

## Project Completion Report Validation

### Rural Areas Development Programme

### Argentine Republic

Date of validation by IOE: November 2019

## I. Basic project data

			Approval (US\$ m)		Actual (US\$ m)	
Region	Latin America and the Caribbean	Total project costs	44.82		43.33 <sup>1</sup>	
Country	Argentina	IFAD loan and percentage of total	19.3	43.2%	19.3	44.5%
Loan number	713-AR	Borrower	25.21	56.2%	23.6	54.7%
Type of project (subsector)	Rural development	Cofinancier 1				
Financing type	Loan – IFAD initiated and exclusively financed	Cofinancier 2				
Lending terms*	Ordinary	Cofinancier 3				
Date of approval	14/12/2006	Cofinancier 4				
Date of loan signature	17/10/2008	Beneficiaries	0.29	0.6%	5.14	0.6%
Date of effectiveness	16/12/2009	Other sources				
Loan amendments	19/06/2014	Number of beneficiaries	19,450		24,238	
Loan closure extensions	None	Project completion date	31/12/2015		31/12/2015	
Country programme managers	Marco Camagni (current) Paolo Silveri; Claus Reiner	Loan closing date	30/06/2016		30/06/2016	
Regional director(s)	Rossana Polastri (current) Josefina Stubbs	Mid-term review			None	
Project completion report reviewer	Chiara Maria Grimaldi	IFAD loan disbursement at project completion (%)			100	
Project completion report quality control panel	Fumiko Nakai Fabrizio Felloni	Date of the project completion report			September 2016	

Source: President's report, supervision mission report November 2015, project completion report (PCR).

<sup>1</sup> Programme's financing was revised in April 2013.

## II. Project outline

1. **Introduction.** IFAD financing for the Rural Areas Development Programme (PRODEAR) in Argentine Republic was approved in December 2006 and the loan agreement was signed in October 2008. The loan agreement entered into force in December 2009 and it was expected to be implemented over a period of six years. The key focus of the PRODEAR was to strengthen economic organizations of the rural poor population and to build members' capacity to drive sustained improvement of their social and economic conditions and interact positively with local, provincial and national institutions.<sup>2</sup>
2. **Programme area.** The programme's intervention area was initially planned to cover selected and prioritized rural areas from ten provinces of the North East of Argentina (Chaco, Corrientes, Formosa and Misiones), the Centre (Córdoba, Entre Ríos, La Pampa and Santa Fe) and Cuyo (Mendoza and San Juan). In the end, the programme covered eight provinces (of the initial ten provinces, by provincial decision, three were not incorporated: Formosa, La Pampa and Santa Fe; later on, the province of Santiago del Estero joined the programme).
3. **Programme goal, objectives and components.** According to the President's report, the overall goal of PRODEAR was to significantly reduce rural poor in prioritized zones of 10 provinces of Argentina.
4. **Development goal.** The programme's development goal was to support, with gender equity, the effective integration of poor rural families into the country's economic situation and social context, developing capacities that would allow them to increase their income and improve their living conditions, through participation in the development processes of the territory and with the sustainable use of natural resources and a special attention to indigenous communities and young people.
5. **Programme's specific objectives** were to: (i) strengthen and empower rural poor organizations/groups with strong membership of women and youth; (ii) implement social and productive projects for indigenous groups or communities; (iii) foster the transformation of traditional farm and non-farm activities of rural poor households into sustainable, revenue-generating business activities; (iv) offer work and business opportunities to rural youth; (v) facilitate access by beneficiaries and their organizations to business support services; and (vi) support institutional strengthening and policy dialogue in favour of rural poor people.
6. The programme was constituted of three main components:
  - (i) **Strengthening human and social capital** (29 per cent of the total estimated cost<sup>3</sup>); this component aimed at boosting the capacities of programme's groups and economic-driven organizations, with a special attention to young people, indigenous communities and women, to foster their active participation in initiatives, plans and development actions at local or territorial level and to prepare them to take part in the programme's rural businesses development component;
  - (ii) **Rural businesses development** (44 per cent of the total estimated cost). This component aimed at: a) promoting and fostering rural organizations' proactive approach towards markets, by linking and/or consolidating the participation of economic-driven organized producers and young people organizations into value chains, financial services and dynamic markets; b) facilitating the access of organizations to different services and instruments needed by the business management process concerning the commercial, organizational, productive and legal areas;

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<sup>2</sup> President's report, Dec. 2006.

<sup>3</sup> As at appraisal.

- (iii) **Institutional development** (27 per cent of the total estimated cost). It included actions oriented to strengthen the institutional capacity of the public sector's actors operating in the programme's provinces.
7. **Target group.** PRODEAR was expected to reach 19,450 beneficiaries directly, which represented the 11 per cent of the target population in the selected provinces. Target population was made up by rural population over 14 years old, which inhabited the provinces covered by the programme and that were exposed to productive and climate related risks, with no capacity to face them. According to the President's report, the main target groups were composed of: (i) non-indigenous family-based producers or adult rural workers (37 per cent of them women); (ii) 3,900 beneficiaries (divided equally between men and women) belonging to indigenous communities; (iii) 4,010 young men and women. The direct beneficiaries were to access the programme through the organizations or existing economic groups. They had family incomes lower than three times the annualized monthly minimum wage for unskilled rural workers. The indigenous population was extremely vulnerable in terms of food security, health care, education and basic services. Women had a minimal level of participation in organizations and even less in management activities. Young people - faced with the lack of opportunities locally - dropped out of school and tended to migrate to other cities.
8. **Financing.** The total estimated cost of the programme at design was US\$44.8 million. The planned IFAD contribution through a loan amounted to US\$19.3 million (43.2 per cent). The Government contribution amounted to US\$25.2 million (56.2 per cent) and the one of the beneficiaries amounted to US\$0.29 million (0.6 per cent). In April 2013, the cost of the programme was revised, with the actual cost being US\$43.3 million, of which IFAD loan amounted to 19.3 million (44.5 per cent), the Government contribution was US\$23.6 (54.6 per cent) million and the beneficiaries' contribution stood at US\$0.29 million (0.66 per cent). Tables 1 and 2 show the cost of the programme and its components at appraisal and the actual expenditures.
9. From 2012 to 2014, the programme experienced delays in the provision of counterpart funding contribution. During programme's implementation, efforts were made to strengthen accounting administrative processes and the provinces successfully recorded an execution of more than US\$2 million in the late 2015. By the end of December 2015, total programme execution amounted to US\$42.9 million (99 per cent) of total allocated amount. IFAD loan stood at US\$19.7 million (102 per cent), whereas Government contributions (both national and provincial) amounted to US\$23.2 million (98 per cent). Since 2013 problems had been detected to record the contributions of beneficiaries, so this data had not been registered.<sup>4</sup> The Project Completion Report (PCR) states that, by taking into account beneficiaries' contributions, the actual total cost would amount to US\$47.6 million, which would be 109.8 per cent of the total cost estimated ex-ante.<sup>5</sup>
10. Since the design of PRODEAR, a differentiated allocation of resources had been foreseen according to the presence of potential beneficiary population. When considering the funds distribution by provinces, at design level, 26 per cent of total funds were assigned to Chaco province, 16 per cent to Misiones, 13 per cent to Corrientes, and the rest were homogeneously distributed among the other provinces. During the 2012 supervision mission, given the different management capacity of each province, as well as the high demand for project interventions detected in the territory, it was decided to reallocate the funds from the provinces of La Pampa, Formosa and Santa Fe, which eventually did not adhere to the

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<sup>4</sup> This originated, in part, as there were not needed more resources than those already provided for the training and technical assistance component, which contractually envisaged a higher percentage of funding with local resources (IFAD, supervision mission report, 2-13 Nov. 2015).

