

## Project Completion Report Validation

### National Rural Development Programme: Central and Eastern Regions (PNDR ORIENTE)

Republic of Guatemala

Date of validation by IOE: March 2020

## I. Basic project data

			Approval (US\$ m)		Actual (US\$ m)	
Region	Latin America and the Caribbean	Total project costs	34.00		23.77	
Country	Guatemala	IFAD loan and percentage of total	17.00	50%	12.79	53.8%
Loan number	651-GT	Borrower (Government of Guatemala)	4.00	11.8%	2.51	10.6%
IFAD Project ID	1100001317	OFID (OPEC Fund for Intl. Dev)	11.00	32.3%	8.47	35.6%
Type of project (subsector)	Rural development	Beneficiaries	2.00	5.9%	0.00	
Financing type	Loan					
Lending terms	Highly Concessional					
Date of approval	2 December 2004					
Date of loan signature	12 June 2008					
Date of effectiveness	1 December 2008					
Loan amendments	5 (3 for IFAD, 2 for OFID)	Number of beneficiaries*	30 000 direct 70 000 indirect		15 033 direct 185 650 indirect	
Loan closure extensions	2					
Country programme managers	Joaquín Lozano Juan Diego Ruíz	Loan closing date	30 June 2014		30 June 2018	
Regional director(s)	Josefina Stubbs Joaquín Lozano	Mid-term review			21 October 2014	
Project completion report reviewer	Ernst Schaltegger	IFAD loan disbursement at project completion (%)			74%	
PCR quality control panel	Eoghan Molloy	Date of the project completion report			22 June 2018	

Source: ORIENTE Project Completion Report, 2018.

## II. Programme outline

<b>Country &amp; Project Name</b>	Republic of Guatemala National Rural Development Programme: Central and Eastern Regions (PNDR ORIENTE)
<b>Project duration</b>	Total project duration: nine years; Date of effectiveness: 01 December 2008; Completion date: 30 June 2018; Two extensions granted.
<b>Project goal, objectives and components</b>	The project goal was to reduce poverty levels and address the exclusion and discrimination suffered by the poorest groups in Guatemala. Its general objective was the active and gender-equitable participation of all stakeholders in the development and transparent implementation of pro-poor, national rural-development policies and their institutional framework. ORIENTE comprised four components: (i) land-use planning and decentralization; (ii) rural business and marketing; (iii) rural services; and (iv) programme management. <sup>1</sup>
<b>Project area and target group</b>	The programme area covered the poorest rural communities and municipalities of the central and eastern regions of Guatemala. The target group comprised the country's more vulnerable groups of the rural poor, including poor men and women, small farmers and landless farmers (44 per cent), micro entrepreneurs and artisans (20 per cent) and poor, landless young men and women (36 per cent).
<b>Project implementation</b>	The implementation agency was the Ministry of Agriculture, Livestock and Nutrition (MAGA). A decentralized programme management unit in Jalapa was set up, located near the geographical centre of the programme area. A programme steering committee was responsible for policy and administrative control, approval and supervision of annual operating plans and budgets, and overall programme guidance.
<b>Changes during implementation</b>	The project completion and loan closing dates underwent changes twice, on the basis of respective loan agreements.
<b>Financing</b>	Table 1 below displays project cost figures by funding source, totalling US\$34 million at appraisal, and US\$23.77 million at completion, i.e. 74 per cent of overall disbursement. This disbursement rate reflects the fact that the beneficiaries' contribution of US\$2 million was not accounted for over project life. Table 2, detailing component costs at appraisal and at completion, displays only minor discrepancies with Table 1. It shows a total programme cost of US\$32 million at appraisal, minus the US\$2 million from beneficiaries.

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)	17 000	50%	12 790	54.8%	75%
Government of Guatemala	4 000	11.8%	2 505	10.6%	63%
OFID	11 000	32.3%	8 472	35.6%	77%
Beneficiaries	2 000	5.9%	0	0%	0%
<b>Total</b>	<b>34 000</b>	<b>100%</b>	<b>23 767</b>	<b>100%</b>	<b>74%</b>

Source: ORIENTE Project Completion Report, 2019, Table 11.

