effectiveness of IFAD's previous programmes in El Salvador had been hampered by the delayed ratification of loans by the Legislative Assembly. As the programme had been assigned high priority by the Government of El Salvador, the risk of a delay was deemed to be lower, also because a high-level policy dialogue had been maintained by IFAD with the legislators who manifested their interest to follow up on the design, approval and implementation of IFAD projects.

²⁶ During 2013, the PMU just counted seven professionals; the remaining staff was hired during 2014. Moreover, two amendments were made to the supplementary agreement with UNOPS on the billing modalities, which also delayed administrative processes.

²⁷ There were delays in the procurement processes carried out by UNOPS. Vehicles' procurement process began in May 2014, but the vehicles became available only in the last quarter of 2015. Meanwhile, the programme operated with three vehicles loaned by the MAG.

²⁸ Supervision mission report, 2018.

29. The costs per family of the programme's target population have been considered in accordance with the scope of programme's objectives. The cost per beneficiary amounted to US\$448; administrative cost per beneficiary stood at US\$71, and amounted to 13 per cent of recurring costs. The cost of programme management represented 12.7 per cent of the total funds, being less than established at design (14 per cent). The PCR did not establish benchmarks to compare these results.
30. In conclusion, the programme's efficiency was hindered by major factors, specifically by delays in the start-up and during its implementation phase. In its last three years of implementation, the support of IFAD, the political willingness of the Government of El Salvador and MAG, as well as the PMU's renewed commitment were key to overcome the programme's major hurdles and to reverse the situation. The PCRV rates efficiency **moderately satisfactory (4)**, one point below the PCR rating.

Rural poverty impact²⁹

31. The programme's impact results are based on information that are considered reliable and credible, supported – inter alia – by the information, planning, monitoring and evaluation system (SIPLASE) and the results of studies and systematization of experiences on key issues.³⁰ In the last half of 2018, following IFAD's recommendations, further information was collected through "exit cards", which provided inputs to the PCR.³¹ Another crucial source of information has been the programme's final external evaluation conducted by the United Nations Development Programme (UNDP).³²
32. **Household incomes and assets.** According to the results of the exit cards, 87.4 per cent of organizations supported by Component A declared to have increased their assets thanks to programme's interventions. They also stated that, as a result of the improved production and advice to directly access various types of buyers, the organizations have achieved a greater sales volume, with an improvement in their gross profits by 34.3 per cent. With regards to poultry, 100 per cent of the families are selling surplus meat and eggs, which represent an additional income in the household economy of the families. The higher employment in the various value chains has become evident, since 63.3 per cent of organizations show an increase in job creation, mainly as temporary employment. These results indicate that the basic grains, vegetables, fruit and aquaculture value chains are the ones with the greatest sources of generated employment. According to the analysis of the final external evaluation conducted by UNDP, which was grounded on a sound evaluation methodology based on a reliable set of data, it has been inferred that in 2018, 5,958 jobs (permanent or temporary) were created, with the vegetables, aquaculture and rural tourism-related value chains being the best paid.³³ With the intervention of the programme and the improvement of better skilled labor force,

²⁹ The information presented to evaluate the programme's impact were: (i) databases; (ii) the results of the programme's Results and impact management system indicators to better substantiate the compliance with physical goals, as well as the results and impact criteria (household income and assets, security food, agricultural productivity) and additional criteria; (iii) records and reports of SIPLASE; (iv) results of the different systematizations of experiences carried out between 2016 and 2018; (v) results of the mandatory indicators set forth in the UNDP's external final evaluation of the programme. The analysis has been complemented with results obtained from the "exit cards", which were collected in the last semester of 2018, providing information on a total of 131 organizations involved in projects with at least one year of operation. In addition, other sources were consulted, such as food security and rural development indicators published by the Economic Commission for Latin America and the Caribbean (2016) for El Salvador, and the Multi-Purpose Household Survey.

³⁰ The programme had different tools and mechanisms to develop planning, monitoring and evaluation activities; these were most effective as of 2016, when SIPLASE began to operate automatically. The SIPLASE is part of the institutional information system of the General Directorate for Rural Development that remains as a legacy of the IFAD projects.