<sup>5</sup> It was taken the exchange rate of the national bank at August 3, 2015 (\$1 = US\$ 9.13).

programme due to provincial decision, towards the provinces of Chaco and Misiones, given the concentration of vulnerable population, indigenous peoples and family producers in those areas.

Table 1  
**Project cost by financier**

<i>Funding source</i>	<i>Planned expenditure at appraisal</i>	<i>Revised planned expenditure<sup>6</sup></i>	<i>Actual expenditure</i>	<i>% disbursed</i>
IFAD loan	19.340 900	19 348 006	19 692 670	102
National government	25 190 100	7 576 936	6 837 556	90
Provincial government		16 122 121	16 370 452	101
Beneficiaries	289 900	289.800	5 140 154 <sup>7</sup>	
Total	44 820 900	43 336 863	42 900 677	99

Source: Executing unit of external projects, 31/12/2015, as indicated in the PCR.

Table 2  
**Project cost by component**

<i>Component</i>	<i>Allocation at appraisal</i>	<i>Revised allocation</i>	<i>Total expenditure</i>	<i>% disbursed</i>
Strengthening of human and social capital	13 039 400	10 191 879	9 402 540	92
Rural businesses development	19 589 900	15 107 176	22 725 682	150
Institutional development	12 191 600	18 037 807	10 772 445	60
Total	44 820 900	43.336 862	42 900 677	99

Source: PCR.

11. **Programme implementation.** The programme's organizational structure was shared between the central and provincial levels, with the latter having direct responsibility for implementation through their territorial technical teams. The Secretariat of Crops, Livestock, Fisheries and Food (SAGPyA) of the Ministry of Economic Affairs and Production was the programme's executing agency. In 2009, SAGPyA, by decision of the executive power, rose to the rank of ministry with the creation of the Ministry for Agriculture, Livestock and Fisheries (MAGyP).<sup>8</sup> Programme's national level coordination was performed by the Rural Change Unit (UCAR), within which the national coordination unit was set up to be responsible for managing internationally financed projects and programmes. At provincial level, Provincial Execution Units (UPEs) were established within the ministries responsible for the agricultural sector and/or rural development of each province, to oversee coordination of programme execution at the provincial level. In line with provincial governmental strategies, UPEs organized the implementation of PRODEAR through territorial units. Other key implementing partners were: the Secretariat of Economic Policy and Secretariat of Finance of the Ministry of Economic Affairs and Production; organizations of the target population; and private entities and NGOs that were hired to provide technical support services to programme organizations.

<sup>6</sup> This was revised in April 2013.

<sup>7</sup> As for the total monetary contributions, the producers claim to have provided contributions of US\$46,929,610 pesos, equivalent to US\$5,140,154. (Source: PCR).

<sup>8</sup> In 2016, the name of MAGyP was changed into Ministry of Agrindustry (MinAgri).

12. **Intervention logic.** PRODEAR purpose was to mainstream rural poor families, poor youth and poor indigenous people into socio-development processes in prioritized zones with indices of poverty. Programme's main features were: demand-driven inclusion, strengthening of social capital, self-management of organizations, investments based on identified opportunities and formulation of business plans by members. The rural producer organizations were to be sufficiently trained and provided with technical assistance to become consolidated, in order to be able to manage themselves and engage in revenue-generating business opportunities. In addition to training and technical assistance, programme's tools included the provision of non-reimbursable funds to beneficiaries' organizations, such as the: (i) fund to support indigenous communities<sup>9</sup> (FACA); (ii) fund for community initiatives<sup>10</sup> (FIC); (iii) fund for enterprises' support<sup>11</sup> (FAE); fund for organizations' capitalization<sup>12</sup> (FOCOs); and (iv) investment fund<sup>13</sup> (FI).
13. **Changes during implementation.** The following changes occurred during programme's implementation: (i) the creation of the UCAR in 2009 within the Ministry for Agriculture, Livestock and Fisheries; (ii) amendments of loan agreement in April 2013 to reallocate funds among categories and to reassign funds that had not been used by those provinces that eventually decided to pull out from the programme (La Pampa, Formosa and Santa Fe); and (iii) the institutional strengthening of the provinces that remained in the programme to boost programme's execution.
14. **Delivery of outputs.** As indicated in the 2014 and 2015 supervision mission reports, the programme did not have an adequate monitoring and evaluation (M&E) system. For the follow-up of the physical targets, PRODEAR relied on the integrated and integral management system, which is a system recently developed by UCAR that allowed the access to a record of activities and information by decision makers of different government levels, such as UCAR and UPEs. Table 3 in annex II summarizes PRODEAR outputs delivery by component, by comparing the physical outputs achieved during implementation to the targets set during design. Overall, the outputs for the components were delivered at different rates, with some very good results concerning the number of indigenous beneficiaries reached by the programme (98 per cent) as well as the number of beneficiaries from FAE interventions (97 per cent). Conversely, modest results were achieved with regards to the organizations that benefitted from FOCO (11 per cent) as well as the groups that were involved in community development through the fund for community initiatives (FIC) (15 per cent).

### III. Review of findings

#### A. Core criteria

##### Relevance

15. **Relevance of objectives.** At the time of its formulation, PRODEAR objectives were aligned with Government's priorities concerning rural poverty reduction and rural development. The programme's objectives were relevant in seeking to provide a response to the target population's most detected needs. The programme followed the 2003 IFAD country strategic opportunities paper for

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<sup>9</sup> This fund aimed at financing projects concerning self-supply and community infrastructure, as identified and formulated by indigenous communities and organizations, to support their sustainable insertion into the market.

<sup>10</sup> This fund aimed at creating organizations' management capacities to identify and formulate proposals to be co-financed or implemented by public programmes and/or public and private institutions.

<sup>11</sup> This fund would support private investments to develop business plans and commercial initiatives to access new markets.

<sup>12</sup> This fund would finance, with an amount up to US\$100,000 per organization, the setting up of credit funds managed by the family agriculture organizations.

<sup>13</sup> This fund, which aimed at providing credit to finance collective investments within the framework of a business plan, was discontinued at the time of PRODEAR loan amendment in April 2013.

Argentina, the regional strategy and the policy framework. PRODEAR strategy was also relevant and coherent with the provincial development plans, as it embraced a decentralized implementation modality to ensure that the needs and solutions proposed to a given territory were consistent and compatible with the political reality of each zone. During its implementation, the programme's objectives kept their coherence thanks to the ability to adapt to the characteristics and needs of each province.

