



Investing in rural people

Turkey

Sivaz-Erzincan Development Project

Project Completion Report Digest

Turkey - Sivas-Erzincan Development Project

Item	Assessment Remarks	Ratings
Country & Project Name	Turkey - Sivas-Erzincan Development Project (SEDP)	
Loan No.:	616-TR	
Project Id.	1189	
Board Date	11 September 2003	
Entry into Force	17 January 2005	
Completion Date	31 March 2013 (original: 31 March 2012)	
Final Closing Date	30 September 2013 (original: 30 September 2012)	
Total Project Cost US\$(M)	30.04	
IFAD loan& Grant US\$(M)	13.08	
Cofinanciers (if any)	OFID: US\$9.90; Government: US\$4.39; Beneficiaries: US\$2.67	
Cooperating Institution	IFAD/IFAD	
Implementing Agency	Ministry of Food, Agriculture and Livestock (MFAL)	
Principal Components	<p>Three main components: (a) Community and Cooperative Development with sub-components: (i) Community and cooperative capacity-building. To assist all participating villages in establishing community institutions, such as village development committees (VDCs), cooperatives, irrigation cooperatives, grazing associations and specialist producer associations; (ii) Cooperative development; (iii) Community and cooperative initiatives allocation, to lead to community confidence and competence in designing and managing socio-economic development projects aimed at improving living standards. (b) Agricultural Development with sub-components: (i) Crop production and agroforestry; (ii) Livestock development. (c) Project Management Unit. The project to be implemented under the overall authority of the Ministry of Agriculture and Rural Affairs (MARA) by an autonomous project management unit (PMU) based in the administrative capital of one of the project's provinces (Sivas).</p> <p>After the project's redesign, there was a change in the framework under which the bulk of the project was implemented: a) Village improvement: i) Awareness raising, ii) Village infrastructure; b) Farming Support and Agricultural Marketing: i) Supply Chain Analysis, ii) Supply Chain Investments; c) Project Management and Support.</p>	
Project Performance		
Relevance	<p>SEDP was designed in 2001 under the overall guidance of IFAD's COSOP for Turkey prepared in 2000 under the policy parameters prevailing then. During 2008, in view of the IFAD 2006 COSOP, the Agricultural and Rural Development strategies approved by the Government of Turkey (GoT) in 2006, and the slow implementation progress, the project went through a thoroughly redesign process in terms of reshaping components, implementation arrangements and financing plans. The Project as set in the revised design was considered relevant to Turkish national agricultural and rural development priorities, and it was consistent with IFAD's 2006 COSOP and in line with the national laws and regulations on agriculture and irrigation. However, SEDP was only partly relevant to the livelihood concerns of the primary target group as project's relevance to the poorer varied by component. On one hand, SEDP investments in rural infrastructure addressed effectively the poor villagers' needs and priorities, which had been identified through a series of participatory discussions at village level; this participatory process turned out to be highly effective. On the other hand, with concern to the farming support and agriculture marketing component, it seems that SEDP support to supply chain actors was relevant to middle size entrepreneurs in the project area, whereas it was biased against the poorer householders (HHs) which did not own significant farm assets. Nevertheless, selection of apiary and dairy value chains was made based on a sector study done by the Provincial Directorate of Agriculture (PDA) in 2009. At the time it was perceived that these were the value chains with the best chances of reaching to poor people. The lack of solid and continuous M&E support for the project, also due to the lack of an M&E responsible officer, has had a detrimental effect on project ability to record and analyse data, provide adequate indicators of performance, provide a useful tool for management in decision making, and learn from experience. A benchmark study of low quality was produced in 2009 and remained unused. No systematic data collection on indicators was carried out. The Logical Framework in the redesign document identified performance indicators but did not contain any quantitative target for these indicators. Likewise, the LF did not guide discussions about AWPBs. No baseline study was undertaken at the beginning of the project.</p>	4
Effectiveness	<p>The project has been effective in achieving some of the foreseen development objectives. It has to be noted that during project implementation, the organization and management structure stipulated for the redesigned SEDP was not realized; the recruitment of contracted staff positions proved very problematic, as the incentive structure proved inadequate to attract well qualified and experienced staff to work in the remote and disadvantaged project area. When looking at the positive side, the</p>	4