Table 2  
Component costs (US\$ '000)

<i>Component</i>	<i>Appraisal</i>	<i>Actual</i>	<i>% of actual costs</i>	<i>% disbursed</i>
Land-use planning and decentralization	5 020	3 529	14.8%	70%
Rural business and marketing	6 254	4 392	18.5%	70%
Rural services	15 109	10 464	43.9%	69%
Programme management	5 617	5 415	22.8%	96%
<b>Total</b>	<b>32 000</b>	<b>23 801</b>	<b>100%</b>	<b>74%</b>

Source: ORIENTE Project Completion Report, 2019, Table 14.

<sup>1</sup> IFAD. Republic of Guatemala, National Rural Development Programme: Central and Eastern Regions. President's Report, EB 2004/83/R.31/Rev.1, 2 December 2004.

### III. Review of findings

<i>PCR finding</i>	<i>PCR Rating</i>
<b>A. Core Criteria</b>	
<b>Relevance</b>	
<ol style="list-style-type: none"> <li>1. The President's Report underlines the fact that PNDR ORIENTE was a programmatic intervention of rural development, preceded by a precursor programme, the National Rural Development Programme - Phase I: Western Region, approved by IFAD in 2003. This commitment would then be followed by a programme at national scale. The President's Report, in its Annex IV, is also very explicit that the programme was to address the prevailing rural poverty and inequality issues in Guatemala after a civil war of 35 years.</li> <li>2. The Project Completion Report (PCR)<sup>2</sup> states that PNDR ORIENTE was aligned with the decentralization policies of the new government in place for 2004 to 2008, and with the Country strategic opportunities programme (COSOP). The latter focused on the implementation of the peace accords as a means to reduce poverty, on crop diversification and the support of local councils catering for indigenous and poor rural populations.</li> <li>3. The poverty targeting in the selected departments was explicit. Out of the 100,000 people living in poverty, 30,000 were targeted directly, of which 28 per cent women, 26 per cent youth and 1 per cent indigenous people. Indirect beneficiaries were estimated at 70,000 at appraisal. Rural communities with at least 45 per cent of poverty rates, fair productive potential and the presence of formal rural organizations and interest groups were given priority.</li> <li>4. According to the PCR, the design, i.e. the strategic mix of components was in principle consistent with the objective to reduce poverty levels and to address the exclusion and discrimination suffered by the poorest groups in Guatemala. However, the programme did not include measures to strengthen MAGA and the capacity to invest in non-agricultural social assets. In 2017, an additional result was added to the original logical frameworks, aiming at providing access of the populations to water and education. More seriously, the PCR also perceives a departure from the original design feature of local bottom-up planning processes and the concomitant capacity strengthening of local governments. A change of government was at the root of these shifts, which occurred late in programme life.</li> <li>5. The three operational components mentioned in the programme outline were given access to five funds, each one with specific purposes such as health and education, agricultural production, public marketing infrastructure, small agricultural and non-agricultural enterprises and environmental protection. The PCR notes that the programme management unit did however not avail of the required administrative and financial autonomy and thus was dependent on approval processes from MAGA, the Ministry of Finance (MINFIN) and IFAD.</li> <li>6. Given the coherence of objectives with national and IFAD priorities, and the features of programme design before 2017, the PCR rates relevance as satisfactory. This Project Completion Report Validation (PCR V) also assigns a rating of <i>satisfactory (5)</i> to this evaluation criterion.</li> </ol>	5
<b>Effectiveness</b>	
<ol style="list-style-type: none"> <li>7. The assessment of effectiveness requires a functioning monitoring and evaluation system. The last (November 2016) supervision report on record<sup>3</sup> confirmed that the monitoring and evaluation was functional after previous supervisions highlighted substantial deficiencies. The contributions from the</li> </ol>	4

<sup>2</sup> IFAD. República de Guatemala, Programa Nacional de Desarrollo Rural, Regiones Central, Nororiente y Suroriente, Informe de Término del Programa, 28 de junio de 2018.

