

Project Completion Report Validation

Rural Inclusion Pilot Project, *Proyecto Piloto de Inclusión (PPIR)*

Oriental Republic of Uruguay

Date of validation by IOE: January 2021

Basic project data

			Approval (US\$ m)		Actual (US\$ m)	
Region	Latin America and the Caribbean	Total project costs	5.84		5.56	
Country	Oriental Republic of Uruguay	IFAD loan and percentage of total	4.00	68%	2.97	53.4%
Loan number	Loan 200000626	Borrower	1.00	17%	1.52	27.3%
IFAD project ID	1100001500	Beneficiaries	0.84	15%	1.07	19.3%
Type of project (subsector)	Credit and Financial Services					
Financing type	Loan					
Lending terms	Ordinary ¹					
Date of approval	03/03/2014					
Date of loan signature	01/04/2014					
Date of effectiveness	23/07/2014	Number of households	2,000		2,937	
Loan amendment	None	Number of household members	6,500		6,661	
Loan closure extensions	1					
Country Director	Claus Reiner; Marco Camagni (current)	Loan closing date	31/03/2019		31/03/2020	
Regional director(s)	Josephina Stubbs; Joaquín Lozano; Rossana Polastri (current)	Mid-term review			None	
Project completion report reviewer	Chiara Maria Grimaldi	IFAD loan disbursement at project completion (%)			78%	
Project completion report quality control panel	Eoghan Molloy; Fabrizio Felloni	Date of the project completion report			05/10/2020	

Source: President's report, Project Completion Report (PCR).

¹ Loans on ordinary terms have a rate of interest per annum equivalent to one hundred per cent (100 per cent) of the variable reference interest rate, and a maturity period of 15-18 years, including a grace period of three years.

I. Project outline

Country & Project Name	Oriental Republic of Uruguay, Rural Inclusion Pilot Programme, <i>Proyecto Piloto de Inclusión Rural</i> (PPIR).
Project duration	PPIR was originally designed as a four-year programme. It was approved on 03/03/2014 and became effective on 23/07/2014. Effectiveness lag: four months; time from entry into force to first disbursement of funds: 13 months. The PPIR's original design assumed a fast pace of implementation in the first two years which would, in theory, provide PPIR's interventions with a rapid follow-up and consolidation process. However, as the general context underwent changes in the initial years, the project suffered from a delay, whereby its effective start was postponed to September 2015. ² PPIR's original completion date: 30/09/2018, original loan closure: 31/03/2019. At the time of the 2018 IFAD supervision mission, it was decided to extend the project's completion date by one year, with the amended completion date being on 30/09/2019 and the loan closing on 31/03/2020.
Project goal, objectives and components	The overall goal of the PPIR was to provide the Ministry of Livestock, Agriculture and Fisheries (MGAP) with evidence on validated tools to be used in implementing public policy for rural poverty reduction. PPIR's development objective was to provide poor rural people with nine new mechanisms for participation and with services to improve their living conditions and quality of life. PPIR had three components: (i) strengthening human and social capital; (ii) productive development and positioning family producers within value chains; and (iii) project management.
Project area and target group	PPIR encompassed an area along a south/north axis, from the northeast of Canelones to Caraguatà, in the southeast of Tacuarembó, corresponding to a geographical coverage of seven rural development roundtables (mesas de desarrollo rural, MDRs). ^{3,4} The project area was selected according to the presence of family producers and rural wage earners, value chains, productive systems, organizational fragility of the target population, rural poverty and representative productive systems from almost the entire country. The target groups encompassed poor rural people with at least one unmet basic need, in particular small-scale producers and rural wage earners, and family producers. They lived in rural areas with low development levels and were geographically isolated. The project aimed to link with this population through organizations or groups of different characteristics and degree of consolidation. From all the households living in poverty, PPIR aimed to directly serve a total of 6,500 people in 2,000 households. The PPIR aimed to give priority to women and young people.
Project implementation	The MGAP was tasked to implement the PPIR through the Rural Development Directorate (DGDR) that would carry out the management, administration and evaluation of the project. Under the DGDR's responsibility, the project's activities would be conducted in the field through the MDRs, which were to be strengthened by the PPIR and would serve as participatory advisory bodies to endorse project proposals presented by rural organizations. At the level of beneficiaries, the rural organizations, with the support of the MDRs and the DGDR, would be the co-managers of the proposals' identification, preparation and implementation.
Changes during implementation	Due to the initial delays with regard to the dates of effectiveness and first disbursement, the completion date was changed from 30/9/2018 to 30/9/2019. In light of the overall changing context, a two-phase strategy was envisaged to allow the project's start. ⁵ However, no changes were made to project's components, activities and financial allocation.
Financing	PPIR's cost stood at US\$5.84 million, of which US\$1.3 million concerned the human and social strengthening component, US\$3.6 million were related to the productive development and positioning family products within value chains, and US\$0.9 million to project management component. The project was to be financed through an IFAD loan

² The initial difficulties derived from: (i) a change in the country's economic context and a resulting reduction of the Government of Uruguay's budget space; (ii) some initial problems concerning the relationship between MGAP and IFAD; (iii) the innovative nature of some of the proposed actions.

