

Project Completion Report Validation

Agricultural Value Chain Development Project in the Mountain Zones of Al-Haouz Province

Kingdom of Morocco

Date of validation by IOE: September 2020

I. Basic project data

			Approval (US\$ m)		Actual (US\$ m)	
Region	Near East, North Africa Europe and Central Asia	Total project costs	9.13		8.5	
Country	Morocco	IFAD loan and percentage of total	6.38	69.9%	5.6	65.5%
Loan number	1000004146	IFAD grant and percentage of total	0.14	1.5%	0.12	1.4%
IFAD project ID	1100001526	Borrower	2.3	25.5%	2.3	26.7%
Type of project (subsector)	Agricultural Development	Co-financier: National Sheep and Goat Association (ANOC)	0.16	1.8%	0.22	2.6%
Financing type		Beneficiaries	0.12	1.3%	0.32	3.8%
Lending terms	Ordinary terms					
Date of approval	13/12/2011					
Date of loan signature	21/02/2012					
Date of effectiveness	21/09/2012	Number of beneficiaries	Direct: 33 000 Men: 17 000 Women: 16 000	51% 48%	Direct: 35 772 Men: 20 505 Women: 15 267	57% 43%
Loan amendments	0					
Loan closure extensions	1					
Country programme managers	Mounif Nourallah, Naoufel Telahigue	Loan closing date	31 March 2020		Not yet available	
Regional director(s)	Khalida Bouzar	Mid-term review			09-26 October 2016	
Project completion report reviewer	Federica Lomiri	IFAD loan disbursement at project completion (%)			Total: 89% Loan: 89.3% Grant: 74.6%	
Project completion report quality control panel	Eoghan Molloy Fabrizio Felloni Maximin Kodjo Kouessi	Date of the project completion report			29 April 2020	

Source: IFAD. Agricultural Value Chain Development Project in the Mountain Zones of Al-Haouz Province. 2019.

II. Project outline

Country & Project Name	Agricultural Value Chain Development Project in the Mountain Zones of Al-Haouz Province, <i>Projet de développement des filières agricoles dans les zones montagneuses de la province d'Al Haouz (PDFAZMH)</i> , Kingdom of Morocco.
Project duration	Total project duration: seven years. Board approval: 13 December 2011; Entry into force: 21 September 2012; Project completion: 30 September 2019; Expected loan closure: 31 March 2020. Effectiveness lag: nine months.
Project goal, objectives and components	The project goal is to contribute, within the framework of the second pillar of the Green Moroccan Plan, to alleviating rural poverty through a sustainable increase in the incomes of women, men and young people involved in three agricultural production subsectors deemed significant and promising: olives, apples and mutton. The project's specific objectives are: i) to raise the productivity of farms producing for the three targeted subsectors and the quality of their produce; ii) to add value to the targeted products through processing and packaging; and iii) to increase producers' access to remunerative markets. The project has three technical components: 1) Supporting the development of the olive value chain; 2) Supporting the development of the apple value chain; 3) Supporting the development of the sheep meat value chain.
Project area and target group	The project has been implemented in 14 rural municipalities located in the same area covered by a previous IFAD-supported intervention, the Rural Development Project in the Mountain Zones of Al-Haouz Province (PDRZMH), closed in 2010. The project targeted smallholder farmers, small-scale livestock producers, women, young people and landless people who owned or potentially could have earned a livelihood from products in the three value chains.
Project implementation	The executing agency for the PDFAZMH has been the Ministry of Agriculture and Maritime Fisheries. The Agency for Agricultural Development (ADA ¹), as the institution responsible for implementing pillar II of the Green Moroccan Plan, provided overall supervision and coordination. The regional coordination of the project was ensured by the Provincial Direction of Agriculture (DPA) of Al Haouz, in partnership with the regional institutions concerned. The overall project management was ensured by the Director of the DPA supported by a project management unit (PMU) directed by the Head of the Service for the implementation of agricultural sector projects (SMOP-FA ²). The PMU was made up of a team of technical assistants recruited on a competitive basis and according to the needs of the moment rather than on a permanent basis and under service contracts issued for defined periods of time. The project benefitted from a total of eight supervision and implementation support missions.
Changes during implementation	The project duration has been extended by two years due to delays noted in some components at the time of the mid-term review (October 2016).
Financing	Total budget at appraisal was US\$9.13 million. The project was financed by an IFAD loan of SDR4.10 million (approximately US\$6.38 million) and an IFAD grant of SDR0.09 million (approximately US\$0.14 million) over a period of seven years. The project was co-financed by the National Sheep and Goat Association (ANOC) with a grant of US\$0.16 million. The Government of Morocco provided a contribution of US\$2.9 million as counterpart. The contribution of project's beneficiaries (DFS) was US\$708,000. Actual disbursement was lower than anticipated (see Tables 1 and 2).