<sup>3</sup> IFAD. República de Guatemala, Programa Nacional de Desarrollo Rural, Regiones Central, Nororiente y Suroriente, Misión de supervisión, noviembre de 2016.

<b>PCR finding</b>	<b>PCR Rating</b>
<p>beneficiaries remained unaccounted for over project life (see programme outline).</p> <p>8. In Appendix IV of the PCR, all of the 81 indicators had time-bound and quantified magnitudes, except for the Human Development Index and the child malnutrition rate. The PCR concludes that, overall, about 70 per cent of the stipulated magnitudes were met. Component 1 relative to land-use planning and decentralization was the one with the lowest performance, especially in terms of capacity building directed to community organizations and the preparation and implementation of community and municipal development plans. At programme completion, only 25 per cent of municipalities used geographic information systems. The PCR does not indicate whether this was because of the design change occurring in 2017 when local capacity building was abandoned (Paragraph 4).</p> <p>9. The programme signed 83 agreements with beneficiary organizations (38 for IFAD-funded and 45 for OFID-supported projects). Of these, 16 were not implemented because the organizations were not in a position to comply with the basic requirements. The overwhelming majority (64 per cent) of projects were supported under the component of rural services. Indeed, all relative targets were met or exceeded (economic stoves, water filters, equipped primary schools, improved flooring and roofing of dwellings).</p> <p>10. The picture in terms of electiveness is mixed under the component of rural business and marketing. While more women than planned were enabled to run their businesses (570 vs. 380), there was no information network on prices established at the end, and less than half of the foreseen negotiation tables between suppliers and purchaser were set up.</p> <p>11. In the light of the above, this PCR rates effectiveness as <i>moderately satisfactory (4)</i>, in line with the PCR.</p>	
<b>Efficiency</b>	
<p>12. A most visible indicator, i.e. the effectiveness lag of 48 months of PNDR ORIENTE against an IFAD average of about 12 months<sup>4</sup> in the respective period, does not find any specific mention in the PCR. The same is true for the first two supervision reports and the mid-term review (MTR). Even in 2013, five years after programme effectiveness, the respective supervision report<sup>5</sup> noted that MINFIN still had not issued a legal opinion on whether MAGA was the designated programme implementing agency, which delayed implementation.</p> <p>13. The MTR of January 2015<sup>6</sup> indicates an aggregate (IFAD and OFID) disbursement rate of only 21 per cent. It notes that, at the date of the MTR, the Committee for the Reception of Projects was not operational, a substantial flaw in a programme based on the submission of projects by local organizations. It also includes a list of 42 agreed recommendations aimed at bringing PNDR ORIENTE back on track, which is indicative of the range of problems identified.</p> <p>14. The overall status of implementation delays was due to inappropriate management procedures, a high staff turnover, e.g. seven programme directors by completion, and a period of virtual inactivity in the years 2012-2014. The only component with effective costs that came close to the appraisal estimate was programme management. In proportion to the total programme cost, the weight of management increased from 17.5 per cent at appraisal to 22.8 per cent at completion, which is on the higher side in IFAD operations, yet comparable to the Dry Zone Development Project - PRODESEC in Nicaragua (2004-2010) with 23 per cent.</p>	2

<sup>4</sup> IFAD: Portfolio performance report 2005/06, Volume I, Rome, December 2006.

<sup>5</sup> IFAD. República de Guatemala, Programa Nacional de Desarrollo Rural, Regiones Central, Nororiente y Suroriente, Misión de supervisión, diciembre de 2016.

<sup>6</sup> IFAD. República de Guatemala, Programa Nacional de Desarrollo Rural, Regiones Central, Nororiente y Suroriente, Revisión de Medio Término (RMT) Préstamo 651-GT, enero de 2015.