³ Rural development roundtables are participatory spaces for dialogue between civil society and public institutions and decision-making. They are conceived as spaces that build citizenship and promote inclusive participation of all the actors of a region.

⁴ The rural development table of Treinta y Tres, as envisaged in the PPIR design, was eventually not included.

⁵ Due to the delay and limited availability of funds, it was decided to work in two phases: (a) from the end of 2015, a Phase I started and project's work was conducted in the south of its target area (including the departments of Canelones, Florida and Lavalleja), assuming that with its greater local social capital it would be easier to carry out the first experiences; (b) from October 2016, a Phase II started and project's work began in the north target area (including the departments of Durazno, Treinta y Tres, Cerro Largo and Tacuarembó).

	of US\$4.0 million (68 per cent of the total), a Government contribution of US\$1.0 million (17 per cent of the total) and a community contribution of US\$0.84 million (15 per cent of the total amount).
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Table 1
Project costs (US\$ millions)

<i>Funding source</i>	<i>Appraisal</i>	<i>% of appraisal costs</i>	<i>Disbursed</i>	<i>% of actual costs</i>	<i>% disbursed</i>
IFAD (loan)	4.00	68%	2.97	53%	74%*
Government	1.00	17%	1.52	27%	152%
Beneficiaries	0.84	15%	1.07	19%	127%
Total	5.84	100%	5.56	100%	95.4%

Source: PCR.

*IFAD loan disbursement is presented in the PCR in US\$, which was 74 per cent of US\$ amount anticipated at design. Actual disbursement of IFAD financing in Special drawing rights (XDR) was 79.7 per cent.

Table 2
Component costs (US\$ millions)

<i>Component</i>	<i>Appraisal</i>	<i>% of appraisal costs</i>	<i>Expenditure</i>	<i>% of actual costs</i>	<i>% disbursed</i>
Strengthening human and social capital	1.35	23%	1.24	22%	92%
Productive development and positioning family producers with value chains	3.57	61%	2.74	49%	76%
Project management*	0.92	16%	1.58	28%	172%
Total	5.84	100%	5.56	100%	95.4%

Source: PCR.

*The PCR notes that technical consultant fees – normally costed under components 1 and 2 - were instead included in the actual accounting for the project management component. The PCR therefore calculated adjusted actual project operational costs as US\$835,116, thus below the appraisal estimate (91 per cent).

II. Review of findings

PCR finding	Rating
A. Core Criteria	
Relevance	
1. PPIR was designed as a pilot project, to be implemented over a short implementation period within a representative geographical area. ⁶ As indicated in the President's report, PPIR's design was based on the achievements of the previously conducted IFAD-funded Uruguay Rural Project. ⁷ PPIR was intended as a pilot project to generate and validate instruments and tools that would contribute to implementing the Government of Uruguay's strategy to eradicate rural poverty, and to determine the potential for replication and scaling up of its interventions towards a nationwide rural poverty eradication programme. The purpose and development objective of	4

⁶ The PPIR's pilot character responded to the Government of Uruguay's request for a project of a limited financial amount, in accordance with the fiscal headroom provided for in the five-year budget, targeting a specific geographic area for a relatively short implementation period.

⁷ The Uruguay Rural Project was implemented between 2000 and 2011. This project played a key part in setting up rural development institutions and policies. Among these, there were the General Directorate for Rural Development, the agency responsible for implementing the country's rural development policies, and the rural development round tables (Mesas de Desarrollo Rural, MDR), a key instrument in promoting the participation of rural civil society in development.