16. **Relevance of design.** The programme modified the approach taken under previous operations (based on regional projects) to adopt that of a national programme aimed at promoting national and provincial public investments and policies in favor of the rural poor. It also adopted a participatory approach, as it contemplated the strengthening of discussion and decision spaces among public and private actors. In each province that joined PRODEAR, intervention strategy was implemented considering the specific context and in accordance with beneficiaries' demands and needs identified in a timely manner. As indicated in the PCR, and based on beneficiaries' perspective, programme's relevance stands out when considering: (i) the involvement of municipalities in taking into account beneficiaries' needs in almost all of the provinces; (ii) the inclusion of both agricultural and non-agricultural projects; (iii) programme's approach to small producers without financial resources or access to credit to produce or improve the quality of their products; (iv) the purpose to fill a gap in the national policy where credit was granted only to sectors with greater purchasing power; and (v) the implementation of prioritized projects based on provincial development strategies and plans.
17. **Relevance of targeting.** The PCR considers that PRODEAR effectively targeted the most vulnerable groups as well as the most remote and isolated communities and municipalities. The programme's targeted rural poor population included different groups of beneficiaries: (i) small producers; (ii) indigenous communities; (iii) rural youth; and (iv) peasant women, which inhabited the areas of the selected provinces. The PCR states that for each group of beneficiaries, PRODEAR applied a differentiated strategy, although no further information was provided to illustrate the content of each strategy. Two fundamental criteria were considered for the eligibility of beneficiaries: (a) the level of net incomes of the family; and (b) the residence in the rural environment.<sup>14</sup> Moreover, to be eligible, programme's beneficiaries were to be part of a group/organization of at least three members, having economic purposes (formal or not).<sup>15</sup> The criterion of "residence in rural areas" also included families whose main income came from agricultural and/or agro industrial activities, even if they did not have permanent residence in the rural areas, as they might live in agglomerates or towns near the farm, with the exception of the provincial capitals.<sup>16</sup>
18. In conclusion: the programme was well aligned with the IFAD and Government priorities in terms of poverty reduction and rural development. It was designed according to beneficiaries' needs. The interventions were relevant to the objectives and targeting has been adequate.
19. The PCR rating for relevance is **satisfactory (5)**, which is in line with the PCR rating.

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<sup>14</sup> Family net income is understood as any income that the family would get through the sale of its members' labor force or through the development of autonomous activities – productive or service, deducting the costs incurred to do so.

<sup>15</sup> With regard to the organizations, at least 80 per cent of its members were to be clearly qualified as eligible according to the programme's criteria.

<sup>16</sup> These families made up the segment of rural wage earners also served by the activities of the programme.

## Effectiveness<sup>17</sup>

20. **Outreach and poverty focus.** The PCR reports that against an appraisal target of 19,450 beneficiaries, the total number of beneficiaries eventually reached stood at 24,238 including those who "accessed financial services" and beneficiaries "who got access to training services".<sup>18</sup> This shows an achievement of 125 per cent compared to the appraisal target. The programme put an emphasis on women and youth, as the former accounted to 38 per cent of total direct programme beneficiaries, while youth stood at 22 per cent.
21. **Objective: rural poor organizations/groups with strong membership of women and youth are strengthened and empowered.** One of the programme's main achievements has been the formalization of organizations and the strengthening of their decision-making processes, by promoting participation and inclusion of members and non-members. As a result, stronger organizations have been more able to operate with resources and ability to interact with other actors, and have been converted into local references in participatory instances such as development territorial roundtables, or any other regional instance where public policies are discussed.
22. As reported in the PCR, a total of 631 organizations/groups against the targeted 1,376 have been strengthened and trained in the organizational consolidation process, representing an achievement of 46 per cent. A total number of 7,281 beneficiaries have received services aimed at strengthening their capabilities, thus exceeding the initial goal (5,000) by 146 per cent. The technical assistance and training-related interventions were implemented through an inclusive strategy, promoting the participation of the most vulnerable groups of PRODEAR. With regard to FIC, data showed that while there was an achievement of 15 per cent in the number of groups that benefitted from it (60 against the target of 400), when considering the number of members, this percentage stood at 64 per cent (3,822 against the target of 6,000). Supposing that FIC was all channelled through "groups", this would mean that the size of a group was bigger than envisaged, being 64 members (60/3822) instead of 15 (400/6000). However, the PCR does not provide information to confirm this deduction.
23. With regard to the organizations' level of formalization, the programme contributed to a decrease by 10 percentage points of the recipient organizations that were informal groups (i.e. from 64 per cent to 54 per cent). This occurred as 9 per cent of organizations obtained a legal status during the programme's implementation, while 1 per cent of them was still processing it. The PCR pointed out that, despite this achievement, the percentage of organizations that show significant degrees of informality in terms of their institutional or legal formation is still high, even after the programme's interventions.
24. **Objective: implement social and productive projects for indigenous groups or communities.** The Environmental and Social Unit (UAS) of UCAR prepared documents to address an *ad hoc* strategy to deal with gender and indigenous communities and set up training and didactic and technical materials so that technicians could address indigenous communities, youth and women in an inclusive manner. A list of specific indicators was also developed to be used by PRODEAR. With concern to indigenous people, the PCR states that 3,824 individuals out of the initial target 3,900 were reached by the programme, which represents an achievement of 98 per cent. Thirty-nine groups of indigenous communities out of the targeted 60, were involved in community development through FACA, showing an achievement of 65 per cent. The fund benefitted 1,814 women and 718 youth and it has been primarily implemented in the provinces of

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<sup>17</sup> The effectiveness of PRODEAR has been assessed against the programme's specific objectives, as presented in the 2006 President's report.

<sup>18</sup> As indicated in the PCR, beneficiaries of projects concerning Only Technical Assistance, were not included. No reason has been provided to explain why this occurred.

Chaco and Misiones, with 55 per cent and 33 per cent of interventions, respectively. No further information is provided in the PCR on the type of interventions and achievements reached through this fund.