³¹ The exit cards show the organizations' achievements and main results from the programme's intervention.

³² From the universe of 205 organizations of component A, 42 were randomly interviewed throughout the country, based on the results of the sample's design, for a total of 1,515 people.

³³ In conducting the UNDP external evaluation, it has been applied a deductive or inference statistics and the results have been presented with a confidence level of 95 per cent and a margin of error of 5 per cent (UNDP 2019, Final external evaluation report of Amanecer Rural).

the income of newly employed people increased by 25 per cent (35 per cent of jobs generated were for women).

33. **Food security and agricultural productivity.** According to the results of UNDP's final external evaluation, all production chains showed an increase in productivity. Findings from the exit cards also indicate an increase in production by 32 per cent, considered as an average result of the total agro-enterprise by value chains. Dairy, vegetables and basic grains value chains greatly improved yields per productive unit, as reflected in the volumes produced and marketed. The results also confirm that the organizations have managed to sustainably diversify their agricultural production, with an increase of 34.7 per cent in the diversity of the products offered on average by the value chain. This improvement was possible through rural organizations' better access to inputs and finance, as well as thanks to a timely and adequate technical assistance that led to improvement through the adoption of good agricultural practices and manufacturing, as well as specialized guidance and advice to producers. According to the PCR, 65 per cent of families of rural producers (against a target to 60 per cent) have improved their food security through higher availability and better access (physical and economic) to basic food basket, through diversification and better production. In accordance with the results obtained from the exit cards applied to food security projects in the poultry sector, the monthly consumption of poultry meat as a protein source for their families has increased by 118.7 per cent, and the monthly egg consumption has increased by 6.9 per cent.
34. **Human and social capital and empowerment.** The programme has stimulated and enabled human development processes and has contributed to the empowerment of adult women and men, youth and of indigenous population. Another positive programme's achievement concerns the formation of duly accredited community extension workers, tasked to strengthen the human and technical capital of the organizations and rural communities, as well as to provide training opportunities for labor insertion. The empowerment of young people and women is evidenced in the different testimonial videos made through the systematizations of the programme's experiences, as they expressed their ideas with great confidence and commitment. In total, about 10,000 young people have participated in the programme. Some young leaders are working in coordination with municipal governments and others are participating in the municipal councils.
35. **Institutions and policies.** Efforts were made to promote programme-led approaches within the MAG and local institutions (municipalities and micro-regions). The programme-led strengthening of the MAG focused on training its 242 staff (121 per cent of the goal) on key issues for rural development (gender, RFS, management business). In addition, there were conducted research studies as inputs for policy design that would contribute to a better internal and external service of the MAG. The programme also strengthened the institutional capacity of the MAG by providing support in the development and consensus-achieving process of its policies.³⁴ Territorial planning processes have been improved from traditional planning to planning with a value chain approach, and with an inclusive approach for women and youth. Participatory rural diagnoses and organizational strengthening plans have been developed with a gender sensitive approach, in addition to the municipal strategic plans. The municipalities have gained planning and management tools, which are used to obtain support or financing through international and governmental cooperation. The strengthening of seven departmental youth networks that make up the integral association of rural youth networks of El Salvador as well as the support for the national rural women bureau, has also been important as these are representative structures with influence at territorial and institutional level. The programme supported the

³⁴ Such as through the development, dissemination and application of the MAG gender policy (year 2017) and the dissemination of the irrigation and drainage law (DGFCR-MAG).

formation and strengthening organization of the national council of indigenous youth of El Salvador, and accompanied the legalization of eight cooperative organizations made up by people of indigenous descents.

36. **Conclusion.** It can be stated that the programme contributed to positive changes in the composition of income as well as physical and financial assets owned by programme's beneficiaries, which in turn strengthened their organizations. It can also be said that it allowed the diversification of livelihoods for beneficiary families. Based on the suitable and reliable amount of data supporting the PCR, it rates rural poverty impact as **satisfactory (5)**, a point higher than the overall PCR rating for rural poverty impact (moderately satisfactory, 4), although this is presumably an editing error as all the impact domains were rated as satisfactory (5).