Item	Assessment Remarks	
Country & Project Name	Turkey - Sivas-Erzincan Development Project (SEDP)	Ratings
	<p>project investments in village infrastructure reached a large number of inhabitants of the selected poor and isolated settlements. Small scale irrigation would benefit 8420 farmers, i.e. 1684 HHs; the investments in sewerage systems with natural treatments benefitted almost 10878 (2176 HHs), those of road upgrading benefited about 440 HHS, and other infrastructure covered 2000 HHS. Thanks to the irrigation investments, as a result of the conversion of the existing system to the closed pressure irrigation system, the evaporation's and the leakage losses are diminished significantly. As a result, irrigation efficiency has improved, water availability increased, leading to higher yields. With the conversion of on-farm irrigation to drip system, substantial benefits are likely to be accrued to farmers in terms of reduction in the irrigation costs, water savings allowing addition to the irrigated land, and shift to high value crops. In some cases, these have already been reflected in higher farm and HHs' income for some farmers and are likely to materialize at a wider scale in the project area. On the less positive side, the choice of the main supply chain supported by the project (dairy value chain), the technical package provided, eligibility criteria set by SEDP for recipient of its partial grant support and the choice of institutions within the supply chain to work with Cattle Breeder Associations (CBAs), meant that poorer producers have not benefitted as expected, as the bulk of the project support went to middle size milk producing HHs or enterprises. Trickle down of benefits to the primary target group (the poorer) through employment and/or income generation as expected at design was not evident. Local employment generation has been very modest and no visible effect on migration was noted, as few employment opportunities were created through the development of milk collection networks in both Sivas and Erzincan and in the dry bean processing facility in Erzincan. Another issues was the sequencing, as well as the little systematic synchronization of interventions between the two components at geographic or activities level.</p>	
Efficiency	<p>SEDP's effectiveness lag stood at 16.5 months. The project was extended by one year till September 2013. At completion, IFAD's disbursement stood at 99% and OFID was 100%. Due to a poor M&E system, insufficient data and information are available to allow a comprehensive assessment of project efficiency globally. With regard to the village infrastructure component, it seems that investments in the sewerage system have been efficient for the small mountain/forest villages with relatively poor resource endowment. The selected water treatment system has a very low energy consumption and does not require any special qualification for the maintenance. The investment in off-farm piped networks for irrigation is also supposed to contribute to a better efficiency, as the project has helped convert inefficient and costly existing irrigation techniques using flood irrigation and pumping underground water into a modernized system. The Project-initiated improvement in irrigation system has improved water availability and increased water use efficiency from an average of 40-50% before the project to an average of 80% after the project. Another indication of efficiency is that the costs per ha is comparable with similar irrigation network elsewhere in the Near East region. With concern to the farming support and agricultural marketing, all assistance for the dairy value chain supported by the project has been delivered timely and at acceptable cost to beneficiaries. It must be highlighted that SEDP support to the dairy value chain was by far the largest among the three selected value chains, absorbing about 85% of component costs. Moreover, the approach followed by the dairy SIP focused exclusively on dairy farmers (milk production) and milk collectors, carriers and haulers (delivery of raw milk) who constitute the first two essential links in the value chain. Therefore, the SEDP was directed to a partially integrated value chain without the downstream links of wholesalers and consumers. The training implemented by the PMU exceeded in scope and cost the design provision, as it went from an allocated USD 616 600 to just over USD 1.0 million and included farmer training in modern irrigation technologies. The number of trainees exceeded 15 000.</p>	5
Project Performance		4
Partner Performance		
IFAD	<p>Since 2007, IFAD has been in charge of project's direct supervision. Overall, IFAD performed its role satisfactorily as the main financier responsible for supervision and loan administration. Throughout implementation, IFAD systematically responded promptly to PMU's requests including approval and fund releases. It also provided adequate and timely advisory services. It approved one year extension and implementation support missions when needed. On the less positive side, IFAD has been responsible for the initial design which was proved non-implementable for the first 6 years. The two major project design features IFAD is responsible of are: i) implications of the value chain approach to rural poverty outreach and targeting; ii) inadequate staffing levels proposed (no provision for full time M&E officer and engineers). A project's redesign was done in the light of the realities of the Turkish rural development policies, and has been appreciated by the Turkish counterparts. However, the above issues could not be resolved during implementation despite the acknowledgement of supervision missions of their potential adverse implications on project performance. Although IFAD direct supervision has been very regular and a mission was mounted every year, some highly needed expertise in the socio-economic domains, e.g. targeting and gender specialists were never</p>	4