¹ The Agricultural Development Agency (ADA) was specifically created in 2009 to coordinate implementation of the Green Moroccan Plan.

² *Service de mise en œuvre de projets de filières agricoles*, in French.

Table 1
Project costs (MAD '000)³

Funding source	Appraisal	% of appraisal costs	Actual	% of actual costs	% disbursed
IFAD (loan)	55 506	69.9%	53 450	65.5%	89%
IFAD (grant)	1 218	1.5%	1 139	1.4%	74%
Government	20 271	25.5%	21 774	26.7%	107%
Beneficiaries	1 044	1.3%	3 095	3.8%	297%
ANOC	1 392	1.8%	2 121	2.6%	152%
Total	79 431	100%	81 580	100%	102.7%

Source: IFAD. Agricultural Value Chain Development Project in the Mountain Zones of Al-Haouz Province. 2019.

Table 2
Component costs (MAD '000)⁴

Component	Appraisal	% of appraisal costs	Actual	% of actual costs	% disbursed
Supporting the development of the olive value chain	26 709	33.6%	27 196	33.3%	101.8
Support for developing the apple value chain	30 711	38.7%	32 760	40.2%	106.7
Support for developing the mutton value chain	14 877	18.7%	16 893	20.7%	113.6
Project organization, coordination and management	7 134	9%	4 730	5.8%	66.3
Total	79 431	100%	81 580	100%	102.7

Source: IFAD. Agricultural Value Chain Development Project in the Mountain Zones of Al-Haouz Province. 2019.

III. Review of findings

PCR finding	Rating
A. Core Criteria	
Relevance	
<p>1. The PDFAZMH has been conceived as the phase II of a previous IFAD-funded operation, the Rural Development Project in the Mountain Zones of Al-Haouz Province⁵ (PDRZMH), implemented in the same area from 2002 to 2011. The PDFAZMH was actually designed to consolidate the achievements of the previous project in terms of social capital, by focusing on the development of three selected value chains considered the most profitable for the target groups.</p> <p>2. The PDFAZMH, was aligned with the Green Moroccan Plan⁶ and coherent with its Pillar II targeting "harsh areas" (mountains, oases, plains, and plateaus in semi-arid regions) and building on the concept of inclusive agricultural growth. In those areas, Pillar II explicitly aims to substantially increase the incomes of farmers through the implementation of development projects focussing on: i) the</p>	4

³ Project costs are expressed in Moroccan Dirham (MAD) according to the figures provided by the Project Completion Report (PCR). The project page in IFAD's Operational Results Management System does not include data on disbursements in USD of counterpart, at the time of conducting this review.

⁴ Project costs are expressed in MAD according to the figures provided by the PCR.

⁵ *Projet de développement rural des zones montagneuses de la province d'Al Haouz*, in French.

⁶ The Green Moroccan Plan (*Plan Maroc Vert* in French) was launched in 2008 with the goal to turn agriculture in the main growth engine of the national economy by 2020, within a sustainable rural development framework. The Green Moroccan Plan was articulated around seven pillars. The Pillar II focuses on combating poverty through the promotion of solidarity projects meant to increase the income of the most vulnerable farmers, particularly in sensitive areas.