<b>PCR finding</b>	<b>PCR Rating</b>
<p>15. There were three amendments of the loan agreement relative to IFAD, one for the adoption of direct supervision in 2009, and two related to the loan closure date extensions. OFID and the government underwrote two loan amendments.</p> <p>16. The PCR reports a per beneficiary cost for PNDR ORIENTE of US\$640, i.e. lower than estimated at appraisal, due to the lower project cost and the assumed higher number of direct beneficiaries at programme completion. This must be due to a probable confusion in this regard, between beneficiary persons and households, (Section E.6). If the number of effective beneficiary households (15,033, as given in the basic project data) is taken as the relevant variable, the per beneficiary household cost is substantially higher, i.e. US\$1,583. The number of 15,033 beneficiary households is used as a basis for the cost-benefit analysis in the PCR (see Paragraph 17).</p> <p>17. The PCR does only briefly highlight some summary data on the profitability of certain products, inferring that vegetables, dairy and honey displayed internal return rates above the opportunity cost of capital (12 per cent per annum) while this was not the case with basil grains and aquaculture with Tilapia.</p> <p>18. In view of the above, this PCR rates efficiency as <i>unsatisfactory (2)</i>, thus one point lower than the PCR rating.</p>	
<b>Rural poverty impact</b>	
<p>19. The PCR notes that the opportunity to conduct a baseline study after the virtual standstill of operations in 2012-2014, was not taken up. This means that impact targets set in the logical framework did not build on real baseline values. The PCR is also cognizant of the fact that the data available through the Results and Impact Management System (RIMS) were not compared with control groups, thus compromising the attribution of observed changes to the programme.</p> <p>20. The Planning, Monitoring and Evaluation Unit of the programme did not produce data on household incomes. Regarding household assets, the unit notes that 64 per cent of the households displayed improvements over programme life. The RIMS sample survey covering 900 households and comparing data between 2010 and 2017 indicates an increase of assets by 48 per cent.</p> <p>21. Food security, as per the RIMS survey in 2017, marginally improved by six points in terms of chronic child malnutrition while acute malnutrition appeared to remain at the same level. However, the PCR does not contain tangible data on this indicator. The same applies to agricultural productivity, where the PCR notes the absence of meaningful records at the level of the beneficiary organizations. On the other hand, the PCR infers that the rehabilitation of 4,323 hectares of abandoned irrigation schemes and the promotion of micro-irrigation schemes in favour of 1,292 families must have caused productivity increases.</p> <p>22. PNDR ORIENTE did strengthen human capital to a certain extent. One hundred and forty (140) per cent and one hundred and four (104) per cent of the targeted producers and youth have been imparted capacities to generate innovative products and to penetrate rural markets, respectively. Eighty-two (82) per cent of the foreseen beneficiaries effectively attended literacy classes, with a remarkably high percentage of indigenous people. On the other hand, efforts to strengthen community and municipal development councils remained marginal in terms of numbers trained.</p> <p>23. In the area of institutions and policies, the PCR perceives some beneficial institutional collaborations facilitated by the programme, between beneficiary organizations and sector federations, such as the National Association of Coffee and the Dairy Chamber. On the downside, it also deplores the lack of coordination and of policy dialogue between MAGA and PNDR ORIENTE.</p> <p>24. Weighing the achieved impacts against the mentioned shortcomings, the rural poverty impact of PNDR ORIENTE is rated as <i>moderately satisfactory (4)</i>, at par with the PCR rating.</p>	4