Item	Assessment Remarks	
Country & Project Name	Turkey - Sivas-Erzincan Development Project (SEDP)	Ratings
	included. Supervision did not raise any issues regarding SEDP grant beneficiary selection criteria which excluded poorer HHs that are supposed to be the primary target group. Nor did IFAD supervision mission recommend the hiring of such expertise as short term technical assistance to ensure the poverty focus of the interventions. Finally, IFAD did not deal more forcefully with the issue of contract staff recruitment, especially the marketing and enterprise development specialists, who were crucial to the success of the value chain approach, and the M&E officer.	
Cooperating Institution	UNOPS was in charge of project's supervision until April 2007. No information is available in the PCR to assess UNOPS performance.	n.a
Government	The GOT demonstrated a strong ownership of the project's goal and objectives and has met all its financial obligations. In the early stages of project implementation, MARA (Ministry of Agriculture and Rural Affairs) at the central level did not adhere closely to the structure for project organization and management, and it did not fulfil its obligation to install a management information system. Moreover, supervision missions reported some delays in the submission of agreed amendments to the IFAD and OFID loan agreements after the project redesign. MARA became MFAL (Ministry of Food, Agriculture and Livestock) in June 2011 and the reorganisation and personnel changes resulted in an adequate provision of timely and very relevant support and guidance to project implementation. The MFAL, in its role of implementing agency, had the overall responsibility of the SEDP finances. The compliance with the loan covenants is deemed as satisfactory. The main issues were related to the adequacy of staffing at regional level, as project staffing remained a critical issue until project completion. Despite prompting from both IFAD supervision missions and UNDP, MFAL did not see a need to improve contract staff's salaries to levels that were competitive with the private sector and sufficient to attract high calibre staff to work in the remote and disadvantaged project area provinces. The absence for long periods of time of contract staff in supply chain management, marketing and engineering and M&E detracted from the efficiency of the project and reduced the overall benefit level that could have otherwise been realised. The provincial Directorate of Agriculture (PDA) at the provisional level played an important and critical role in project implementation. PDAs cooperated very well with the project, provided information and advice to project staff and facilitated their access to provincial authorities and their interaction with project beneficiaries.	4
NGO/Other	UNDP acted as the implementer of the project funds and as an implementation partner of MFAL in the domain of financial management and procurement, human resource management and services in respect of contract staff and technical assistance. It also financed part of the project technical assistance and training for a total of USD 0.2 million, which was almost fully disbursed. SEDP was the first IFAD investment in the country administered by UNDP. The provision of technical expertise by UNDP in the field of procurement, financial management and civil engineering was crucial for the successful implementation of the project. A clear detected deficiency in the accounting system is that it gives expenditure by loan category but not by project component. MFAL has also expressed concern regarding the timely discharge of UNDP functions and in particular on procurement which happened to be quite lengthy (between three months up to one year). Furthermore, problems were experienced in the recruitment of contract staff, especially engineers and financial management professionals highly demanded by Turkey's booming private sector firms for posting to the project area. There has been also a lack of clarity as to the allegiance and accountability of contract staff that is hired by UNDP but was working for a Government project.	4
Cofinancier(s)	OFID as a co-financier has delegated to IFAD the responsibility for its loan administration and supervision and proved an excellent and understanding partner throughout. It responded promptly to IFAD and GOT requests.	5
Combined Partner Performance	<i>Overall, it seems that it would have been desirable to have a better communication and collaboration between UNDP and MFAL.</i>	
Rural Poverty Impact		
Household Income and Net Assets	Due to the project poor M&E system, very little quantitative data are available to assess project's impact on this domain. Based on the PCR, it seems that SEDP contributed to the creation of physical assets for the rural poor individually and at village level in the project area. The constructed assets have impacted on the lives of the rural poor and are likely to contribute significantly in achieving project overall goal. With concern to the investments on irrigation, for those farmers who installed on-farm irrigation infrastructure following the finalization of schemes construction, the benefits in terms of yield and income have been substantial. The irrigated land value, generally, is three to four times than the non-irrigated land. According to the PCR, the project has had a positive impact on improving rural HHs' access to financial resources for investment in starting or expanding their agricultural business. The availability of agricultural financing has improved for the project's secondary target group, both as a direct result of the project's grant programme, but also because the project is making the beneficiaries aware of all other financing possibilities including GOT grant programme, GOT interest free credit for acquisition of improved pure breed cows, WU-IPARD grant	4