Sustainability of benefits

37. In terms of social, economic and financial sustainability, the PCR states that there is a high degree of programme's ownership by the users, which allows the continuity of most benefits even after programme's completion. Out of the 44 organizations that secured credit with the bank, at least eight have received refinancing to continue expanding their businesses. However, as indicated also in the UNDP's external assessment, two situations have been identified in the PCR: (i) the projects of those organizations that experienced a strengthening process prior to the programme, through MAG-IFAD initiatives and other institutions, are considered as economically and financially sustainable initiatives; (ii) on the other hand, there are situations where organizations' sustainability is at risk, especially for the least developed organizations, as some of these need to overcome difficulties in getting the working capital to reinvest in the growth of their businesses or projects and are still dependent on the short-term follow-up provided by the MAG and its dependencies.
38. The programme-supported value chains have been viable and responded to the needs of the user organizations. The results of the various analyses and studies indicate that the value chains of vegetables, dairy, aquaculture, and basic grains are those with the highest flow to compensate for future investments and costs, in addition to their ability to insert into competitive markets. In terms of environmental sustainability, the technologies promoted by the programme allowed reducing pressure on resources such as water, soil and forest; the implementation of actions aimed at the adaptability to climate change also contribute to sustainability. The PCR stresses that there is a need to work more on the agro-ecological approach starting from the organizations, as some natural threats could jeopardize sustainability, such as extreme events, drought or extreme rains and floods.
39. With regards to institutional sustainability, the PCR indicates that training and capacity building approaches and methodologies have been shared with the MAG and other entities on strategic issues (such as on competitiveness, rural financial services, gender and youth) to guarantee support for their continuity. It is important to mention that, in June 2019, a new management and government administration came on board, and information related to the strategic planning of the new government was not yet available at the time of the PCR preparation. However, the Cuscatlán Plan, presented by the new president, indicates that the agricultural sector will still be one of the nine key pillars of the Government of El Salvador's Economic Plan, with continued support to small-scale producers. It is plausible to expect that the new MAG administration would continue the strategies and approaches that have been prioritized for rural development. In conclusion, the rating for this criterion is **moderately satisfactory (4)**, in line with the PCR rating.

A. Other performance criteria

Innovation and scaling up

40. **Innovation.** The programme was characterized by a number of innovations concerning the approaches, methodologies and implementation of projects with the organizations. On one hand, some of these innovations had already been envisaged at design level, such as: (i) the strengthening of the MAG, with sustained processes of training and territorial planning with a value chain and inclusion approach; (ii) the design and innovation of financial instruments for the rural financial services' market. On another hand, some other innovations took place during the programme's implementation in response to its operational reality. Among these innovations, there can be cited: (iii) the methodology to categorize programme's organizations; (iv) a programme planning and monitoring system, adequate and flexible to the requirements of the users (management, technical and administrative); (v) the methodology for the design and implementation of mechanisms for payment for environmental services, developed directly by community organizations, with support and management of municipalities. It can be stated that the implementation of these innovations has contributed to the programme's overall successful performance. The PCRV rating for innovation is **moderately satisfactory (4)**, in line with the PCR rating.
41. **Scaling up.** The PCR indicates that there is a good potential for expansion and replication of the programme's approaches and methods, as the participating organizations have shown great interest in developing programme-led knowledge and techniques. The PCR also noted that, although programme's approaches and methodologies have been shared on strategic issues at MAG level and other institutional bodies, maintaining these experiences for the benefit of the agricultural sector and rural population could be a challenge for the new government authorities. With regards to the areas of natural environment and climate change, it is worth noting that various organizations are expanding or replicating actions with the successful management of new funds from other institutions or cooperation agencies, for example with the Food and Agricultural Organization. Therefore, the PCRV rating for this criterion is **moderately satisfactory (4)**, in line with the PCR rating.