PCR finding	Rating
<p>the PPIR was relevant to the economic, social and policy context of the country. The selected geographic area was representative of almost all the national production systems of family producers and the rural population of the country. PPIR was aligned to national rural development strategies and was fully integrated with the existing structure of public institutions.</p> <p>2. PPIR was relevant to the needs of the target groups and its internal logic was consistent with its purpose and objective. PPIR's main design features concerned: (i) the mechanisms of identification, formulation and support of project proposals, both social and productive; (ii) the strengthening of the MDRs and; (iii) the ability to reach a population that had not benefitted from the DGDR's policy tools and, in many cases, from overall public policy instruments. In relation to point (i), the project proposals presented to the PPIR were to be managed no longer through biddings, but they were formulated by DGDR's technicians with the active involvement of project beneficiaries, based on their productive and social needs.⁸ The project's strategy also assumed an inter-institutional approach, with a need for strong coordination and synergy of actions with potential key partners of the government, rural organizations and even sectoral business actors. In particular, the social projects strongly responded to the needs of PPIR's target group, as they were designed to facilitate the participation of vulnerable groups (including women and young people) and empower the beneficiaries with new collective or community capacities, further social and productive possibilities and better access to the institutions and public policies.</p> <p>3. The PCR highlighted that the PPIR's design turned out to be more complex and ambitious than initially foreseen and this, together with the Uruguay's changing context, affected its execution according to the provisions of the initial design. Additionally, both IFAD and the DGRD appeared to have overestimated the chances of success and underestimated the possible risks. Given these difficulties faced by PPIR during its initial implementation phase, a mid-term review would have been beneficial (and necessary) not only to analyze the performance of the physical goals (which had already been done by IFAD supervision missions), but above all to readjust PPIR's design to the new context and prioritize core innovations and practices to be piloted and validated. Moreover, while the design had assumed that the institutional relationship between IFAD and MGAP would allow for rapid progress in the project's implementation, this assumption proved false, and in the absence of a mid-term review, it was not possible to make changes to the PPIR's design to adjust to the changing context.</p> <p>4. On balance, while PPIR was relevant to Government strategy and responded to the needs of the target populations, to the design ultimately proved overly-complex and the project did not sufficiently adapt to the changed context in order to maintain its relevance. The PCR rating for this criterion is <i>moderately satisfactory</i> (4), one point lower than the PCR rating.</p>	
Effectiveness	
<p>5. The PCR stressed that PPIR managed to address the target population, even exceeding the set goals and expectations, with 6,661 beneficiaries reached against a target of 6,500. Outreach for women and youth was also higher than anticipated, with 3,381 women beneficiaries against the expected 1,625, and 1,484 youth beneficiaries against the expected 650. Nevertheless, this PCR notes that, although some targets were met or exceeded, overall, it was not possible to execute all the project components as anticipated. Most importantly, the nine proposed innovations (novel modalities or novel schemes for the country) that were supposed to be piloted by PPIR could not be fully validated. The PCR stressed that the pilot nature of the project and the challenge not only to test but to validate the innovations proposed were too ambitious.</p>	4

⁸ This was a methodological novelty compared to the DGDR's usual practice, which had traditionally been more linked to the administration and monitoring of projects, delegating this function to private technicians.

PCR finding	Rating
<p>6. With regard to the first component “strengthening of human and social capital”, the expected results were not fully achieved, as only three MDRs out of eight adopted planning methodologies to implement an effective and participatory intervention strategy (“innovation 1”). Linked to this, the realization of a territorial development plan for each MDR was too ambitious a goal as, at completion, only three MDRs were able to complete this plan. The territorial development plans that were prepared were more a document dealing with the strengthening of the MDR itself (concerning the definition of rules for attendance and participation in the MDRs, endorsement of projects, specific training for the group), than true territorial development plans. On the other hand, while the MDRs appeared open and effective in managing demands and following up on what was planned, only 38 per cent of them worked on strategy and planning to consolidate their role as a space for local articulation and participation (“innovation 2”). With regards to the “innovation 3”, 337 rural workers (against a target of 360) were found to participate in the MDRs and be able to access public services, as although the legal framework to access public services was approved, its practical implementation had greater difficulties than expected and the related requirements by rural organizations were quite high.</p> <p>7. With regard to the family producers, who improve their competitiveness and have access to value chains (“innovation 4”), the PCR noted that the project’s target was surpassed, with an achievement of 449 family producers against the planned 320 (140 per cent). The project was also successful in inserting vulnerable groups in primary production and/or in enabling them to access basic technologies for a greater and more sustainable production.⁹ However, it is worth noting that the insertion of producers into value chains to get better access to markets and better prices has not overall been achieved. The inclusion of family producers in Government public purchases was not fully achieved (“innovation 5”), as only 125 people against the planned 200 (63 per cent) were linked to public purchases.</p> <p>8. In relation to the project’s objective of supporting access and implementation of new financial services to rural organizations and their members, the expected results were not achieved. The implementation of a rural microcredit programme through microfinance institutions, and the incorporation of at least one microfinance institution to raise funds and lend them again was not reached (“innovation 6”). Similarly, the proposal to include new financial products (life insurance and credit) with at least two operating products, failed to be developed as expected (“innovation 7”). The objective to have rural organizations operating revolving funds and families accessing these funds was also poorly achieved, as: (i) only one rural organization against the planned 20 was able to do so (“innovation 8”); and (ii) only 18 families against the planned 400 were able to access these funds. A notable positive result concerned the start-up of an agricultural insurance pilot product, which was satisfactorily fulfilled in terms of the number of beneficiaries and families (“innovation 9”).</p> <p>9. The PCR highlighted that the DGDR’s strategic prioritization concentrated its efforts on reaching the beneficiaries primarily with productive and social projects, by identifying and assessing the beneficiaries’ proposals. However, the same emphasis was not devoted to promote innovations in financial services. The PCR stated that this prioritization was probably pertinent according to the changes in the economic context, the project’s complexity and the difficulties in its implementation. Perhaps the delicate point is that this aspect of prioritization and its relevance depending on the strategy applied by the DGDR, was not otherwise settled with IFAD.</p>	

⁹ The PPIR design made a distinction between “productive projects” and “proposals for vulnerable population”. In the former, it would focus on family producers and their insertion into value chains, while in the latter it would aim at weaker organizations, women and young people, accessing technical capacities for their strengthening or improve their members’ employment opportunities or the development of small-scale productions complementary to the wage income. During PPIR’s execution, vulnerable groups mostly took advantage of their proposals to start or improve primary production (of the total 188 projects (both social and productive) implemented by PPIR, 132 of these were in support of vulnerable groups, and 102 of these were focused on improving primary production).