PCR finding	Rating
<p>redeployment of production; ii) production intensification and valorisation; and iii) development of niche products. Therefore, the PDFAZMH, by adopting a participatory value chain approach to increase the incomes of vulnerable farmers of a mountain area, fits with the key principles underpinning Pillar II. By the same token, project objectives were consistent with the three strategic objectives of IFAD's country strategy as defined in the Country strategic opportunities programme (COSOP) 2009-2014, and remained relevant also to the RB-COSOP covering the period 2016-2022.</p> <p>3. The project internal logic was articulated around three technical components, each of which dedicated to support all the segments of one specific value chain, by ensuring the concurrent development of upstream and downstream activities. The complementarity between the sheep meat value chain and the trees value chain (olive and apple) was established through the development of Income Generating Activities (IGAs) of livestock products for the most vulnerable categories, in particular women. However, the Project Completion Report (PCR) highlights the limited relevance of the approach followed to support herders in the mountain areas through ANOC: this approach was actually developed for the owners of large size lowland cattle and proved to be unsuitable for project beneficiary who own small herds and practice upland extensive breeding. The lack of relevance of the approach adopted in relation to the characteristics of the target group, had consequences also in terms of effectiveness and resulted in a limited number of breeders benefitting from project support (see the Effectiveness section for more details).</p> <p>4. Furthermore, the analysis of the project design document shows a serious underestimation of the time needed to set up the agricultural processing units⁷ for the promotion of local products. According to the PCR, such underestimation had a serious impact on the project implementation schedule by delaying the implementation of processing units by four years; this situation had a detrimental impact on project profitability and on the degree of ownership of those units by the beneficiaries.</p> <p>5. In accordance with the COSOP, the targeting strategy focused on three levels (geographic level, community level and direct targeting) to reach the most vulnerable households: farms with less than 5 ha were retained for the olive value chain, farms with less than 1 ha were retained for the apple value chain and less than 40 animals were set up for the sheep value chain and the beneficiaries of IGAs.</p> <p>6. Overall, the PCRV agrees that the design of PDFAZMH was relevant to the needs and priorities of small tree growers living in mountains areas of Morocco, but not to the characteristics of the small breeders in mountain areas; the project was also well integrated in the national poverty reduction framework putting a special emphasis on boosting rural mountain economies through bottom-up approaches and planning. However, the weak relevance of approach to support mountain breeders, combined with serious design flaws, which caused implementation delays, leads this PCRV to rate project relevance as <i>moderately satisfactory (4)</i>, one point below the PCR.</p>	
Effectiveness	
<p>7. The PCR assessed the results achieved under the three technical components as being satisfactory.</p> <p>8. With regard to Component 1, almost all of the planned activities have been carried out upstream of the value chain, with 1,024 olive growers coached (95 per cent of the target)⁸ and five service providers cooperatives (SPC) created,⁹ trained and equipped (100 per cent of the target). The achievement rate of small- and</p>	5

⁷ *Unités de Valorisation* in French, hereinafter referred as processing units.

⁸ A census of producers carried out by the PMU led to a reduction of around 15 per cent in the number of olive growers, bringing the total number of direct beneficiaries from 32,000 people (4,000 households) to 27,040 (5,333 households). During project implementation, difficulties were experienced in determining the correct number of beneficiaries reached, due to double counting of producers reached by different activities.

⁹ *Equipes métiers* in French, hereinafter referred as SPC.

PCR finding	Rating
<p>medium-size irrigation schemes¹⁰ have reached or even slightly exceeded the project forecasts for both components 1 and 2. Completion rates are also satisfactory downstream of the olive value chain, with the project supporting the construction and operationalization of three processing units in just as many cooperatives (100 per cent of the target) for the valorisation of olive oil products. At completion, all of them were all able to carry out a first production campaign. Moreover, the olive oil produced in the Circle of Amizmiz obtained the IGP label in 2018, while all the cooperatives were awarded in national and international competitions in 2018. A SPC was created by four young people in the Circle of Amizmiz for maintaining the olive oil processing units.</p> <p>9. The results achieved under Component 2, supporting the development of the apple value chain, were also satisfactory with implementation rates exceeding 90 per cent for all the activities carried out. Seven service delivery cooperatives have been established (140 per cent of the target), and have played a key role in ensuring the quality control of the orchards on behalf of the cooperatives. Also in this case, an SPC was set up for maintaining the apple processing units.</p> <p>10. Results achieved under Component 3 are more difficult to assess; it should be recalled that the original targets were reduced by the supervision mission of 2014, namely the number of breeders groups to be created as well as the connected livestock feed storage centers (both reduced from four to two), due to the problems in mobilising small farmers to cluster and meet the criteria set by ANOC.¹¹ At completion, only one group of breeders was created and one was supported; one storage center was set up due to lack of interest from breeders. On the other hand, trainings were provided to breeders in partnership with ANOC, and combined with improved livestock facilities and distribution of rams of selected breed of sheep for genetic improvement. Regarding IGAs linked to the sheep value chain, the PDFAZMH supported twenty-six IGAs against a target of nine (completion rate: 289 per cent), benefitting 1,158 people including 871 women (75 per cent of the total). Overall, the number of beneficiaries reached is highest in the sheep value chain.¹² However, according to the PCR, the scope of the activities carried out is much more limited than for the other two sectors because the breeders, who actually benefitted from substantial support, represented only 10 per cent of total beneficiaries at completion, against a target of 24 per cent.¹³ This figure suggests that small herders, which are supposed to be poorer, have received very limited support by the project.</p> <p>11. Downstream of the value chain, marketing support to sheep sales was carried out with the establishment of an online store for selling muttons on the feast of Eid Al Adha. Such initiative allowed the marketing of 212 head of sheep in 2015, with revenues of 592,000 MAD, 1,005 heads of sheep in 2016 with revenues of 2.51 million MAD and 925 head of sheep in 2017 with revenues of 1.38 million MAD. The beneficiaries of the new online platform now include more than 25 associations of breeders from Marrakech, Casablanca, Rabat and Agadir, among others.</p> <p>12. On balance, even if the outreach of component 3 presented some flaws, the very good results recorded under component 1 and 2, combined with higher incomes stemming from IGAs, justify a rating of <i>satisfactory</i> (5) for project effectiveness, in line with the PCR.</p>	
Efficiency	
<p>13. Upon completion, PDFAZMH had mobilized 102.6 per cent of all resources allocated. The percentage of IFAD financing disbursed was 97.6 per cent for the loan and 74.6 per cent for the grant. Funding from the ANOC and the beneficiaries</p>	4

¹⁰ *Petite et Moyenne Hydraulique (PMH)* in French.