25. **Objective: foster the transformation of traditional farm and non-farm activities of rural poor households into sustainable, revenue generating business activities.** The programme focused on supporting traditional agricultural activities (goats, sheep, beekeeping, vegetables, honey, etc.) and those with potential for expansion in terms of production, productivity and improved access to markets. The productive development strategy also contemplated the inclusion and promotion of non-agricultural activities in rural areas, such as those linked to transformation, services and marketing sector.
26. By conducting training and through the dissemination of improved technologies for production, the programme promoted strategies of product differentiation and diversification, as well as it started the development of rural businesses. The PCR highlighted that, as a programme's result, subsistence production has been successfully transformed into small-scale production with value added, also allowing access to markets. Improvements were implemented in the agriculture-related infrastructure, also benefitting the livestock sector. PRODEAR informed and enriched the provincial strategy in those provinces where prioritized productive chain strategies were implemented and where specific inter-institutional linkages (such as in Chaco) were strengthened. Significant changes have been detected among beneficiaries in terms of the adoption of new knowledge and technology (69 per cent of organizations) and improvements in quality of products (60 per cent of the organizations). However, the PCR mentioned that some bottlenecks have not been fully resolved, such as the marketing and some production-related problems.
27. **Objective: offer work and business opportunities to rural youth.** As in the case of women and indigenous communities, documents and technical materials were prepared by UAS of UCAR to address an *ad hoc* strategy to deal with youth. A list of specific indicators was also developed to be used by PRODEAR. At programme's completion, young people amounted to 22 per cent of the total beneficiaries, whereas the percentage of trained youth stood at 57 per cent, with 1,701 youth against the ex-ante target of 3,000 youth. Young people's direct participation stood at 21 per cent in the 648 projects financed by FAE, FOCO, FACA and FIC. The PCR states that organizations involving young people in leadership positions increased from 31 per cent to 45 per cent, whereas there was an increase from 65 per cent to 77 per cent in those showing participation of young people in meetings and activities. Towards the end of the programme, almost half of the surveyed organizations stated that young people were part of the decision-making processes. Although this was not PRODEAR initial intervention strategy, young people were also involved in production, organization, management and marketing. Youth were tasked by producer groups to provide logistical support in marketing, as well as they were involved in the administration of FOCOs.
28. **Objective: facilitate access by beneficiaries and their organizations to business support services.** As a first step, programme's activities focused on providing technical assistance and training to beneficiaries and technical personnel on administration and organization, with the aim to equip organizations' members with the necessary tools for project management, as well as to handle their commercial, productive and socio-organizational development. The second step built on the setting up of FAE and FOCOs, which were both non-reimbursable funds. By comparing the ex-ante targets with those finally achieved, it appears that 507 groups against the initial target of 856 groups benefitted from the FAE investments, which shows an achievement of 59 per cent. The total reach of the families assisted through the FAE was 7,782 against the target of 8,000 (97 per cent achievement), and this occurred mostly in the provinces of Corrientes and Cordoba, with 32 per cent and 24 per cent of the interventions, respectively. Apart



from the reported figures, little information is available on FAE, as the PCR does not make an in-depth analysis on the quality or outcomes of the FAE-related interventions.

29. With regard to FOCOs, the PCR reported that their implementation rate stood at 11 per cent, as 41 FOCOs were implemented out of the *ex-ante* planned 354; families benefitting from FOCOs amounted to 1,529 against a goal of 2,000 (76 per cent). FOCOs implementation contributed to building organizations' management capabilities as, in order to manage their funds appropriately and efficiently, producers had to become familiar with credit management concepts and with project development both in productive and commercial aspects. FOCOs were used to finance various activities (establishment of pastures, purchase of sanitary kits, working capital, small infrastructure works, purchase of balanced feed, raw materials or other supplies). The utilization of FOCOs was particularly high in Chaco and Santiago del Estero, with 44 per cent and 24 per cent of the projects funded through FOCOs. This occurred as in these provinces, the organizations were highly strengthened and they showed strong self-management capacity in administrative, accounting and organizational matters, which turned out to be crucial features to manage FOCOs successfully.
30. However, as mentioned in the 2015 supervision report, the projects funded by FOCOs were the smallest both in number and volume. PRODEAR financed 648 projects with some Argentinean pesos 110 million through FAE, FACA, FIC and FOCO. Only 41 (representing 6 per cent) of those 648 projects were FOCOs, in which Argentinean pesos 10 million was invested.<sup>19</sup> Among the 41 FOCOs developed by PRODEAR in 39 beneficiary organizations, 26 (63 per cent) submitted reports: 11 of them have experienced partial decapitalization. Just in one case this was due to delinquency, whereas in the other cases the main reason was a weak financial management that did not allow the funds to adjust their interest rates to create reserves, to adjust to inflation, and to cover the operating expenses. This occurred as, in some cases, the beneficiaries did not have the required financial education or the programme did not provide the required training. To address the issue of decapitalization, towards the end of the programme, UCAR started to identify the organizations' problems in managing FOCOs, to develop a strategy of adjustment and strengthening that was differentiated and suited to these organizations. Moreover, as mentioned in the supervision mission in 2015, UCAR also started to develop a methodological guide for FOCOs to promote their sustainable management by the organizations.<sup>20</sup>
31. **Objective: support institutional strengthening and policy dialogue in favour of rural poor people.** PRODEAR strongly contributed to establish rural development roundtables, which are participatory platforms to discuss territorial interventions within the framework of a provincial development strategy; this occurred mostly in the provinces of Mendoza, San Juan and Santiago del Estero. In parallel, it promoted the participation of public and private actors in the already existing rural development roundtables, contributing to the advancement of family farming. The programme also strengthened capacities in many organizations that acquired knowledge and experience on rural participatory development. As a programme's result, producers became engaged in the political agenda of their own municipality.
32. PRODEAR promoted the joint collaboration and coordination between the provinces and central government; in addition, priorities established by each province were met and the provinces were assisted in establishing their consolidation plans. The

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<sup>19</sup> Data taken from PRODEAR cumulative physical execution on 30/06/2015 and cumulative financial execution per component to 30/09/2015. Source: UCAR Budgetary and Operational Control, Management Control Area, according to the executing unit of external projects' payments report 07/10/2015. Data compared to FR-UCAR Report on FOCOs PRODEAR, IFAD mission report, November 2015.

<sup>20</sup> PRODEAR supervision mission 2015.

programme also provided institutional strengthening support to the UPEs by implementing activities to boost their capacities in relation to administrative, accounting and fiduciary aspects. The technicians of UPEs were prioritized in the provision of technical assistance, training and workshops that were held, taking into account that they constitute the link of the programme with the producers.

33. In conclusion, overall PRODEAR was able to achieve its many development objectives, although some differences among them and among the participating provinces. The PCR mentioned that the provinces' previous experiences can well explain the different levels of programme's achievements (for example, whether or not mechanisms to support family farming were already institutionalized and implemented in the territory, training in the use of purchasing instruments, contracting with external financing, technicians trained on vulnerable groups-related matters, etc.). The northern provinces had some tradition on these issues and in some provinces - as for example Chaco - the political commitment was high, driven largely by those who already knew the benefits of this type of programmes.
34. The PCR rating for effectiveness is **satisfactory (5)**, in line with the PCR rating.