PCR finding	Rating
10. On balance, while some targets were over-achieved, there was mixed performance in relation to other targets and as a result, the validity of certain innovations could not be adequately tested, as per the project's primary objective. The PCRV rates this domain as <i>moderately satisfactory</i> (4), one point lower than the PCR rating.	
Efficiency	
<p>11. At its start, the project's implementation was considerably affected by the irregular flow of funds towards the rural organizations' sub-projects.¹⁰ Added to this, there was a delay in assigning project staff, as well as the hiring of trained personnel to support administration and field activities. The project envisaged the hiring of six technicians who would collaborate in the project coordinating team in various areas. Only three were hired, and these joined the team at different stages. Therefore, different areas were reinforced in an <i>ad hoc</i> manner as funds were received, or only when the supervision mission recommended not to delay the hiring any longer.</p> <p>12. From a budget-related point of view, the project began to function effectively only in 2017, when the first disbursements were made. Later on, just as implementation was moving at a faster pace, disbursement slowed down because of the original planned completion at the end of 2018, and got reactivated in light of the extension of 2019. PPIR's overall disbursement rate at final completion (February 2020) stood at 95.4 per cent, with a consistent increase from the disbursement rate of 61 per cent registered during its fifth implementation year in 2019. The PCR stated that, given PPIR's challenging starting conditions, its final disbursement rate could be considered as satisfactory. Disbursement of IFAD's loan stood at 79.7 per cent upon completion, whereas the Government of Uruguay provided more resources than initially planned (about US\$500,000 extra).</p> <p>13. At its design, PPIR was estimated to be financially and economically viable, with an overall economic internal rate of return (IRR) estimated at 21.0 per cent. However, the PCR indicated that it was not possible to estimate the IRR at completion, due to the nature of some of its sub-projects (mainly the social ones), which had not been implemented, monitored or evaluated in order to calculate the IRR. The PCR reported that PPIR's resources were used quite efficiently, as the cost per beneficiary turned out to be lower than expected, allowing more people to be reached. The expected total cost per beneficiary was US\$899 calculated on the basis of 6,500 beneficiaries, whereas the final cost stood at US\$837 on the basis of 6,661 beneficiaries. Although actual costs under component 3 (project management) exceeded appraisal estimates (See Table 1 of this PCR), the PCR notes that the increased government contribution under this component also included consultant fees for the provision of technical assistance for components 1 and 2. Adjusting for these expenses, actual project operational costs were calculated as being less than US\$835,116 (PCR table 21), i.e. 14.9 per cent of total project costs. Meanwhile, the share of IFAD financing for project management was lower than expected upon completion (US\$615,692 versus US\$742,554 at appraisal).</p> <p>14. In consideration of the efficiency-related mixed factors, the PCRV rates this criterion as <i>moderately satisfactory</i> (4), in line with the PCR rating.</p>	4
Rural poverty impact	
15. The PCR's analysis of the project's rural poverty impact was conducted mainly on a qualitative basis, given the lack of quantitative data and the weak monitoring and evaluation (M&E) system. ¹¹ As noted in the PCR, despite the advice of IFAD supervision missions, PPIR fell short in measuring impact-level indicators. The main underlying reason was that the dynamics of the project's execution and the prioritization of actions did not allow to generate such data. The PCR also	4

¹⁰ In some cases, it took more than three months from the signing of the contract until the funds were received, resulting in the desertion of some members of the rural organizations, and a lag in the implementation of many of the productive projects.

¹¹ At impact level, no analysis has been conducted, not even on a small sample of projects. To overcome the lack of robust data, the PCR relied on a set of information generated through different sources: interviews with PPIR's beneficiaries and technicians, data generated by the DGDR's Information Monitoring and Evaluation Division, data provided by the field work and preliminary versions of the systematization reports.