¹¹ The ANOC requires a minimum threshold of 6,000 sheep for each group of breeders. This number is considered as guarantee of sustainability of the breeders groups.

¹² It should be noted that the PCR does not provide such data, therefore it is not possible to say the percentage of beneficiaries of the sheep value chain compared with the other two sectors.

¹³ The direct beneficiaries were estimated at appraisal at 32,000 people, including 16,000 women. At the start of the project, this target was reduced to 27,040 direct beneficiaries, including 16,224 men and 10,816 women (40 per cent). The objectives by sector were to reach: i) 13,600 small olive growers; ii) 12,000 small apple growers; and iii) 800 household of small breeders (6,400 individuals), out of which 600 members of a group affiliated with ANOC.

PCR finding	Rating
<p>has been higher than planned and utilized at 152.4 per cent and 296.7 per cent, respectively. Contribution from the Government was 107.4 per cent.</p> <p>14. Time from approval to entry into force was nine months, which is less than the average for the IFAD Near East and North Africa region (11.2 months) and the IFAD average (11.7 months).¹⁴ Time from entry into force to first disbursement of funds was 18 months, which is still below the average of the region (21 months).¹⁵</p> <p>15. The internal economic rate of return is lower than the value estimated at design (16.44 per cent compared to 18.2 per cent), but still well above the opportunity cost of capital of 10 per cent. The non-profitability of the Project would only occur if costs would increase by 20 per cent and benefits would decrease by 20 per cent (with an economic rate of return of 7.2 per cent). The ex-post net present value is 20.93 million MAD, which is considered a positive result by the PCR; however, the PCR does not provide any information about the ex-ante net present value, making it impossible to assess the profitability of the investment on this basis.¹⁶</p> <p>16. The recurring costs represented 6 per cent of the actual overall expenditure of PDFAZMH, against a forecast of 9 per cent. By comparison, management costs of the Rural Development Project in the Eastern Middle Atlas Mountains¹⁷, reached 17 per cent of the total costs.¹⁸ The PCR does not provide any information on the cost per beneficiary, however this can be roughly calculated by dividing the total project costs by the number of direct beneficiaries. In the case of PDFAZMH, the result is US\$161.3, which is well below the cost per beneficiary of both the Rural Development Project in the Eastern Middle Atlas Mountains (US\$283) and the Rural Development in the Mountain Zones of Al-Haouz Province (US\$609).</p> <p>17. Due to the delays experienced in carrying out small- and medium-size scale irrigation schemes and in establishing the processing unit, after four years of implementation the project presented a very inadequate level of disbursement (16 per cent for the IFAD loan). For this reason, a two-year extension was granted to allow the project to achieve a reasonable level of expenditure of the resources allocated and also implement the activities planned downstream of the value chain, that otherwise could not have been carried out.</p> <p>18. While acknowledging the efforts made to catch up with the delays accumulated, it has to be said that the reasonable disbursement rate of the IFAD loan could only be achieved thanks to an extension of two years. Meanwhile, supervision missions on average rated project financial management, timeliness of audits, and coherence between the annual work programme and budget and activities implemented as moderately satisfactory throughout the lifetime of the project. Based on the above, this PCR rates efficiency as <i>moderately satisfactory</i> (4), one point below the PCR.</p>	
Rural poverty impact	
<p>19. The project's impact on rural poverty is assessed against the following four impact domains: (i) household incomes and assets; (ii) human and social capital and empowerment; (iii) food security and agricultural productivity; and (iv) institutions and policies.</p> <p>20. According to the PCR, the weaknesses in the implementation of the monitoring and evaluation (M&E) system affected the availability of relevant information during the completion process and the possibility to accurately document the impact on traditional farming practices, agricultural productivity and incomes for different target groups at various levels of the value chains. Furthermore, the project area has witnessed several development interventions between 2004 and</p>	4

¹⁴ Near East, North Africa and Europe Division. Portfolio Performance Report. Annual Review July 2014 - June 2015. Volume I. Main report and appendices.

¹⁵ *Ibid.*

¹⁶ The PCR reviewer tried also to find the ex-ante net present value in the project design document without success.

¹⁷ The Rural Development Project in the Eastern Middle Atlas was implemented in Morocco between 2007 and 2015.