### **Efficiency**

35. PRODEAR became effective in December 2009, 36.6 months after its approval. The PCR does not provide any information on the reasons for the delayed loan signing and effectiveness; however, already at design level it had been taken into account that the risk of delay might occur since loan effectiveness and disbursement under previous operations in Argentina had historically been slow.<sup>21</sup> During the start-up phase in the year 2010, delays occurred, as in some provinces the programme struggled with complicated administrative processes (e.g. in San Juan), and/or it suffered from management changes in provincial authorities (e.g. in Misiones).
36. In the period 2011-2014, the programme recovered momentum in the rhythm of its financial execution, which rose steadily, as a result of an efficient and dynamic management of the FOCOs as well as of the projects' approval system. In 2015, the programme continued its implementation successfully, disbursing at completion up to 100 per cent of the IFAD loan and up to 98 per cent of the national contribution. PRODEAR has been the first IFAD-financed programme in Argentina to achieve 100 per cent disbursement rate without extension requests. This was attributed to the good performance of the national coordination and the early reallocation of unused funds among some provinces.
37. The PCR states that, when analyzing the relationship between total funds (US\$43.3 million) and the number of beneficiaries (19,450 people) as at appraisal, the investment would be US\$2,228 for each beneficiary. However, as the programme's number of total beneficiaries eventually rose to 24,238, with a final execution of US\$42.9 million, the effective investment per capita amounts to US\$1,770. Although the PCR considers this a successful achievement, it is not possible to fully assess its magnitude, as no benchmark has been provided.
38. The PCR reported that the administration costs represented US\$0.18 for each dollar of total cost, a ratio that has been considered satisfactory compared to US\$0.20 estimated ex-ante. This result has been evaluated very satisfactorily when considering the territorial extension, the high dispersion of the rural population, and the difficulty of accessing certain areas. Moreover, PRODEAR fixed costs did not change even with the lower number of provinces. In comparative terms with other similar operations, the administration costs of the Rural Development Programme in Patagonia (PRODERPA) accounted for US\$0.30 for each dollar of the total cost.<sup>22</sup>

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<sup>21</sup> PRODEAR President's report, 2006.

<sup>22</sup> PRODERPA is another IFAD-programme implemented in Argentina.

39. In the case of “strengthening organizational capacities,” which includes technical assistance and training, the ex ante cost was planned at US\$699 per recipient (planned budget for technical assistance/estimated number of direct beneficiaries). In the end, this cost stood at US\$599 per beneficiary. The PCR states that, while the executed resources for technical assistance and training were higher than those initially estimated (they increased from US\$13.6 million to US\$14.5 million), the number of assisted beneficiaries increased from the 19,450 initially estimated to 24,238 at programme’s completion, with a cost per beneficiary that turned out to be lower than the ex-ante estimate.
40. The PCR also states that the programme’s categories that showed greater execution were those related to the funds for transfer to beneficiaries (112 per cent), training and technical assistance (107 per cent) and studies and advice (99 per cent). This would imply an efficiency in execution of the programme, since the components and categories with greater execution are linked to the transfer of funds to beneficiaries, and that the components and categories linked to programme execution costs had a minor execution.
41. The PCR rates programme’s efficiency as **moderately satisfactory (4)**, one point lower the PCR rating. The assessment is in view of the initial delays (i.e. three years from approval to effectiveness and delays during the start-up period) as well as lack of information on benefits vis-à-vis costs or on economic internal rate of return, even though the disbursement at completion was satisfactory and unit cost was reportedly low.

### **Rural poverty impact**

42. Data showcased in the PCR in support of the programme’s claims of rural poverty impact was based on the information gathered through interviews<sup>23</sup> with programme personnel and informants, workshops organized with beneficiaries and various partners, as well as the analysis of the survey conducted by UCAR on over 400 projects financed under PRODEAR.<sup>24</sup> With non-availability of the UCAR survey report,<sup>25</sup> the PCRV draws on the data and assessment as presented in the PCR but it is difficult to comment on the methodological robustness of the survey and the data quality. The UCAR survey was to provide inputs to the programme’s exit strategy and involved representatives of all the main programme’s actors, from the producers to the beneficiaries, to the provincial governments. The main purpose of the exit strategy was to reflect on the lessons learned over the course of the programme, as well as to gather qualitative information that would serve as an input to the future design of strategic guidelines concerning rural development and family farming in each province of Argentina.<sup>26</sup>
43. **Household incomes and assets.** According to the survey conducted among the beneficiaries, investments in physical assets made by PRODEAR in productive development, equipment and community infrastructure have had a satisfactory impact on the quality of life of the poor rural population. Seventy-eight per cent of organizations declare to have increased availability and access to machinery,

<sup>23</sup>In 2015 there were conducted 21 interviews with key actors of national government, provincial governments and beneficiaries. There were also reviewed the voluminous literature and materials produced by PRODEAR (progress reports, audiovisual media, content for websites on the Internet, systematization of cases and analysis of value chains etc.), as well as the information and conclusions provided by the reports of the evaluation workshops that took place in the eight provinces covered by PRODEAR.

<sup>24</sup> In 2015, a survey was conducted to evaluate the results of the PRODEAR-financed projects. The initial intention was to cover all the 648 financed sub-projects, but due to logistics issues, time and availability of resources (mainly lack of human resources in the provinces), the survey eventually covered a sample of 417 cases (i.e. 64 per cent of the total). Given the absence of baseline data for these projects, the survey retrospectively reconstructed the economic-productive situation of families involved in each project, as well as the results obtained from the intervention.

<sup>25</sup> The survey report is mentioned as one of the annexes in the PCR, but this annex is missing and was not made available despite the request by IOE.

<sup>26</sup> The exit strategy included a series of qualitative studies (case studies and systematization of innovative experiences) lessons learned, case studies as well as workshops held at provincial level with the purpose of comprehensively investigating over programme’s results, taking the organization or group as a unit of analysis.

equipment and work tools, and 75 per cent to productive farm infrastructure (pens, fences, sleeves, gouges, etc.). Both variables positively affected the productive process and help explain the registered productive improvements. As emerged from the survey, PRODEAR has had a moderately satisfactory impact on financial assets. The PCR mentions that a large number of respondents (although an exact number is not reported) highlighted the positive impact generated by FOCOs, that have allowed beneficiaries to get access to working capital, as well as production and marketing capital.

44. With regard to marketing channels, the survey shows that PRODEAR has had a satisfactory impact thanks to marketing promotion, a greater direct participation of organizations in the commercial process and the increase in the marketing volumes by small producers. These improvements were linked to the stronger community organizations for better coordination of sales and better use of post-harvest infrastructure. The PCR indicated that 66 per cent of organizations and groups were able to access marketing spaces, as the programme facilitated access to commercial infrastructure and provided technical assistance to follow the commercial process. It is reported that the proportion of organizations selling production collectively grew from 39 per cent to 78 per cent of the total. In addition, sales have increased with less intermediaries (through direct sale to the consumers, to other producers, retail stores and wholesalers, thus reducing the participation of collectors). By being more directly involved in the business process, the organizations have been prompted to achieve a legal status in order to become stronger commercial actors; this is reflected in the number of organizations that acquired legal status (they went from 27 per cent to 36 per cent of the total).
45. **Food security and agricultural productivity.** The PCR emphasized that PRODEAR had a satisfactory impact on food security in the concerned areas, as 50 per cent of the surveyed producers declared having observed "very important" or "quite important" positive changes in household food security, through the sustainable generation of agricultural and non-agricultural incomes. These results have been achieved through indirect interventions that have positively influenced the availability and access of food, such as the improvement in access to water (both for consumption and productive purposes), as well as the provision of training to achieve higher quality or highly diversified variety of products, which have also allowed to diversify the family diet.
46. In terms of agricultural production and productivity, PRODEAR impact can be considered as positive too, as 88 per cent of organizations declared to have experienced an increase in their volume of production and 89 per cent of the organizations experienced some growth in sales volume from their participation to programme. This can be related to the recovery and use of areas that before were not exploited, the consequent increase in cultivated areas and adoption of technology contributing to yield increase, with a positive effect on the generation of surpluses to be sold. The extent of this impact was influenced by other variables such as the level of maturity of the organizations involved, the participation level of the territorial institutions such as municipalities, the operating characteristics of the UPEs in each province.
47. **Human and social capital and empowerment.** The programme had a very satisfactory impact on human and social capital. The training activity was intensive at all levels, allowing to observe significant changes in the strengthening of human capital in beneficiaries including young people and women, producer organizations, as well as institutions, field technicians, and officials involved in the implementation of PRODEAR, in each of the provinces. Most notably, PRODEAR's approach, based on the decentralized and co-execution modality between the provinces and nation, has been successful in building a strong social capital basis and in contributing to the empowerment of organizations at different levels of consolidation, with some differences among the provinces. Slowly, beneficiary organizations have been