<b>PCR finding</b>	<b>PCR Rating</b>
<b>Sustainability of benefits</b>	
<p>25. The PCR perceives one particular factor enhancing the prospects for sustainability, i.e. the continued presence of the Directorate of Productive Infrastructure of MAGA in the intervention area of PNDR after programme completion. This is seen as a pre-requisite of further investments into irrigated agriculture. The PCR is however concerned about the absence of support for water users' associations, which the PCR perceives as detrimental for the sustainability of the investments made in the area of irrigation.</p> <p>26. On the downside, the PCR is clear that PNDR ORIENTE failed to establish systematic relations with the municipalities, which affected the building of local alliances, an essential pre-requisite for sustainability. Indeed, the PCR cites a comparative analysis made by the programme in 2015 and 2017. While 63 per cent of the 25 organizations implementing programme-related activities displayed increased organizational strengths in 2017, 37 per cent showed increased weaknesses at the second evaluation. As highlighted in Paragraph 9, 16 selected organizations were not implementing any activities at all, for a lack of basic formality and capacity.</p> <p>27. More fundamentally, the PCR notes that MAGA did not have a genuine strategy to ensure longer term sustainability of the programme benefits. This is all the more concerning because PNDR ORIENTE was designed to be integrated into a programmatic approach to development. The supervision mission of 2016 was explicit about the failure of PNDR ORIENTE to proceed in accordance with a territorial approach and involving the municipalities, thus a concern identical to the above-mentioned statement of the PCR.</p> <p>28. Based on these considerations, both the PCR and the PCR rate the sustainability of benefits as <i>moderately unsatisfactory (3)</i>.</p>	3
<b>B. Other performance criteria</b>	
<b>Innovation</b>	
<p>29. While the last supervision mission on record, dated December 2016, assigned a rating of moderately satisfactory to the innovative character of PNDR ORIENTE, the PCR is more critical. Although the design of the programme comprised various novel approaches, such as building rural development on genuine decentralization and municipal and community involvement, policy dialogue, a focus on agricultural value chains and involvement of youth and women, virtually no tangible action took place.</p> <p>30. The PCR notes that the programme was oblivious of the potentials of involving local governments and organizations effectively and was bogged down in cumbersome programme implementation processes, depending on inefficient vertical management procedures within MAGA. The opportunities of simple value chains were not perceived, and the training of youth remained inconclusive to make inroad into such value chains.</p> <p>31. The PCR assigns a rating of unsatisfactory to innovation in the framework of PNDR ORIENTE. Based on the evidence presented, this PCR concurs and aligns to the rating of <i>unsatisfactory (2)</i>.</p>	2
<b>Scaling up</b>	
<p>32. Given the assessment of an unsatisfactory innovation drive within PNDR OPRIENTE, the PCR makes the case that there was not much to scale up. To make the assessment more explicit, the PCR cites two examples that may indeed have made scaling-up difficult. First, the anticorruption measures taken by the government since 2016 forbade the transfer of public funds to private and NGO partners. Such transfers were allowed under PNDR ORIENTE, but outside such foreign-funded ventures, these mechanisms are not practiced. Second, the PCR also perceives a general aversion, within MAGA, to replicate successful funding models with local governments and grass-roots organizations in the mainstream</p>	1