¹⁸ The comparison has not been made with the Rural Development in the Mountain Zones of Al-Haouz Province, since its recurring costs were considered too low (1.3 per cent) by the evaluation carried out in 2014, without the possibility to check this figure due to lack of additional information. (Source: Bureau indépendant de l'évaluation du FIDA. Projet de développement rural dans le Moyen Atlas Oriental. Évaluation de la performance du projet. Juillet 2018).

PCR finding	Rating
<p>2014 with a direct and significant impact on all poverty types (see paragraph 43), making it challenging to distinguish the respective impacts.</p> <p>21. According to the results of the surveys carried out¹⁹ between 2016 and 2018 the average income of producers of tree crops increased by 30 per cent for the olive producers and by 26 per cent for the apple producers; the selling price of sheep increased by 45 per cent for the breeders belonging to ANOC-supported groups, bearing in mind that only around half of the breeders identified were entitled to benefit from support provided by ANOC. The oil pressed in the modern crushing units created could be sold on average at 57 per cent more than the oil from traditional mills. The SPC on average quadrupled their business between 2015 and 2018.</p> <p>22. The PCR does not provide any data related to project impact on food security, it simply assumes that higher and more regular incomes allow beneficiaries to better meet their food needs. In the absence of any evidence, this PCRV can't assess project impact on food security. On the other hand, the household surveys carried out at the end of 2019, show a clear progress in the adoption of good agricultural practices and increase in yields: between 2016 and 2018 the average olive yield increased by 22 per cent, the average apple yield by 26 per cent and the average number of sheep per breeder increased by 83 per cent.</p> <p>23. By focussing on carrying out a series of complementary and coordinated actions along few selected value chains, the project certainly supported the operationalization of the Green Moroccan Plan strategy - Pillar II for the development of inclusive farming in mountain areas. However, in the absence of any evidence in this sense, it is challenging to attribute any change in the performance of the institutions involved, as a result of project intervention.</p> <p>24. In conclusion, the actions of PDFAZMH have definitely increased the incomes of target group as well as their chances to be competitive on food markets, while there is not enough evidence for claiming any impact on food security and rural institutions. There is no data on changes in nutrition outcomes and no mention in the PCR of any effort made to fill this gap. Based on the above, this PCRV rates rural poverty impact as <i>moderately satisfactory (4)</i>, one point below the PCR.</p>	
Sustainability of benefits	
<p>25. In terms of risks for sustainability, the PCR highlights the financial weakness of the entities responsible for maintaining project infrastructures (irrigation schemes, plantations, processing units) after the project closure, as well as the lack of time to strengthen the managerial and organizational skills of the members of groups and cooperatives implementing agricultural processing units and IGAs. These challenges are exacerbated by the isolation of several production areas and the recurrent lack of human and material resources of local and national institutions.</p> <p>26. At the same time, ownership among project beneficiaries was ensured on the one hand, by the participatory approach that enabled target groups to contribute to the definition of the value chain activities; on the other hand, by the creation and training of professional agricultural organizations, supported by local institutions and providers (ANOC, ONSSA²⁰, INRA²¹, etc.). This reportedly led to the professionalization of beneficiaries who became development actors able to ensure continuation in the provision of services. Furthermore, the Ministry of Agriculture has entrusted the National Agricultural Advisory Service²² with the responsibility of consolidating PDFAZMH achievements after its closure through an agreement with ADA, offering a good opportunity for enhancing prospects for sustainability of results.</p>	4

¹⁹ In mid-2019 the consulting firm MarSD carried out 151 household surveys (68 for the olive producers, 48 for the apple producers and 35 for the breeders) to assess yield rates, production costs, assets and project impacts in terms of adoption of good practices, changes in production practices, and changes in sales prices. The PCR does not provide any information about the survey methodology, neither in terms of sampling size nor of techniques adopted, and so the PCRV cannot comment on the quality of these surveys.

²⁰ National Food Safety Office.

²¹ National Institute of Agronomic Research.

²² *Office national du conseil agricole* in French.