PCR finding	Rating
<p>highlighted that it would have been desirable to hire the technical resources much earlier to support M&E, and not only in the last year of PPIR's implementation.</p> <p>16. With regard to household income and assets, PPIR's impact could not be measured, due to the above mentioned-reasons. The PCR assumed that at least a modest increase in the beneficiaries' income and/or physical assets was achieved, considering that PPIR's projects financed investments and technical assistance on technologies, as well as productive and commercialization practices.¹² An impact on income and assets has also been indirectly (and positively) assessed by the beneficiaries' commentaries made in the participatory workshops.</p> <p>17. Even with regard to food security and agricultural productivity, the project did not specifically intend to address this domain, and the PCR merely assumed that a positive contribution was made by PPIR. The project supported the implementation of practices and investments necessary to increase productivity or agricultural production; however, they were of a basic nature and their responses did not necessarily register large increases. Additionally, it has not been possible to investigate the results of the technological improvements implemented in 40 per cent of the productive projects that were linked to extensive cattle ranching.¹³</p> <p>18. With regard to human and social capital, PPIR contributed to the strengthening of rural organizations, as well as to the formation and consolidation of producer groups. The rural organizations were given the possibility to expand and/or strengthen their social base, and they were also efficient in transferring information from the MDRs to the producers; the participation of organizations/groups of rural workers, women and youth in the MDR also facilitated their access to public services. Similarly, the social projects made an impact also in terms of social capital, contributing to the strengthening of sports-related and recreational spaces, which strongly benefitted women and young people. It has been estimated that, of the 70 social projects, all had the presence of women and 90 per cent involved young people.</p> <p>19. In terms of institutions and policy engagement, the MDRs that were strengthened by the project, constituted a space of dialogue between the rural organizations and the public institutions existing in the territory, facilitating their access to essential social and productive services. Another key element in PPIR's design was the coordination with public and private organizations, of local and national scope. Although this inter-institutional coordination process promoted by the DGDR was more complex than expected, it has been fundamental both for PPIR's execution and for the development of innovations concerning public policies and instruments aimed at rural development.¹⁴</p> <p>20. On balance, while recognising the strong impact on human and social capital on the one hand, but also the lack of quantifiable evidence and the overall mixed impact for other impact subdomains, the PCRV rates this criterion as <i>moderately satisfactory (4)</i>, a point lower than the PCR rating.</p>	

¹² The project leveraged small investments in assets such as: repair or construction of sheds or installation of fences, purchases of small machinery or vehicles for the commercialization of products.

¹³ Due to the very dynamics of execution of PPIR, which financed projects until their completion, and the limited duration of the project, it was not possible to measure its increase. The technological improvements implemented in these projects (such as: water in pens, cattle ranching, sanitary improvements) were part of technological packages validated at the national level and whose effects will take time to be displayed.

¹⁴ The articulation with public institutions, mainly the National Colonization Institute, the Ministry of Development Social, the Movement for the Eradication of Unhealthy Rural Housing, INACOOOP and ANDE have been instrumental to this aim. Collaborative alliances have also been supported with private sector organizations such as CALUPROCERD and CONAFPU, which helped to insert beneficiaries into value chains or public purchase.

Sustainability of benefits	
<p>21. As noted in the 2019 supervision mission, the sustainability of PPIR's interventions beyond its closure was to some extent ensured through the good level of coordination with other institutions committed to the beneficiary population, the high level of appropriation of the projects by the beneficiaries, and the advances made in terms of policy innovations. However, the PCR noted that many of the supported groups and organizations still required support, and the means to provide such support was not ensured at project completion. Above all, the PCR highlighted that a key factor for PPIR's sustainability should have been a greater engagement with the municipalities and other local government structures and their development instruments in order to complement resources and install local capacities that would last after the project's completion.</p> <p>22. In view of the above findings, the PCRV rates this criterion as <i>moderately satisfactory (4)</i>, in line with the PCR rating.</p>	4
B. Other performance criteria	
Innovation	
<p>23. PPIR was conceived to be innovative in jointly addressing both the social and the productive agenda within the same intervention logic. It aimed at testing nine innovations (novel modalities or novel schemes for the country), regrouped in four thematic areas,¹⁵ in order to validate them as potential options for scaling up at the national level through a subsequent major project to be designed and financed by IFAD.</p> <p>24. Among the most successful innovations, there were: (a) its methodology based on the identification and promotion of beneficiaries' demands, which differed from the one usually employed by the DGDR to implement other development projects, which functioned mainly through biddings; (b) the key role played by MDRs, strengthened by PPIR as an innovative institutional instrument to implement planning methodologies to facilitate effective participatory intervention (although, the MDRs themselves existed prior to PPIR). Social projects should also be highlighted as an innovation, as they not only allowed certain groups of vulnerable rural populations to access public goods and services, but generated a whole process of demands for other relevant topics related to territorial development (such as, health and healthy eating, sports and recreation, educational processes).</p> <p>25. Although the project was innovative in its approach and methodology, its execution was not fully in line with the original design and some of the proposed innovations were not validated. According to the PCR, while PPIR's design was very ambitious in relation to the institutional innovations, because of the disruptive nature of some of them (for example, those linked to rural microcredit), it did not determine a priority scale for implementing them and did not foresee that their validation would have effectively implied a longer process of work.¹⁶</p> <p>26. Based on the above assessment, the PCRV rates this criterion as <i>moderately satisfactory (4)</i>, in line with the PCR rating.</p>	4
Scaling up	
<p>27. The 2019 supervision mission highlighted that there might be considerable potential for scaling up PPIR's interventions, both in terms of geographic coverage and improvement of development-oriented public policies for family production. As per the 2019 supervision report, the mechanisms through which the scaling up would</p>	4

¹⁵ The four thematic areas were: (i) strengthening of the MDRs as instruments of rural development; (ii) inclusion of rural wage earners in rural development policies; (iii) inclusion of family producers in value chains; (iv) provision of sustainable rural financial services.

¹⁶ The aforementioned reduction in the Government's budget space implied that the DGRD had to conduct a reprioritization of the human resources necessary to carry out the Project, as well as of the available budget resources throughout the Project's cycle.