<b>PCR finding</b>	<b>PCR Rating</b>
<p>of its interventions. Thus, a key premise embedded in programme design failed to be applied within the programme, which made upscaling immaterial.</p> <p>33. Both the PCR and this PCRV concur and rate the scaling-up effect of PNDR ORIENTE as <i>highly unsatisfactory (1)</i></p>	
<b>Gender equality and women's empowerment</b>	
<p>34. The President's Report and the MTR put explicit emphasis on the role of women (and youth) in the design logic of PNDR ORIENTE. The MTR noted already that, despite of having a gender unit, the available resources were not used to fruition, inter alia caused by high staff turnover that made meaningful actions difficult.</p> <p>35. The PCR is similarly critical but acknowledges that the programme did have some success in the distribution of household assets that helped improve the working conditions of women (more efficient stoves, water filters, improved dwellings and flooring). Another noteworthy result was a fair representation of women in executive positions of the participating organizations. Sixty-one (61) of them count women in their executive boards, i.e. the double of the indicator magnitude set at appraisal. However, the overall participation of women in programme activities remained at 25 per cent, against a target of 40 per cent.</p> <p>36. The above has prompted the PCR to rate gender equality and women's empowerment <i>moderately unsatisfactory (3)</i>, at par with the rating of this PCRV.</p>	3
<b>Environment and natural resources management</b>	
<p>37. The PCR recognizes that some activity lines of the programme did have a bearing on the environment and the management of natural resources, such as the dissemination of energy-efficient stoves inducing a lower demand for firewood. It also notes, on the other hand, that, in essence, the environment and natural resources management were not a priority of PNDR ORIENTE.</p> <p>38. Indeed, in the impact survey at completion, only 19 out of the 33 participating organizations confirmed that they applied some relevant techniques, such as soil and water conservation, integrated crop management, agroforestry and reforestation. This is subcritical in an environment called Guatemala's "Dry Corridor". Consequently, both the PCR and the PCRV rate this criterion as <i>moderately unsatisfactory (3)</i></p>	3
<b>Adaptation to Climate Change</b>	
<p>39. In the President's Report of 2004, the term "climate change" does not appear. The MTR, eleven years later, took up this concern, calling it an "important transversal theme" relevant for all productive aspects of the programme. Despite the availability of a Fund for Environmental Conservation, PNDR ORIENTE had not initiated any environmental project at the time of the MTR. This was all the more frustrating as previous missions had reached relative agreements with MAGA.</p> <p>40. It is fair to say that the rehabilitation of more than 4,000 hectares of abandoned irrigated land, and the promotion of micro-irrigation for the benefit of close to 1,300 families did have a bearing on adaptation to climate change. At least one of the 81 indicators infers that 3,200 families adopted actions of climate change mitigation and adaptation against a target of 1,600 families. According to the PCR, this was an effect of particular efforts in the last year of the programme. This is in contrast with other statements of the PCR, for instance, in Paragraphs 38 and 39.</p> <p>41. Weighing the few positive indications against the documented downsides, the PCR proposes a rating of <i>moderately unsatisfactory (3)</i> to this evaluation criterion, to which this PCRV aligns itself.</p>	3
<b>C. Overall Project Achievement</b>	
<p>42. With the hindsight of more than 15 years, it may be so that PNDR ORIENTE was relevant to the needs of a country torn apart after a long civil war, putting</p>	3

<b>PCR finding</b>	<b>PCR Rating</b>
<p>emphasis on confidence building by a distinct decentralization agenda and by involving municipalities and rural poor rural communities. But its design might have underestimated an entire complex of post-conflict challenges.</p> <p>43. First, the (unexplained) effectiveness lag of four years could have been a warning sign of dysfunction. Then, the two-year lapse of virtual programmes standstill between 2012 and 2014 was another blow against the performance and thus the credibility of PNDR ORIENTE. It was due, according to the cited supervision report of January 2015, to government decrees that transferred the programme management unit from MAGA to the National Peace Fund and then back. Such difficulties added to the administrative inefficiencies mentioned in Paragraphs 12 to 18.</p> <p>44. The most profound reason underlying the deficient performance of the programme may have been that the essence of the underlying decentralization agenda was not shared by MAGA. There was hardly any devolution of tasks and responsibilities to local governments, and even less to community-based groups. There was obviously also a distinct feeling of mistrust towards the private sector and civil society (Paragraph 32).</p> <p>45. The PCR and the PCRV concur that the evidence presented on the performance of PNDR ORIENTE is in the unsatisfactory range. Both assign an overall rating of programme achievement of <i>moderately unsatisfactory</i> (3).</p>	
<b>D. Performance of Partners</b>	
<b>IFAD</b>	
<p>46. The PCR reflects positively on the performance of IFAD, in terms of programme design and of implementation support including supervision missions. During six of the ten years of project implementation, there was a country-based country programme manager and a program analyst dedicated to daily monitoring of the program, plus the support of several consultants who dedicated more than 50 per cent of their time to this operation.</p> <p>47. According to the PCR, the supervisions were of high level, and adequately reflected technical challenges related to programme implementation. IFAD has carried out 12 official supervision missions, five implementation support missions, one MTR and one completion mission. In the area of policy dialogue, high-level spaces were promoted to influence the approval of the Rural Development Law, as well as the entire process of municipal decentralization and of the Departmental Development Councils.</p> <p>48. Some caveats are expressed in the PCR as well. One pertinent remark may be that the supervision missions were good at providing recommendations (more than 70 in the four supervision mission reports on record), which were not all critically followed up thereafter. It is inferred that IFAD support fell short of helping adjust the programme to a changing context. More precisely, the PCR sustains that IFAD did not do enough to prevent or mitigate drastic changes, inter alia leading to the two-year standstill of activities between 2012 and 2014, which damaged programme coherence and performance. As the main financier with direct presence in Guatemala, it would appear that IFAD had limited leverage against obviously deficient programme performance in a complex conceptual and institutional environment. It fell short of solving most implementation issues.</p> <p>49. The 2017 Guatemala COSOP review<sup>7</sup> does confirm that all IFAD operations had significant implementation problems, also due to the fact that themes relating to rural poverty and inequality have not been strong political priorities. Under these circumstances, it is therefore doubtful whether IFAD could have done much more</p>	5