PCR finding	Rating
27. Based on the above, and considering the significant management and financial issues that entities and cooperatives still have to face to ensure their survival, the PCRV rates sustainability of benefits as <i>moderately satisfactory (4)</i> , one point below the PCR.	
B. Other performance criteria	
Innovation	
28. The creation of SPC by PDFAZMH is considered as the flagship innovation of the project in terms of job creation and engagement of young people in the agricultural sector. This activity was specifically destined to the integration of young farmers in the selected value chains but also responded to the need for local advisory services and technical staff.	5
29. Another major innovation concerned the online market platform developed in 2015 and operational since 2016 to help breeders sell their sheep in the region. The platform enabled to increase the marketing of head of sheep by 336 per cent and the whole business by 133 per cent between 2015 and 2017. However, the sustainability of this activity remains dependent on the support provided by the members of cooperatives.	
30. Given the above, this PCRV agrees with the rating of <i>satisfactory (5)</i> attributed by the PCR.	
Scaling up	
31. According to the PCR, the innovation represented by the SPC has been scaled up at the level of other IFAD-funded projects in Morocco, namely the PDFAZMT ²³ , the PDRZM ²⁴ , the PDRMA ²⁵ and the PRODER-Taza. ²⁶ While replication in other IFAD-funded operations does not constitute scaling up <i>per se</i> , the significant co-financing by the government and other donors (PDRZM and PRODER-Taza) shows the clear intention to implement PDFAZMH practices at scale. Moreover, the PCR reports on the intention of the Ministry of Agriculture to extend this mechanism as part of the preparation of a new agricultural development strategy; recent developments actually show that the SPC approach has been already embedded in national strategies.	5
32. In view of the above, this PCRV agrees with the PCR in rating project performance with regard to scaling up as <i>satisfactory (5)</i> .	
Gender equality and women's empowerment	
33. The PDFAZMH reached a total number of 35,772 individuals of which 15,267 women (43 per cent), against a revised target of 40 per cent. ²⁷ Women represent 36 per cent of the members of cooperatives supported.	5
34. In order to improve and diversify the sources of income of rural populations and women in particular, a total of 26 IGAs have been implemented, of which more than 71 per cent have benefited exclusively women. According to the PCR, one of these IGAs (a cheese factory) has become a model of rural women's empowerment in mountain areas and attracted further financing by other international donors. ²⁸ The approach of PDFAZMH has been to train women to encourage their participation all along the value chains, and not just at production stage where the earning potential is lower.	
35. The SPC are made up entirely of young people; women represent 22 per cent of the members. Out of the 12 SPC established, two are exclusively female and four are mixed. The PCR recalls that the project received the IFAD Gender Award in 2017, based on the following achievements: i) an increased income for women as project owners; ii) an additional income for women working in the processing unit;	

²³ Agricultural Value Chain Development Programme in the Mountain Zones of Taza Province (2010-2020).

²⁴ Rural Development Programme in the Mountain Zones - Phase I (2014-2022).

²⁵ Atlas Mountains Rural Development Project (2016-2024).

²⁶ Taza Pre-Rif's Integrated Mountain Rural Development Project (2019-2025).

²⁷ Please refer to footnote number 6 in this document.

²⁸ Financial support was provided by the Canadian Embassy, the Germany Embassy and the Embassy of Switzerland.

PCRV finding	Rating
<p>and iii) an improved status for women within the community through the management and decision-making capacities acquired. Unfortunately, the PCR does not provide any data to quantify the increase in income generation nor in women's empowerment.</p> <p>36. In light of the above, the PCRV agrees with the PCR in rating impact on gender equality as <i>satisfactory</i> (5).</p>	
Environment and natural resources management	
<p>37. As required by the Law No. 12-03 on environmental impact studies, the implementation of the eight agricultural processing units has been subject to environmental impact assessments to evaluate the direct or indirect effects potentially affecting the environment in the short, medium and long term. As a result, for example the olive processing units have been equipped with recovery pits and olive water treatment tanks. With regard to the apple value chain, the environmental impact studies revealed that the industrial processes of apple processing units is not in any way harmful to the environment or natural resources.</p> <p>38. The staff working in processing units have been trained in rational use of water in the industrial process. Based on the foregoing, this PCRV agrees with the PCR that project performance in this impact domain is <i>satisfactory</i> (5).</p>	5
Adaptation to Climate Change	
<p>39. Although the project design did not include a budget dedicated to climate change adaptation measures, the programming of the activities was oriented to improve farmers' resilience through improved irrigation systems combined with better management of irrigation networks by the Agricultural Water Users Associations. Furthermore, while expansion of the plantations and maintenance of the orchards enabled soil protection against erosion, the IGAs also contributed to reduce farmers' financial risks in the event of climate damage, by diversifying their sources of income. Examples of this are: improved irrigation systems (irrigated land is multiplied by three to five times); reduction of irrigation water wastage; and reduction of harmful waste discharged into nature by using waste water from irrigation to make fertilizers.</p> <p>40. The PCR also mentions the development of a small farmers vulnerability map as a proof of project concern to climate change adaptation; however, no information is provided about the use made of this map by the project and the map is not annexed to the PCR as stated.²⁹</p> <p>41. The project M&E system did not include indicators relating to climate change adaptation activities; however, this can be explained by the fact that PDFAZMH was designed before 2012, when IFAD launched the Adaptation for Smallholder Agriculture Programme for mainstreaming climate change into IFAD's ongoing projects. Moreover, the PDFAZMH was not covered by the Core Outcome Indicators retrofitting exercise which took place in 2019 across existing IFAD projects, because of its imminent closing.</p> <p>42. In conclusion, despite the lack of specific indicators for monitoring the impact of climate change adaptation activities, there is evidence of increased resilience in the project area through improved water and soil management practices, and conversion from rain-fed cereal cropping to fruit production. On this basis, the PCRV rates this performance criterion as <i>satisfactory</i> (5), in line with the PCR rating.</p>	5
C. Overall Project Achievement	
<p>43. When appraising the overall achievement of the PDFAZMH, it is important to recall that the region where the project was located³⁰ has experienced major improvements in reducing rural poverty linked to the activities of various</p>	5