Gender equality and women's empowerment

42. Gender equity and inclusion have been adopted as a transversal axes into the programme's entire work and the gender mainstreaming strategy has relied on the efforts of the gender, youth and indigenous peoples unit, which has promoted participation and advocacy with gender equity into the programme's organizations. As a result, the programme made a significant contribution to meet gender needs, generating opportunities to strengthen their abilities and skills in managerial, associative and productive activities. Women's greater participation and benefits occurred mostly within the value chain and social infrastructure projects. The programme facilitated access to rural financial services to a total of 2,859 women (71 per cent compared to the target of 35 per cent, as per the logical framework), especially through the provision of training and loans with financial institutions and community savings groups, for the implementation of productive initiatives. The PCR reported that 272 associations (against a goal of 120) incorporated women and youth into their membership and/or decision-making process. Moreover, as a programme's result, women's participation in management positions (such as presidents and treasurers) in the different organizational structures has increased by 30 per cent. The mainstreaming and consistent emphasis on the gender and youth approach led to great progress in terms of economic independence, empowerment, and self-esteem. The PCRV rating for gender equality and women's empowerment is **satisfactory (5)**, in line with the PCR rating.

Environment and natural resources management

43. Given that El Salvador is one of the countries facing severe natural resources degradation, several interventions were conducted to protect the environment and natural resources, and respecting environmental standards. Methods and techniques for soil and water recovery were implemented to reduce negative impacts on agricultural production, as well as technologies were used for the harvesting or storage of rainwater for agricultural production (farming, vegetables, and fish farming). The elaboration of basin management plans and the implementation of three pilot compensation projects for ecosystem services, have also contributed to the proper management of natural resources. The results of the exit cards show that through the use of eco-friendly stoves, families have been able to reduce costs for firewood consumption at home (by 37.5 per cent); this savings also relieves pressure on wooded resources by families as well as it benefits family health, thanks to the reduction of smoke and better prepared food. Moreover, the construction of latrines in beneficiaries' homes has also led to better health and environmental conditions. The PCRV rating for this criterion is **satisfactory (5)**, in line with the PCR rating.

Adaptation to climate change

44. Given the considerable proportion of Salvadoran territory covering the Dry Corridor and considering the impact of the climate change on the agricultural sector, several initiatives were undertaken by the programme to address the challenges of vulnerability in the programme's areas. These entailed the adoption of technology to harness water resources, increased vegetation cover for carbon sequestration, as well as better access to infrastructure for environmental sanitation. Through the promotion of technology concerning "reservoirs to store rainwater" for agricultural use, 1,000 reservoirs have been built with great impact for livestock, beekeeping, horticultural production in the dry period. There were also 2,097 cisterns (water tanks) that were established for families with difficult access to domestic water because of the droughts. The programme also supported awareness-raising and training on impact of climate change and stressed the importance of using locally appropriate techniques and technologies (such as seeds with drought-resistant varieties, agro-ecological management in production models). The training of 140 community extension workers focused on using techniques for adaptability to the climate change, providing them with basic knowledge and equipment to measure and analyze climate parameters (temperature behaviour, precipitation, soil acidity) to guide producers for decision-making on planting dates, crop management. The PCRV rating for this criterion is **satisfactory (5)**, in line with the PCR rating.

B. Overall project achievement

45. The overall objective of the programme was to reduce poverty, economic and gender inequality as well as social exclusion in the country. The programme was in line with IFAD and the Government strategies, and responded to the needs of the target groups. The results revealed that, despite the initial difficulties, with the appropriate adjustments in the implementation process, programme's strategies and methodological approach were key to successfully achieve its goals and objectives. It contributed to establishing sustainable rural businesses and microenterprises with access to markets, along enhanced value chains; improved food security and diversification and increased production; increased assets of organizations and families, as well as strengthen municipal planning, and institutional capacities for rural development. It can be claimed that the results achieved by the programme have contributed to its overall objective.
46. The PCRV rates the overall programme achievement as **satisfactory (5)**, in line with the PCR rating.