<p>take place were at least four: (i) use of the rural development fund managed by the DGDR to replicate PPIR's approach outside its area of intervention; (ii) the scaling up of the innovations tested by PPIR, for example, to all the MDRs in the country; (iii) the institutionalization of PPIR's approach concerning vulnerable groups (through the implementation of social projects) transforming it into a permanent tool of the DGDR and MGAP; and (iv) leaving an installed capacity in terms of human resources that would be absorbed by institutions such as DGDR and the National Colonization Institute.¹⁷ These points addressed in the 2019 supervision mission report were not discussed in the PCR, and it is therefore not clear if further action was taken on these points in the final year of the project. The PCR just noted that PPIR's practices or policy instruments and some of its innovations have a high potential for scaling up, although this would depend on the policies of the next government.</p> <p>28. In view of the unclear prospects for PPIR's scaling up, the PCR rates this criterion as <i>moderately satisfactory (4)</i>, in line with the PCR rating.</p>	
Gender equality and women's empowerment	
<p>29. PPIR mainstreamed gender equality and women's empowerment across all its interventions, and gender training was included for both social and productive proposals.¹⁸ Gender-sensitive indicators were considered in M&E activities and data were disaggregated between men and women. Overall, women benefited from a number of interventions covering: i) initiatives to provide men and women and men with equal opportunities to participate and benefit from profitable economic activities; ii) initiatives to allow men and women to have equal voice and influence in rural organizations and institutions; iii) initiatives to achieve a more equally balanced workload and distribution of social and economic benefits between women and men.</p> <p>30. As illustrated in the PCR, at completion: (i) 3,381 women participated in PPIR against a target of 1,625, this representing an achievement of 208 per cent; (ii) 1,716 women headed-households participated in PPIR against a target of 500, this meaning an achievement of 343 per cent. Social projects were run mostly by women, who represented 63 per cent of beneficiaries, and these projects were vehicles for improving their well-being and that of their families in rural areas.¹⁹ With regard to the productive projects, women accounted for 56 per cent of beneficiaries. In agricultural production-related projects dealing with cattle/sheep and goat/pigs/horticulture, women accounted to more than 48 per cent of direct beneficiaries. In addition, women made up 50 per cent of the rural organizations' representatives that participated in the MDRs. The proposals' presentation in the MDRs for their approval, the subsequent follow-up and presentation of the final report, have allowed women to meet, participate in a policy dialogue, and endorse higher responsibility roles as representatives of their own groups.</p> <p>31. While the project has clearly done well to address gender in a mainstreamed manner across all components, the PCR assessment for this criterion focuses more on the level of participation of women in project activities, with less clarity on actual results achieved in terms of their empowerment and gender equality, not least in terms of gender transformative changes in the social context. The PCR states that PPIR's promotion of gender equality and women's empowerment has resulted in positive achievements, contributing to improving women's access to resources, assets and services as well as enhancing their influence in decision-making at home, in groups and in the community. This may well be the case, but there is no evidence that the changes went beyond empowering women at the individual level, nor is there any evidence that the project successfully tackled the root causes of inequality</p>	5

¹⁷ The latter has created a new department where there have been hired professionals from the DGDR and PPIR.

¹⁸ The project's gender strategy was based on the institutional guidelines of the DGDR, which were aligned to the national guidelines of the Women's National Council.

¹⁹ As an example, the improvements in the arrival of youth and children to educational centres as well as in health-related services, have reduced workloads and time for which women are usually in charge.

<p>and discrimination through promoting sustainable, inclusive and far-reaching social change.</p> <p>32. In light of the above, in recognition of the strong gender mainstreaming in project activities, the PCRV rates this criterion as <i>satisfactory</i> (5). This is one point below the PCR rating, as there is no evidence to prove that the project has induced gender transformative changes.</p>	
Environment and natural resources management	
<p>33. The PCR pointed out that PPIR's interventions made a positive contribution to reduce the environmental-related vulnerability of agricultural ecosystems. PPIR's strategy aimed to produce more and better in tune with the environment, by adapting the agricultural ecosystems to climate change and by supporting them through technological innovation. With regard to the social projects, a large part of them included activities aimed at taking care of water and soil, with a strong agroecological component.</p> <p>34. The 2019 supervision mission noted that most of the PPIR's supported projects did not generate negative environmental impacts or degradation of natural resources, thanks to PPIR's approach of using natural resources in a more sustainable way. For example, of the productive projects developed during the last semester, 37 per cent supported the development of extensive livestock production, which was an activity with very low environmental impact. Another 26 per cent supported the horticultural activity, mostly related to organic management proposals including soil improvement practices with the contribution of matter organic and the non-use of agrochemicals.</p> <p>35. In view of these findings, the PCRV rates this domain as <i>satisfactory</i> (5), in line with the PCR rating.</p>	5
Adaptation to Climate Change	
<p>36. With regard to climate change adaptation, the project was aligned to the regulations and guidance from MGAP and Government of Uruguay, which have been developing a consistent state-level policy linked to the preservation of the environment and proper management of natural resources.²⁰ As highlighted both in the PCR and in the 2019 IFAD supervision mission, although it was not PPIR's original objective, the project's interventions sought to reduce climate change-related vulnerability of agricultural production systems. Interventions were developed mainly in the livestock sector, where 50 per cent of the proposals included improvements in water supply and distribution for livestock in order to prevent drought-related effects, as well as to improve and manage pastures and open fields. A further intervention concerned the implementation of livestock insurance for family producers by climatic index.</p> <p>37. In light of the above, the PCRV rates this criterion as <i>satisfactory</i> (5), in line with the PCR rating.</p>	5
C. Overall Project Achievement	
<p>38. Although PPIR was relevant at design, the delays in its start-up phase generated conditions that affected the initial logic of its design and did not allow for its full execution as planned. PPIR turned out to be a more complex project than expected, given: (i) the methodological changes it implied (see sections on relevance and effectiveness); (ii) the target population to be supported (with limited capacities and limited social and working capital); (iii) the lack of operational capacity to implement some of the innovations as they were conceived; (iv) the convoluted project development that was the result of various difficulties that arose along the way; and (v) the difficulties in the relationship between the actors involved. In light of this scenario, it should have been necessary for both actors (IFAD and MGAP) to</p>	4