<sup>7</sup> IFAD, PMD, LAC. Guatemala, COSOP Results Review, Rome, 20 February 2017.

<b>PCR finding</b>	<b>PCR Rating</b>
to significantly improve programme quality and outcomes. IFAD performance is rated as satisfactory (5), in accordance with the PCR rating.	
<b>Government</b>	
50. The ratings for the criteria of efficiency, innovation, scaling up, the environment and adaptation to climate change are such that sufficient evidence is at hand that PNDR ORIENTE suffered from a high number of shortcomings, conceptual, operational and administrative. The analysis of the documents on record suggests that the lead ministries MAGA and MINFIN did not buy in the underlying paradigm of decentralization and devolution of ownership authority to local governments and rural communities.	2
51. In the words of the PCR, MAGA failed to show sufficient interest for PNDR ORIENTE, and to deploy a critical mass of coaching support internally. MAGA did not take up its role as overall programme coordinator. Towards programme completion, MAGA was absent in important work areas such as evaluation and knowledge management, which hampered the sustainability of benefits. MINFIN is perceived as an operator with many cumbersome administrative procedures, but a lack of meaningful monitoring mechanisms.	
52. While the PCR rates government performance as moderately unsatisfactory, this PCRV considers the weight of the identified shortcomings as substantial and proposes a rating of unsatisfactory (2).	

#### IV. Assessment of PCR Quality

<b>PCR finding</b>	<b>Rating</b>
<b>Scope</b>	
53. The PCR contains all chapters, sections, and annexes as per the Guidelines for Project Completion Review (2015) and provides substantive and relevant content. This PCRV rates the scope of the PCR as satisfactory (5).	5
<b>Quality</b>	
54. On the positive side, the PCR relies on a logical framework with more than 80 indicators that display quantified magnitudes. However, the PCR is a document without bibliography, hence failing to provide solid evidence to the assessments made. It handles the big mass of indicators without critical analysis on the consistency of the underlying data. Thus, it is not easy to draw meaningful conclusions on the basis of the data presented. For instance, a consolidated reading of the indicators related to the effective role of women in PNDR ORIENTE would have helped to justify the moderately unsatisfactory rating of the gender equality and women's empowerment criterion. After all, some of the indicators display satisfactory patterns, such as the number of women in executive organs of community-based organizations.	3
55. In light of these shortcomings, the PCRV rates the quality of the PCR as <i>moderately unsatisfactory</i> (3).	
<b>Lessons</b>	
56. The first lesson drawn by the PCR is that MAGA did not translate the essence of the Law on Rural and Urban Development Councils (Decreto 11-2020) into its mainstream work routine. MAGA ignored the municipalities and the community-based organizations designated by the law as instances of decentralized planning for development. The PCR thus puts the emphasis on a major, and probably the most pervasive, shortcoming of PNDR ORIENTE.	5

<b>PCR finding</b>	<b>Rating</b>
57. Another pertinent lesson is that rural development programmes involving local governments and community-based organizations cannot limit the attention to agricultural development issues only. The PCR makes the case that a territorial approach must consider local needs that often transcend concerns for agriculture. Rural roads, water and sanitation, education and health may be equally important.  58. These lessons are found to be relevant and this PCR rates the lessons of the PCR as <i>satisfactory</i> (5).	
<b>Candour</b>	
59. <b>Narrative objectivity and candour of results reporting.</b> The PCR narrative is relatively critical, but not all the ratings are consistent with such narrative, for instance concerning programme efficiency and the performance of the government.  60. Consequently, this PCR rates the candour of the PCR as <i>moderately satisfactory</i> (4).	4