C. Performance of partners

47. **IFAD.** IFAD provided the programme with an effective guide and support in relation to its financial, administrative and physical implementation. When difficulties and problems emerged, IFAD showed responsibility in programme's implementation, by providing alternative solutions and commitment to solve them and move forward. IFAD has been key in the training and skills development processes of MAG staff. Thanks to IFAD analytical and prompt intervention, the MAG and the PMU were able to overcome the problems and drive the programme towards a good performance. However, according to the PMU, given the difficulties faced with UNOPS during programme's implementation and closure, IFAD support or response was not always what the programme would have required.³⁵ The PCRV agrees with this perspective, given the critical issues faced by the programme because of UNOPS performance. The PCRV rating for the performance of IFAD is **satisfactory (5)**, in line with the PCR rating.
48. **Government.** The Government of El Salvador was responsible for the delayed approval of additional budget for the MAG, which caused a delayed launch of the programme. In addition, the long process conducted by MAG to select the programme's administrative entity (UNOPS) determined a further year's execution delay. However, after this initial phase of weak performance, the Government of El Salvador and the DGDR showed a very strong interest and a proactive attitude to achieve programme's effective development. From 2015 until the end of the programme, the consultations between the MAG and the Treasury, and of these entities with IFAD and OFID, were more effective, guaranteeing disbursements in a timely manner for the programme's yearly planned interventions. The Government of El Salvador financial disbursements were not always on time; nevertheless, funds' allocation in each budget approved (and executed) by the Treasury happened to be greater than established in IFAD loan agreement. In general, there was compliance with the clauses of the loan agreements (disbursements, reports, audits), with the follow-up and with the recommendations of IFAD's supervision and implementation support missions. Municipal governments and municipality associations (micro-regions) provided counterpart contribution for projects implementation, and played a key role in identifying, implementing and monitoring investments made with the different organizations. Overall, the PCRV rating for the Government performance is **satisfactory (5)**, in line with the PCR.
49. **UNOPS.** The PCR considers that during the term of the contract, UNOPS made some efforts to respond to the particular needs and conditions of the programme, especially in 2016 and 2017. However, UNOPS overall performance showed important deficiencies on key management issues, such as delays in the time of response for the procurement of goods and services as well as in the selection process of the PMU staff. The MTR highlighted that UNOPS' expected support failed to improve the programme's operational efficiency; UNOPS became a problem to be solved, instead of providing a timely and strategic support. Also, UNOPS did not carry out the process of reconciliation of incomes, expenses and financial disposals at the end of each fiscal financial year, which has been reflected in the delay to fully liquidate unexecuted funds to the MAG. Given these difficulties, upon termination of the complementary agreement between the MAG and UNOPS (December 2018), the MAG had to negotiate the programme's closure with UNDP through a memorandum of service provision, which allowed to carry out an orderly process for the liquidation to MAG of the non-executed funds. UNDP submitted the

³⁵ As an example, the PCR mentions the payment of the administration costs foreseen in the complementary agreement for which IFAD gave no objection. As indicated in the 2015 IFAD's supervision mission report, problems occurred with the service agreement signed with UNOPS, as discrepancies emerged regarding the financial amount of the administration services, which for the Ministry and for IFAD was established as a percentage of executed amount. The 2017 supervision mission report mentioned that according to UNOPS, this payment was based on the approved annual budget; however, this was incorrect. The same report mentioned that for IFAD, it was acceptable the value corresponding to the expenses actually incurred.

services' final report, which was approved by MAG and that allowed funds to be liquidated.

IV. Assessment of PCR quality

50. **Scope.** The PCR covered all sections as per the PCR guidelines and all annexes were included. Thanks to the completeness of the data and information being reported, as well as the neatness of how they have been presented, this PCR can be taken as a model for other PCRs. The PCRV rating for PCR scope is **satisfactory (5)**.
51. **Quality.** The PCR process benefitted from a wealth of information. It was found to be satisfactorily detailed and informative and of a good quality. The PCRV rates the quality criterion for the PCR as **satisfactory (5)**.
52. **Lessons.** The PCR reported a relevant number of lessons that focused on several critical issues emerging from the programme's implementation, showing an in-depth process of analysis and reflection. Some notable lessons learned were also included in the section about 'recommendations'. The PCRV rates lessons as **satisfactory (5)**.
53. **Candour.** The PCR narrative was considered to be generally objective and reported positive and negative results. It clearly explained the weaknesses and shortcomings in the implementation phase. The PCRV rating for candour is **satisfactory (5)**.
54. **Overall PCR quality** is rated as **satisfactory (5)**.