empowered in the management of their own productive activities with regard to the administrative, commercial and socio-organizational aspects.

48. **Institutions and policies.** PRODEAR has had a satisfactory impact by strengthening the institutionalization process of rural development as a national strategy in Argentina. The programme has also contributed to put this theme upfront on the political agenda of provincial governments, by fostering and enriching the rural development strategy at provincial level, especially in those provinces (San Juan, Mendoza and Entre Ríos) where the rural development roundtables had been set up, as inspired by the Uruguayan experience.<sup>27</sup>
49. The programme has strongly contributed to building institutional capacity in the provinces and it has ended with UPEs that have been consolidated for project execution. In the case of Chaco, those directly responsible for the UPE were asked to be part of the provincial cabinet, in the Ministry of Social Development. In the case of Corrientes, the programme contributed to the institutionalization process of specific areas for family farming, as the UPE was first transformed into a provincial unit of rural development and then in the Institute of Rural Development of Corrientes, that is a self-governing entity with its own budget and direct relationship with the executive bodies of the province.
50. The PCRV rates rural poverty impact as **satisfactory (5)**, in line with the PCR rating.

#### **Sustainability of benefits**

51. The PCR indicated that it is highly likely that the progress and benefits of PRODEAR will continue after the closing of its operations. Since 2014, the management team made the decision to work on an exit strategy to sustain the results achieved. The development of sustainability conditions for the producer organizations was one of the priority aspects of the exit strategy. As indicated in the 2015 supervision report, these conditions were considered to be good, as PRODEAR projects generally involved productive and technological proposals that were not complex, as well as they were oriented towards local markets that demanded the products supported by the programme. The provision of technical assistance has been deemed to be a key factor to continue improving the production quality, as well as to identify business opportunities and appropriate marketing strategies to further commercialize small scale farming. So far, access to technical assistance has been ensured through coordination with institutions such as the National Agricultural Technology Institute (INTA) and the Family Farming Secretariat. The presence of a network of technicians operating in the territory has also been considered as relevant in supporting organizations that received funding from PRODEAR.
52. The institutional sustainability of initiatives and policies supported by PRODEAR is well-grounded on forms of collaboration and implementation responsibilities established at provincial level between the UCAR and the UPEs, as in the case of Chaco and other provinces.<sup>28</sup> The creation of participatory spaces, such as rural development roundtables, also consolidates the work done by PRODEAR leading to the dialogue between different organizations that already exist at territorial level such as irrigation boards, cooperatives and federations, as well as the National Agricultural Technology Institute. There are other indications that show good prospect for sustainability, with another IFAD-funded programme, the Inclusive Rural Development Programme (PRODERI) being a transitional step to consolidate this positive prospect.<sup>29</sup> Six provinces have already joined PRODERI or are ahead in

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<sup>27</sup> These identify demands, formulate projects and track these projects. They are made up of referents from INTA, the Family Farming Secretariat, provincial production ministries, municipalities, FONAF and the same organizations. (Source: PCR)

<sup>28</sup> Supervision mission, Nov. 2015.

<sup>29</sup> PRODERI will continue the promotion of policy for the development of small family farming initiated by PRODERNOA, PRODERNEA, PRODERPA and PRODEAR, building on lessons learned and taught.

the implementation process, and have started implementing funded actions by this programme.

53. With regard to FOCOs, the PCR indicates that a differentiated strategy should be developed to promote their sustainability, by taking into account the characteristics of the local financial market where each organization operates. On the other hand, the relatively mature organizations should be supported to identify opportunities to access other funds for scaling-up.<sup>30</sup>
54. The PCRV rating on sustainability of benefits is **satisfactory (5)** in line with the PCR rating.

## **B. Other performance criteria**

### **Innovation and scaling up**

55. **Innovation.** At institutional level, PRODEAR was innovative in adopting a rural development approach that was based on a national-level programme rather than regional projects, and its intervention envisaged the implementation of prioritized projects based on strategies previously defined at provincial level. The programme also showed an innovative emphasis on the local-level cooperation and linkages among organizations and between organizations and private, and public sector entities. In some provinces, the creation of rural development roundtables has been an innovative boost to ensure the active participation of the beneficiaries in the implementation phase. An example is the experience of the roundtable operating at provincial level (such as the "Mesa del Melón" in the province of San Juan), where public and private institutions existing in the territory interacted and provided support to beneficiaries through different financing and technical assistance tools.
56. Another effective innovation concerned the constitution and positive evolution of the rotating funds managed by formal organizations (FOCOs). However, although there is a shared opinion that they can be replicated, it is also stressed that, as a *condicio sine qua non*, they need to be managed by strong organizations.
57. The PCRV rating for innovation is **moderately satisfactory (4)**, in line with the PCR rating.
58. **Scaling up.** As mentioned in the PCR, PRODERI builds on PRODEAR with an expansion in scope and innovation in instruments. More resources were planned to be mobilized from different partners for PRODERI, as the planned Government financing for PRODERI almost doubled to US\$58 million, in proportion to the increase of the IFAD financing and the expected contribution of beneficiaries in PRODERI is also substantial (23 per cent of the total budget, compared to 6 per cent in PRODEAR). PRODEAR approach applied in the co-execution between the provinces and the central government has managed to build a solid base of social and human capital, generating synergies that were to be capitalized by PRODERI. It is noted that sustaining the setting up of beneficiary groups was a positive experience and it can be replicable in new areas of intervention. However, it emerged that working with new groups constituted by the programme was less effective than working with already established groups; hence, this strategy should be reviewed in new interventions.
59. The scaling up of PRODEAR also builds on the mainstreaming of some of its key implementation arrangements (e.g. financing instruments, methodology for the provision of technical services to producer organizations, and institutional issues such as the implementation arrangements shared between the nation and provincial governments) in all subsequent projects/programmes managed by the General Directorate of sectoral and special programs and projects, formerly called

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<sup>30</sup> As indicated in the 2015 supervision mission report.