²⁹ PDFAZMH, Project Completion Report, page 14, paragraph 84.

³⁰ The region of Marrakech-Safi.

PCR finding	Rating
<p>development programmes implemented in the region for over a decade, including the PDFAZMH.³¹</p> <p>44. However, on the basis of the information included in the PCR, it is fair to say that the support provided was particularly effective upstream of the trees value chains; almost all the olive and apple growers in the intervention area were supported. The results of the support provided to the sheep sector were modest in terms of number of breeders actually reached due to the lack of relevance of the ANOC support for mountain breeders owing small herds and practicing extensive breeding. Meanwhile, the support to downstream activities could only be provided during the last three years of implementation and thanks to an extension of the project duration, resulting in lower ownership by beneficiaries.</p> <p>45. The fact that processing units became operational only during the last year of the project, resulted in the inability to train and support the members of cooperatives and processing units in financial management, organization of purchasing campaigns and processing of products, operation and maintenance of equipment, raising some concerns in terms of sustainability of these processing units. On the other hand, the IGAs were very effective in providing regular sources of income for women, while the establishment of SPC allowed to increase employment opportunities for young people in rural areas.</p> <p>46. In light of the above, this PCRV agrees with the rating of <i>satisfactory (5)</i>, given by the PCR.</p>	
D. Performance of Partners	
IFAD	
<p>47. With regard to IFAD's performance, during the seven years of the project's life, IFAD carried out five supervision missions, two technical support missions and a mid-term review mission for a total of eight. The implementation support and supervision provided are deemed satisfactory.</p> <p>48. According to the PCR, during its missions IFAD provided timely advice and support for improving project performance through quality review of annual work plans and budgets, procurement plans and Results and Impact Management System indicators. <i>Ad-hoc</i> trainings were also provided in areas such as financial management, gender, M&E and knowledge management.</p> <p>49. The PCR highlights that the restructuring of the project logical framework in 2018, following the establishment of IFAD's Operational Results Management System did not receive the necessary attention from IFAD in terms of backstopping of data checking and aggregation; while the PCR claims that this situation created major difficulties for the PMU to record the exact number of beneficiaries and to disaggregate data by gender, it should be recalled that the project was implemented for the most part before 2018 and therefore this argument is not entirely persuasive.</p> <p>50. Based on this assessment, IFAD's performance is rated as <i>satisfactory (5)</i>, in agreement with the PCR rating.</p>	5
Government	
<p>51. The PDFAZMH was the first project in Morocco based on a value chain approach; this has resulted in some delays at the start, due to the need for the DPA services and the agricultural extension services to become familiar with new areas of expertise linked with processing and valorisation of products.</p> <p>52. According to the PCR, overall the DPA played a significant role in ensuring coordination and in promoting synergies among strategic partners. The project benefitted from the continuity of the Director of the DPA, which remained in charge</p>	4

³¹ The PCR shows the data from the High Commission for Planning according to which the region's poverty ranking has dropped from 11 to seven out of the 12 regions of Morocco. The multidimensional poverty rate of the AL-Haouz Province also decreased in rural areas from 47.8 per cent to 17.1 per cent between 2004 and 2014. (Source: IFAD. Agricultural Value Chain Development Project in the Mountain Zones of Al-Haouz Province. Rapport d'achèvement. 29/04/2020).