V. Lessons learned

55. Useful and relevant lessons drawn from the PCR include the following:
 - The most successful competitiveness projects, regardless of the type of value chain, were achieved when there was a sustained intervention from both the organizational and business strengthening processes (from category C and D to B and C, respectively) until the implementation of investments for their rural business, with at least three years of accompaniment. As follow-up is also important, programmes must follow up at least one year after projects' completion in order to achieve sustainability.
 - It is necessary to analyze the suitability of having an external administrative entity to manage the resources of the programs or projects, compared to other modalities. When using this administrative mechanism, the contract's content should be carefully presented, and it should be clear and appropriate to the needs of the projects and users. Similarly, there should be defined the tools to evaluate the performance of the administrative entity and the mechanisms necessary to solve the difficulties, should they occur.
56. Additional lessons from the PCRV:
 - It is important that the Government of El Salvador makes efforts to hire the administrative and key personnel of the projects in a timely manner to avoid lags and delays in the start of projects or programs; as well as for the stage of closing, it is worth maintaining key personnel, not only administrative, but also specific personnel of the technical area that respond to the closing process.

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. <i>Four impact domains</i>	X	Yes
	<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 and 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	5	+1
Project performance			
Relevance	5	5	0
Effectiveness	5	5	0
Efficiency	5	4	-1
Sustainability of benefits	4	4	0
Project performance^b	4.75	4.5	0.25
Other performance criteria			
Gender equality and women's empowerment	5	5	0
Innovation	4	4	0
Scaling up	4	4	0
Environment and natural resources management	5	5	0
Adaptation to climate change	5	5	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 and 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		5	
Lessons		5	
Quality (methods, data, participatory process)		5	
Scope		5	
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.

Delivery of outputs

<i>Component</i>	<i>Indicator</i>	<i>Unit</i>	<i>Achieved result</i>	<i>Goal</i>	<i>%</i>
Component A	127 associations of producers and microenterprises operate business plans and participate in “business chains”, competitively accessing national and international markets.	Association	136	127	107.09
	8,000 producers (at least 30% among women and youth) are trained by “value chain” in productive, business, management and marketing issues.	Producers	9,731	8,000	171.30
		Women/youth	5,303	2,400	
	In 6 years, 52 agro-industries and 85 rural microenterprises are implemented, with producers associations.	Agribusiness	54	52	100.16
		Microenterprise	82	85	
	65% of organized producers improve and diversify their production, applying best practices and production technologies: vegetables, fruits, dairy, coffee, aquaculture, basic grains, crafts and rural tourism.	Producer	14,767	9,100	167.18
		Man	9,634	6,370	
		Woman	5,133	2,730	
	4,700 producers (at least 30% among women and youth) trained in Good Practices Agricultural and Manufacturing (BPA&M), with 35% of them achieving certification processes of BPA&M.	Producer	3,921	4,700	83.27
		Woman/youth	1,607	1,410	
		certified	862	1,610	
	127 organizations linked to value chains and with 4,000 members, implement agro-productive investments, accessing capitalization funds for competitiveness.	Organization	207	127	266.08
		member	14,767	4,000	
	2,000 producers incorporate 500 hectares of land to drip irrigation.	Producer	2,913	2,000	133.33
		Hectare	405	500	
	4,000 users (at least 35% among women and young people) access and use the RFS available and new services, mobilizing approximately US\$4.0 million.	Users	3,742	4,000	103.07
Woman/youth		2,859	1,400		
US\$		US\$458,341.41	US\$4,000,000.00		
50 associations of producers and microenterprises access and use the available RFSs and new services, mobilizing approximately US\$1.5 million.	Association	44	50	156.05	
	US\$	US\$3,361,589.00	US\$1,500,000		
About 100 MAG executives and technicians (at least 30% women) participate in the specialized training programme in the use of financial instruments.	Executive	164	100	213.67	
	Woman	79	30		
Design and innovation of 3 financial instruments for the RFSs market based on diagnosis of user and user needs.	Instrument	3	3	100	