UCAR, which is the specialized unit within the Ministry of Agriculture managing all agriculture-related projects/programmes funded by the international cooperation.

60. Within the General Directorate of sectoral and special programs and projects' domain, there are two large scale projects, the World Bank-funded Project of Socio-Economic Inclusion in Rural Areas (PISEAR) and the Inter-American Development Bank-funded Programme for Development of the Family Farming (PRODAF) that have specifically included in their geographical coverage some of PRODEAR attended provinces.<sup>31</sup> Therefore, the PCRV rating for this criterion is **satisfactory (5)**, in line with the PCR rating.

### **Gender equality and women's empowerment**

61. At design level, PRODEAR gender mainstreaming strategy was based on applying the gender perspective in all its components and activities, to ensure the conditions for equal access of rural women, both to benefits of the programme as to its various implementing bodies and, particularly, to strengthen women's participation in the decision making and management process of programme's organizations.
62. The UAS identified that PRODEAR projects have had some difficulties in incorporating and prioritizing gender-related perspectives in both formulation and implementation.<sup>32</sup> This occurred as most provinces did not have skilled professionals with the necessary training and experience. Those provinces that developed specific gender related strategies were Chaco, Santiago del Estero and Entre Rios, where the UAS carried out training and strengthening actions for technical teams. Women accounted to 38 per cent of PRODEAR total direct beneficiaries. They took part in the production, organization, management and marketing aspects and they were able to access the executive commissions of numerous associations. More specifically, they accounted to 41 per cent of total beneficiaries of the conducted training, and constituted 38 per cent of beneficiaries of various PRODEAR-supported funds.<sup>33</sup> The PCR states that eventually, the percentage of women that participated into the programme's organisations and were involved in their decision-making process stood at 74 per cent against the original target of 70 per cent; however, this did not imply that women reached a real power in the decision-making process. Given that the provinces continue to work with PRODERI, towards the closing of the programme a special effort was put on strengthening training on gender issues and reinforcing communities to leave an installed capacity.
63. The PCRV rating for gender equality and women's empowerment is **moderately satisfactory (4)**, one point below the PCR rating.

### **Environment and natural resources management**

64. The programme design did not elaborate much on the environmental issue. Although the programme did not specifically focus on projects aimed at protecting the environment, survey's respondents claimed that the attention to the environmental issue has been an unavoidable requirement in the projects' selection process, as the foreseen interventions had to take into account the environmental protection aspects at the time of their implementation. The PCRV refrains from rating for this criterion; no rating was provided in the PCR.

### **Adaptation to climate change**

65. The programme envisaged training activities concerning prevention and control of desertification related to drought as well as the improvement of irrigation

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<sup>31</sup> The World Bank-funded Project of Socio-Economic Inclusion in Rural Areas (PISEAR) has a budget of US\$67 million, with US\$52.5 million funded from the World Bank. It targeted four (Chaco, Corrientes, Misiones, Cordoba) out of eight provinces attended by PRODEAR. On the other hand, the Inter-American Development Bank-funded Programme for Development of the Family Farming (PRODAF) overall budget amounts to US\$41 million, with a US\$30 million loan from the Inter-American Development Bank. It targeted two (Chaco and Entre Rios) provinces covered by PRODEAR.

<sup>32</sup> Supervision mission report, 2-13 November 2015.

<sup>33</sup> These include FAE, FOCO, FACA and FIC.

efficiency. However, the PCR provides little information on this subject: it just mentions that the project supported the construction of water reservoirs to alleviate the impact of droughts and to develop irrigation systems. The PCRV refrains from rating this criterion; no rating was also provided in the PCR.

### C. Overall project achievement

66. The overall objective of PRODEAR was to reduce poverty, to strengthen economic organizations of the rural poor population and to build members' capacity to drive sustained improvement of their social and economic conditions and interact positively with local, provincial and national institutions. PRODEAR was in line with IFAD and the Government strategies, and responded to the needs of the target groups. The programme contributed to increase assets of organizations and families, to improve food security as well as to raise production and marketability. Important results have also been achieved with regard to social capital as well as institutions and policies, with some differences among provinces. The programme successfully promoted the participation of beneficiaries, reinforcing the role of producer associations; in some provinces, it also strongly contributed to strengthening spaces for discussion and decision by public and private actors, through the creation of territorial development roundtables. It can be claimed that the results achieved by the programme have contributed to its overall objective. However, given the deficiencies in the M&E system, the magnitude of the achievements has not been fully grasped.
67. The PCRV rates overall programme achievement as **satisfactory (5)**, in line with the PCR rating.

### D. Performance of partners

68. **IFAD.** IFAD supervision missions have provided relevant recommendations at the fiduciary and technical level, concerning *inter alia* the need to improve the M&E skills of the UPEs, where weaknesses had been detected.<sup>34</sup> Consistency and quality of implementation support and management advice provided to the national coordination unit, as well as to the initiatives proposed by UCAR and/or the provinces, have substantially contributed to improve programme performance and its sustainability. IFAD pointed out the lack of appropriate counterpart contributions by the provinces in its supervision mission reports, and it closely followed up on this issue to ensure that all counterpart contributions were recorded and paid.
69. The PCRV rating for the performance of IFAD is **satisfactory (5)**, in line with the PCR rating.
70. **Government.** The Ministers' cabinet headquarter and the Ministry of Economy and Finance had a proactive role in the loan negotiation process with IFAD. The support and know-how provided by UCAR, in terms of good administrative and fiduciary management practices, monitoring, evaluation and institutional strengthening of the provinces, has been a determining factor, also taking into account the existing heterogeneity in terms of management quality of the UPEs.<sup>35</sup> At provincial level, provinces played a role in the identification, prioritization and implementation of the projects in their areas. While their participation and institutional involvement was satisfactory in most cases, it was not homogeneous and depended on the capacities of the UPEs and how well these were organized.
71. Successful coordination has been achieved with other institutions, such as the Family Farming Secretariat, INTA, outreach services of the provinces and municipalities. As a result, the technicians of these institutions would continue to support organizations that received funding from PRODEAR.

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<sup>34</sup> Supervision missions 2013, 2014.

<sup>35</sup> These concerned: lack of appropriately skilled staff and/or high staff turnover, insufficient budget and lack of material resources for mobility.



72. The PCRV rating for the Government performance is **satisfactory (5)**, in line with the rating of the PCR.

#### **IV. Assessment of PCR quality**

73. **Scope.** The PCR covered almost all chapters and sections as per the PCR Guidelines for Project Completion Review (2015). However, several annexes of those commended were missing (e.g. dates of supervision and follow-up missions, project internal rate of return, summary of the amendments to the loan agreement, results and impact management system [RIMS] data). The PCRV rating for PCR scope is **moderately satisfactory (4)**.
74. **Quality.** The PCR would have benefitted from a more in-depth analysis with attention to the “why” factor and the reasons underlying PRODEAR main achievements and shortcomings. The PCR was not sufficiently strong in this regard, presumably due to deficiencies in the M&E system that proved inadequate to effectively track implementation progress. Some discrepancies were also detected in the figures indicated in the main text and the executive summary. The PCRV rates this criterion as **moderately satisfactory (4)**.
75. **Lessons.** The lessons learned reported by the PCR were relevant and useful indicating a reflection on some thematic areas. However, a number of critical issues (such as those related to the management and success of the rotating funds; the marketing aspects of the organizations, etc.) have not been addressed. The PCRV rates lessons as **moderately satisfactory (4)**.
76. **Candour.** The PCR reported mainly positive results and it just briefly hinted at the less successful results. It did not clearly explain the shortcomings and drawbacks faced by PRODEAR. The PCRV rating for candour is **moderately satisfactory (4)**.
77. **Overall PCR quality** is rated as **moderately satisfactory (4)**.