²⁰ The National Climate Change Policy established the strategic framework and the lines of action to 2050 to guide Uruguay's efforts to face the challenges of climate variability and change, in addition to meet the international commitments assumed with the ratification of the Paris Agreement.

<p>review the entire PPIR’s design, to adapt its objectives and actions to the new external environment, and rethink the feasibility and relevance of the innovations to be validated. However, the quality of dialogue between IFAD and MGAP, and even more specifically with DGDR, was not always the best in the course of the project’s execution, although it improved in the last 15 months of execution. This was a major weakness, as having good quality and capacity for dialogue with the MGAP, and in particular with the DGDR, was one of PPIR’s main implicit assumptions, that was not always maintained throughout PPIR’s life.</p> <p>39. Overall, PPIR’s interventions have allowed the beneficiaries to achieve new collective or community capacities, some socio-productive opportunities and better access to the institutions and public policies. However, the challenges met by the project during its implementation did not allow for its full effectiveness and hindered the implementation of some of the foreseen innovations. Regarding the sustainability of the policy instruments tested by PPIR, the magnitude and scope of their use will depend to a large extent on the orientation and strategy assumed by the new MGAP authorities.</p> <p>40. Overall, considering these mixed results, the PCRV rates the PPIR’s overall performance as <i>moderately satisfactory</i> (4), a point lower than the PCR rating.</p>	
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D. Performance of Partners

IFAD

<p>41. The PCR indicated that IFAD provided adequate support to monitor and follow-up PPIR’s interventions and it was active in proposing adjustment measures to the project’s schedule based on the problems that occurred.²¹ On the other hand, the PCR pointed out that, although the recommendations of the IFAD supervision missions were correct and the measures had been followed as agreed in each supervision mission, the feasibility to maintain certain objectives, such as those related to rural finance, was not deeply investigated. As highlighted in the PCR, due to the characteristics of PPIR, it would have been better if the IFAD supervision missions had offered a view more oriented to support rather than to control.</p> <p>42. The PCR also mentioned that, from IFAD’s perspective, during the first two years of the project, the pace of implementation had been very slow due to the limited budget assigned by MGAP and the slowness in implementing the agreements. In this context, when considering PPIR’s short-term implementation period, the fact that the project was not a top priority for the Government and also taking into account that it was already a very high investment from IFAD, IFAD considered that a mid-term review would be neither effective nor efficient, so this was not carried out. This turned out to be a serious missed opportunity, as it did not allow for a reflection on the “pilot” feature of PPIR, nor on the relevance and feasibility of the application of some of its proposed innovations, thus limiting the possibility for course correction, and agreement on the extension for its closure in a more orderly way. Likewise, the PCR has highlighted that IFAD either was not aware of, or could not better capitalize on the capacity for policy dialogue with MGAP that had previously been achieved.²²</p> <p>43. During the final years of implementation, IFAD’s performance improved and, starting from the mission of July 2018, IFAD was proactive and showed flexibility in</p>	3
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²¹ IFAD conducted a total of 10 supervision and implementation support missions. Since the beginning of PPIR, the supervision missions were carried out semi-annually, with a duration of 10 days and with the participation of four technical specialists in each area of intervention and with high level of knowledge. These specialists were joined by the head of the technical team and the head of mission, the IFAD Program manager. The technical experts covered the following areas: (i) productive projects and commercialization; (ii) social projects and planning, M&E; (iii) financial management; (iv) acquisitions and contracting.