	2 MAG trust funds are reactivated, mobilizing about US\$5 million to the RFS.	Trust	5	2	171.01
		US\$	US\$4,601,000.10	US\$5,000,000	
	At least 2 IFIs of 2 nd tier and 6 IFIs of 1 st tier participate in the programme agreeing to strategic alliances.	IFI 1 st tier	6	6	50
		IFI 2 nd tier	0	2	
	200 producer associations strengthen their organizational and management capacities for productive, economic and social development, with at least 30% of its members being youth and/or women.	Association	269	200	203.94
		Woman/youth	4,921	1,800	
	60% of the associations incorporate in their membership and/or in the decision making process women and young people.	Association	272	120	226.67
	50% of the producer associations supported develops comprehensive plans, with emphasis on production and business chains.	Association	159	100	159
	150 municipalities in the country improve their planning capabilities and implement territorial development plans based on value chains.	Municipality	152	150	101.33
	40 municipalities implement and/or strengthen capacities of women's offices and the youth.	Municipality	60	40	150
	1,000 young fellows (50% women) are qualified in technical branches.	Scholarship	1,405	1,000	104.50
Three strengthened training centers provide physical space for use of beneficiary producers of the programme.	Training centre	3	3	100	
Component B	70% of producers apply agricultural technologies adapted to climate change: soil and water conservation works, planting dates.	Producer	5,783	4,000	174.14
	120 producer organizations carry out conservation works and practices of soils, improving their fertility and moisture retention capacity.	Organization	130	120	102.50
	70% of the organizations of subsistence producers, increase by 35% the basic grain production for self-consumption and the market.	Organization	140	140	100
	70% of the producers receive financing for inputs for works and practices of soil conservation, with non-refundable resources of the food security fund and adaptation to climate change.	Producer	2,398	2,800	192.79
	3 pilot compensation projects for eco systemic services are executed, benefiting 400 producers/as users of the programme.	Project	3	3	149
		Producer	790	400	
	12,000 rural producers improve conditions of basic environmental sanitation intra-residential through the provision of:	Producer	13,118	12,000	81.40
		Latrine	5,606	4,500	
		Cistern	2,097	4,500	
		Stove	5,415	12,000	
In year 4, the Ministry improves the coordination and management of the execution of at least 3 rural development projects, with financing of international cooperation.	Project	3	3	100%	
At least 200 Ministry technicians are trained in rural development and development issues, business chains and access to markets, financial	Technician	242	200	121%	

	services, being at least 30% women.				
	In 5 years 4 specialized consultancies are established to develop and operate harmonic mechanisms of M&E in the Ministry.	Consultancy	4	4	100%
	At the latest in the 3rd year of the programme, the operation of the knowledge management strategy begins and communication in the Ministry.	Percentage	100%	100%	100%
	MAG strengthens inter-institutional and consensus coordination for the application of sector strategies and policies in year 3.	Percentage	100%	100%	100%
	MAG's Directorate General for Rural Development strengthens its ability to harmonize and standardize the planning, monitoring and evaluation systems of rural development projects promoted by IFAD in year 4.	Percentage	100%	100%	100%

Source: PCR.

Abbreviations and Acronyms

BPA&M	Good agricultural and manufacturing practices
DGDR	General Directorate for Rural Development
MAG	Ministry of Agriculture and Livestock
MTR	Mid-term review
OFID	OPEC Fund for International Development
PCR	Project completion report
PCRv	Project completion report validation
PMU	Project Management Unit
PRODEMOR Central	Development and Rural Modernization project for Central and Paracentral Region
PRODEMORO	Development and Rural Modernization project for Eastern Region
RFS	Rural Financial Services
SIPLASE	Information, Planning, Monitoring and Evaluation System
UNDP	United Nations Development Programme
UNOPS	United Nations Office for Project Services

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