#### **V. Lessons learned**

78. Useful and relevant lessons drawn from the PCR include the following:
- i) Time is a key factor for the maturation of organizations, of the producers, as well as of the programme itself, together with the unleashing of the ownership processes. These processes can only consolidate if project’s duration is over a medium or long term.
  - ii) The use of specific strategies to achieve the incorporation of young people and women in organizations requires political agreements and provision of qualified human resources in order to start them on the ground.
  - iii) Some provinces (for example Entre Rios and Mendoza) were very effective in adapting programme’s tools (such as IFAD financial instruments - FOCOs, FAE, etc.) to the reality of their territories and organizations, and this allowed them to achieve a greater impact.
79. FOCOs represent a seed capital that can also open up opportunities for organizations seeking additional funding among the few financial service providers that can be identified in the small, fragmented and shallow financial markets of their provinces. So far, there is no evidence that FOCOs have been intensively used in market-related matters, opening up a great possibility to boost new or running projects, such as pre-financing of regional exports, or advanced purchase by an organization.
80. It is of crucial importance that UCAR attends existing and developing FOCOs to implement mechanisms to help them retain the value of their capital, and later identify the appropriate insurances that allow to protect themselves from the market and climate-related risks most common in their sector.

## 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> </ul>		No
	<ul style="list-style-type: none"> <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> </ul>		No
	<ul style="list-style-type: none"> <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> </ul>		No
	<ul style="list-style-type: none"> <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 and 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>	5	5	0
<b>Project performance</b>			
Relevance	5	5	0
Effectiveness	5	5	0
Efficiency	5	4	-1
Sustainability of benefits	5	5	0
<b>Project performance<sup>b</sup></b>	<b>5<sup>36</sup></b>	<b>5</b>	<b>0</b>
<b>Other performance criteria</b>			
Gender equality and women's empowerment	5	4	-1
Innovation	4	4	0
Scaling up	5	4	-1
Environment and natural resources management	-	NA	NA
Adaptation to climate change	-	NA	NA
<b>Overall project achievement<sup>c</sup></b>	<b>5</b>	<b>5</b>	<b>0</b>
<b>Performance of partners<sup>d</sup></b>			
IFAD	5	5	0
Government	5	5	0
<b>Average net disconnect</b>			<b>-0.3</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 and 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		4	
Lessons		4	
Quality (methods, data, participatory process)		4	
Scope		4	
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.

<sup>36</sup> An overall project performance rating was not provided by the PMD; the arithmetic average across the four components was computed by the PCRVR evaluator.

**Delivery of outputs<sup>37</sup>**

<i>Component</i>	<i>Indicator as per Logical Framework</i>	<i>Unit</i>	<i>Planned</i>	<i>Achieved at 31/12/2015</i>	<i>% of physical execution</i>
<b>Outcomes</b>	People who make up Argentina's rural population receiving direct services at programme's completion	<b>individuals</b>	<b>19,450</b>	<b>24,238</b>	<b>125%</b>
<b>Outcomes</b>	Financed productive businesses integrated to the markets and operating in a sustainable way	<b>%</b>	<b>40</b>	<b>-</b>	<b>0%</b>
<b>Human and Social Capital Strengthening</b>	Formalized organizations	Groups/Org.	100	59	59%
	Groups and/or organizations technically assisted and trained in organizational consolidation	Groups/Org.	1376	631	46%
	Women that are included in organizations and participate in their decision-making	<b>%</b>	<b>70</b>	<b>52</b>	<b>74%</b>
	Trained youth	Young people	3000	1701	57%
	Groups of indigenous communities involved in community development through FACA	Groups/Org.	60	39	65%
	Groups involved in community development through FIC	Groups/Org.	400	60	15%
	Indigenous beneficiaries	Individuals	3900	3824	98%
	Beneficiaries from FIC	Individuals	6000	3822	64%
	Trained women	Women	4000	2975	74%
<b>Rural Business Development</b>	Groups and/or organizations benefitting from FAE	Groups/Org.	856	507	59%
	Organizations benefitting from FOCO through credit to their associates	Groups/Org.	354	41	11%
	Groups and/or organizations technically assisted and trained in business plans' formulation and implementation	Groups/Org.	1400	548	39%
	Commercially supported groups and/or organizations	Groups/Org.	200	-	0%
	FAE Beneficiaries	Individuals	8000	7782	97%
	FOCO Beneficiaries	Individuals	2000	1529	76%
	<b>Institutional Development</b>	Programme implemented according to loan agreement and operating procedures manual	Programme	1	1
M&E system implemented at the end of first year of programme implementation		System	1	1	100%
Innovation experiences systematized and published by province		Experiences	10	20	200%
Members of each UPE participating in training sessions by the end of the programme		<b>%</b>	<b>100</b>	<b>-</b>	<b>0%</b>
Strengthened institutions and entities linked to rural development and family farming		<b>%</b>	<b>100</b>	<b>-</b>	<b>0%</b>
Articulation agreements subscribed with rural development institutions and entities		Agreements	40	-	0%

Source: Semi-annual report, integrated and integral management system, II semester 2015, UCAR.

<sup>37</sup> The referred source is the survey conducted to evaluate the results of the PRODEAR-financed projects. The results refer to a sample of 417 effective cases, expanded to the universe of the 648 projects financed by the programme. With regards to the "formalized organizations" indicator, there were summed the organizations that obtained legal status and the organizations that were in the process of getting it, thanks to their participation in the programme. With regards to the indicator "women who participate in the decision-making process of the organizations", it was considered the percentage of organizations having women in their management positions, therefore, it must be interpreted as "organizations that have at least a woman in a managerial position".

## **Abbreviations and Acronyms**

FACA	Fund to support indigenous communities
FAE	Fund for enterprise support
FIC	Fund for community initiatives
FI	Investment fund
FOCO	Fund for organizations' capitalization
M&E	Monitoring and evaluation
IFAD	International Fund for Agricultural Development
IOE	Independent Office of Evaluation (of IFAD)
INTA	National Agricultural Technology Institute
PCR	Project completion report
PCRV	Project completion report validation
PRODEAR	Rural Areas Development Programme
PRODERI	Programme for Inclusive Rural Development
RIMS	Results and impact management system
UCAR	Rural Change Unit
UPE	Provincial Executing Unit
UAS	Environmental and Social Unit

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