²² At the time of PPIR’s preparation and design, the relationship framework between IFAD and MGAP was very good, as a result of a successful previous jointly-conducted work experience (the Uruguay Rural Project). However, this fluid dialogue between the DGDR and IFAD was not maintained throughout the PPIR’s life, which contributed to the absence of a mid-term review that could have reorganized the project’s objectives and goals in view of a greater and broader fulfilment of innovations and truly achievable and desirable goals.

granting and supporting an extension of the project, in order to achieve the expected results. The extension ultimately allowed PPIR to complete with an 80 per cent disbursement of IFAD funds. ²³	
44. Notwithstanding improvements towards the end of the project, IFAD's performance overall is rated <i>moderately unsatisfactory</i> (3), one point below the PCR rating.	
Government	
45. During the early years of implementation, the Government of Uruguay showed some collaboration along PPIR's implementation, although in some cases it was not rapid enough in implementing the agreements. In this initial period, the project was under-executed as a result of the delayed budget-related funds and, due to the limited availability of human resources, the operational capacity of the DGDR was overrun by the need to manage different activities of the several ongoing projects. ²⁴	3
46. DGDR's performance improved in PPIR's final two years with regard to the implementation of the productive and social projects with the beneficiary population, thus achieving and even exceeding some targets.	
47. With regard to the project's financial management, beyond some operational delays concerning the late submission of the annual operational plans and audit report, the DGDR complied with the indications and agreements established by the IFAD supervision missions. The Government also provided a higher-than-expected amount of counterpart funds, which were mobilized either directly or through investments made in land by the National Colonization Institute.	
48. According to the DGDR, it was not possible to agree with IFAD on the possibility to conduct a mid-term review that would have allowed for a reassessment of interventions and strategies. This situation, together with other reasons not attributable to the DGDR, but linked to the difficulty of prioritizing the allocation of the government's financial contribution, caused delays and difficulties in implementing the PPIR.	
49. Although not mentioned in the PCR, this PCRV deems that the government should be accountable for a less than satisfactory M&E system, which did not allow for the project's achievements to be fully grasped.	
50. In light of these mixed factors, the PCRV rates this criterion as <i>moderately unsatisfactory</i> (3), one point lower than the PCR rating.	

III. Assessment of PCR quality

PCR finding	Rating
Scope	
51. While all the chapters have been included in the PCR (as per the PCR Guidelines), the number of appendices being annexed is not fully in line with the guidelines and leads to some gaps in the analysis. Notably, the following sections were missing: appendix 3 (the PCR rating matrix); appendix 8 (table of actual physical progress of the project by component); appendix 9 (Results and Impact Management System data); appendix 11 (rapid environmental assessment); appendix 12 (stakeholders' workshop findings); appendix 13 (final wrap up meeting minutes). For this reason, the rating for the PCR scope is <i>moderately unsatisfactory</i> (3).	3
Quality	
52. The analysis of the project's overall achievements has been conducted mainly on a qualitative basis, given the lack of quantitative data resulting from a less than	4

²³ At the time of the PPIR's extension, the rate of IFAD's disbursement funds stood at 32 per cent.

²⁴ Shortly before the PPIR's start, other programs involving international indebtedness came into operation and were inserted within the strategic guidelines of MGAP. Each Ministry has a limited debt capacity and use of resources that is regulated by the national government and, in turn, availabilities are administered in each Ministry according to commitments and urgencies. Due to budgetary restrictions, commitments already assumed and assignment of priorities from the Minister on duty, the PPIR suffered a postponement of its start.

satisfactory M&E system. A good effort was made to build a coherent storyline to assess the project's main results and shortcomings, although the lack of quantitative data has hampered the assessment of the project's effectiveness and impact. In addition, the PCR in some cases could have benefitted from a better systematization. The rating for the PCR quality is <i>moderately satisfactory</i> (4).	
Lessons	
53. The lessons learned have been drawn from the project's implementation and have been based on explicit evaluation findings. These lessons were found to be relevant as they discussed the main weaknesses that emerged during implementation and how these should have been addressed. The rating for PCR lessons is <i>satisfactory</i> (5).	5
Candour	
54. In its narrative, the PCR was found to be reasonably objective in its assessment of the project's main achievements and shortcomings. However, some of the final ratings were found to be too high and not fully coherent with the narrative. The rating for PCR candour is <i>moderately satisfactory</i> (4).	4
Overall rating of the project completion report	4

IV. Final remarks

Issues for IOE follow up (if any)
None

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	4	-1
Efficiency	4	4	0
Sustainability of benefits	4	4	0
Project performance^b	4.5	4	-0.5
Other performance criteria			
Gender equality and women's empowerment	6	5	-1
Innovation	4	4	0
Scaling up	4	4	0
Environment and natural resources management	5	5	0
Adaptation to climate change	5	5	0
Overall project achievement^c	5	4	-1
Performance of partners^d			
IFAD	4	3	-1
Government	4	3	-1
Average net disconnect			-6/12=-0.5

^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.	3	n.a.
Overall rating of the project completion report	n.a.	4	n.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.

Abbreviations and Acronyms

DGDR	Rural Development Directorate
MDR	Mesas Rurales de Desarrollo (Rural development roundtables)
M&E	Monitoring and evaluation
MGAP	Ministry of Livestock, Agriculture and Fisheries
PCR	Project Completion Report
PCRv	Project Completion Report Validation
PPIR	Rural Inclusion Pilot Project

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