## V. Final Remarks

<b>Issues for IOE follow up (if any)</b>
61. 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
<b>Rural poverty impact</b>	Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.	X	Yes
	<i>Four impact domains</i>		
	<ul style="list-style-type: none"> <li>Household income and net assets: Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value. The analysis must include an assessment of trends in equality over time.</li> <li>Human and social capital and empowerment: Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grass-roots organizations and institutions, the poor's individual and collective capacity, and in particular, the extent to which specific groups such as youth are included or excluded from the development process.</li> <li>Food security and agricultural productivity: Changes in food security relate to availability, stability, affordability and access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields; nutrition relates to the nutritional value of food and child malnutrition.</li> <li>Institutions and policies: The criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor.</li> </ul>		No
<b>Project performance</b>	Project performance is an average of the ratings for relevance, effectiveness, efficiency and sustainability of benefits.	X	Yes
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project design and coherence in achieving its objectives. An assessment should also be made of whether objectives and design address inequality, for example, by assessing the relevance of targeting strategies adopted.	X	Yes
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.	X	Yes
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.	X	Yes
Sustainability of benefits	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.	X	Yes
<b>Other performance criteria</b>			
Gender equality and women's empowerment	The extent to which IFAD interventions have contributed to better gender equality and women's empowerment, for example, in terms of women's access to and ownership of assets, resources and services; participation in decision making; work load balance and impact on women's incomes, nutrition and livelihoods.	X	Yes
Innovation	The extent to which IFAD development interventions have introduced innovative approaches to rural poverty reduction.	X	Yes
Scaling up	The extent to which IFAD development interventions have been (or are likely to be) scaled up by government authorities, donor organizations, the private sector and others agencies.	X	Yes
Environment and natural resources management	The extent to which IFAD development interventions contribute to resilient livelihoods and ecosystems. The focus is on the use and management of the natural environment, including natural resources defined as raw materials used for socio-economic and cultural purposes, and ecosystems and biodiversity - with the goods and services they provide.	X	Yes
Adaptation to climate change	The contribution of the project to reducing the negative impacts of climate change through dedicated adaptation or risk reduction measures.	X	Yes

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

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

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

<i>Criteria</i>	<i>Programme Management Department (PMD) rating</i>	<i>IOE Project Completion Report Validation (PCRVR) rating</i>	<i>Net rating disconnect (PCRVR-PMD)</i>
<b>Rural poverty impact</b>	<b>4</b>	<b>4</b>	<b>0</b>
<b>Project performance</b>			
Relevance	5	5	0
Effectiveness	4	4	0
Efficiency	3	2	-1
Sustainability of benefits	3	3	0
<b>Project performance<sup>b</sup></b>	<b>3.75</b>	<b>3.5</b>	<b>-0.25</b>
<b>Other performance criteria</b>			
Gender equality and women's empowerment	3	3	0
Innovation	2	2	0
Scaling up	1	1	0
Environment and natural resources management	3	3	0
Adaptation to climate change	3	3	0
<b>Overall project achievement<sup>c</sup></b>	<b>3</b>	<b>3</b>	<b>0</b>

<b>Performance of partners<sup>d</sup></b>			
IFAD	5	5	0
Government	3	2	-1
<b>Average net disconnect</b>			<b>-0.17</b>

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

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

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

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

### Ratings of the project completion report quality

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

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

## **Abbreviations and Acronyms**

COSOP	Country strategic opportunities programme
IFAD	International Fund for Agricultural Development
IOE	IFAD Independent Office of Evaluation
MAGA	Ministry of Agriculture, Livestock and Nutrition
MINFIN	Ministry of Finance
MTR	Mid-term review
OFID	OPEC Fund for International Development
PCR	Project Completion Report
PCRV	Project Completion Report Validation
PMD	Programme Management Department
PNDR ORIENTE	National Rural Development Programme: Central and Eastern Regions
RIMS	Results and Impact Management System

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