PCR finding	Rating
<p>during the entire project execution period and could therefore ensure continuity of approach throughout project's life. However, the human and technical resources of the DPA remain weak and the high rotation of the staff has considerably delayed project activities. The use of external technical assistance should not substitute capacity in the executing agency and should not be brought in at the expense of capacity-building in these agencies.</p> <p>53. The government's contribution to PDFAZMH financing, covering taxes and operating costs, was far below the amount planned during the first five years of implementation, as highlighted by all the supervision mission reports,³² and only started improving in 2018 with the implementation of a monitoring system able to identify in-kind contributions.</p> <p>54. Considering the assessment above, Government's contribution is rated as <i>moderately satisfactory (4)</i>, one point below the PCR rating.</p>	

IV. Assessment of PCR quality

PCR finding	Rating
Scope	
<p>55. All the chapters, sections and annexes required by the Guidelines for Project Completion Review, 2015 have been included. The absence of a Table of Content (as per the Guidelines) makes it more difficult browsing the document. In the "Brief presentation of the project", the section on the actual costs is empty meaning that the data on actual disbursement by component and financier in USD are not given. These omissions are of minor importance and overall this PCR rates the scope of the PCR as <i>satisfactory (5)</i>.</p>	5
Quality	
<p>56. The PCR process saw the participation of a variety of stakeholders, including the PMU, the ADA, the DPA, the external consulting firm MarSD, the implementing partners and some representatives of the various groups supported. A meeting was held in June 2019 at the end of the completion mission to take stock of PDFAZMH achievements; the meeting was attended by project institutional partners (DPA and ADA).</p> <p>57. The PCR's assessment has been hampered by the deficiencies of the project M&E system; the "GESFIDA" monitoring system has never been functional and data have been collected on Excel tables. The information needed to update the Results and Impact Management System first level indicators was spread among various specialists, with periodic aggregation by the M&E Officer; this position also suffered from high staff turnover (three officers in seven years). Such deficiencies made it harder for the completion mission to report on the progress made and results achieved at impact level. As a consequence, the validity of alleged changes can be questioned, considering also the conjunction with other projects in the same region, which already raises attribution issues. However, the PCR does not mention anywhere the difficulty to thoroughly distinguish between the impact of the many development interventions that have taken place in the same project area.</p> <p>58. In light of these flaws, the PCR rates the quality of the PCR as <i>moderately satisfactory (4)</i>.</p>	4
Lessons	
<p>59. The PCR includes a series of lessons learned from the project, mainly focussing on the relevance of the participatory value chain approach combined with the IGAs in improving living conditions of small farmers in mountain areas. The establishment of the service providers cooperatives is deemed very effective in coping with the</p>	5

³² Counterpart funds were disbursed at 13 per cent at the time of the mid-term review and at 26 per cent in July 2017. (Source: PDFAZMH, Rapport de supervision. 31/07/2017).

<p>withdrawal of public advisory services from rural areas, as well as in increasing job opportunities for rural youth.</p> <p>60. The PCR also makes a relevant reflection on the design flaws that resulted in significant delays in implementing downstream activities, as well as on the poor performance of the M&E system. In this sense, the PCR draws attention to the need to supervise PMUs at project start in setting up a thorough reporting system and to support them in scheduling in good time a final impact study on which the completion process can rely.</p> <p>61. Overall, the lessons learned by the PCR are considered relevant by this PCRV, and for this reason are rated as <i>satisfactory (5)</i>.</p>	
Candour	
<p>62. The PCR narrative is quite balanced in its assessment of PDFAZMH performance, even if the ratings given are sometimes too generous when compared to the narrative. The candour of the PCR would have benefitted from a more in-depth analysis of the underlying reasons and the practical implications of the challenges experienced throughout the implementation period.</p> <p>63. Given the above, this PCRV rates the candour of the PCR as <i>moderately satisfactory (4)</i>.</p>	4

V. Final remarks

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

Definition and rating of the evaluation criteria used by IOE

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

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

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

Rating comparison^a

<i>Criteria</i>	<i>Programme Management Department (PMD) rating</i>	<i>IOE Project Completion Report Validation (PCRVR) rating</i>	<i>Net rating disconnect (PCRVR-PMD)</i>
Rural poverty impact	5	4	-1
Project performance			
Relevance	5	4	-1
Effectiveness	5	5	0
Efficiency	5	4	-1
Sustainability of benefits	5	4	-1
Project performance^b	5	4.25	0.75
Other performance criteria			
Gender equality and women's empowerment	5	5	0
Innovation	5	5	0
Scaling up	5	5	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	4	-1
Average net disconnect			-0.42

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

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

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

^d The rating for partners' performance is not a component of the overall project achievement rating.

Ratings of the project completion report quality

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

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

ADA	Agricultural Development Agency
ANOC	National Sheep and Goat Association
COSOP	Country Strategic Opportunities Programme
DPA	Provincial Direction of Agriculture
IGAs	Income Generating Activities
MAD	Moroccan Dirham
M&E	Monitoring and Evaluation
PCR	Project Completion Report
PDFAZMH	Agricultural Value Chain Development Project in the Mountain Zones of Al-Haouz Province
PDRZMH	Rural Development Project in the Mountain Zones of Al-Haouz Province
PMU	Project Management Unit
SPC	Service Providers Cooperatives

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