Item	Assessment Remarks	
Country & Project Name	Turkey - Sivas-Erzincan Development Project (SEDP)	Ratings
	programme and interest free loans from the Agriculture Bank. Those farmers which participated to the dairy value chain in Erzincan and Sivas have achieved positive gains; farmers have benefitted from improved and stable terms of payment and increased farm-gate prices, as well as improved yields and produce quality, and increased their income. However, SEDP interventions have benefited mainly medium size enterprises, whereas limited evidence was found of indirect benefit through employment and income generation to the benefit of the poorer HHs. SEDP interventions have catered for some of the needs of poorer farmers, as SEDP's support to CBAs has led to increase in non-members' sales of milk to the collection centers and increased their access to AIs. However, overall the direct benefits to the poorer farmers have been limited in scope compared to their needs and their prevalence in the project area. As far as the SEDP support to bee-keeping, it seems that project's support packages which included honey and by product processing equipment was attractive enough to result in a significant leakage of support to less poor HHs.	
Food Security	Although the contribution to a higher agriculture productivity could lead to a better food security, no analysis is made in the PCR which allows to provide a definite assessment of project's impact on this domain.	n.a
Ag. Productivity	Through provision of training to farmers, and dissemination of modern technologies, increased quantities and quality of produce were achieved (this was the case of farmers beneficiaries in milk production, honey value chain). Project's investments through the Village Infrastructure component are highly likely to have a positive impact on agriculture productivity. Project small scale irrigation interventions allowed the available irrigation water to cover an additional 1447 ha raising the total irrigation command area to 2871 hectares. Available studies and direct interviews with farmers using on-farm improved irrigation technology attested to a significant improvement in crop yields depending on location. The evaluation and impact studies provide ample evidence that yields under irrigation for the major crops, i.e. wheat, sugar beet, tomato, fruit trees can increase significantly under irrigation affecting positively farm income. The project led investments also contributed to reduce production costs for most crops as improved irrigation systems reduce both water delivery costs and labour requirement. However, the benefits for farmers are contingent upon: i) farmers completing the system improvement from the communal hydrant where the project stopped and into their own farm; and ii) the efficient operation and management of the irrigation system by the irrigation cooperative/water user associations entrusted with this task. The villagers reported their satisfaction with the upgrading of access roads that make their life safe and easier as well as enable them to perform better farming.	5
Agricultural Productivity and Food Security		5
Natural Resources and Environment	The project constructed sewerage networks has resulted in positive impact on the environmental conditions in the village. The most visible change was the disappearance of the mud which is always a nuisance in rainy weather. Following the completion of the project, almost all of the houses were refurbished with hygienic toilettes and bathrooms. Improved sanitary conditions have had a noticeable impact on women's conditions. Work burden on women has been reduced as a result of a greater number of washing and dish washers in the houses. Previously, women were dumping the HH's wastewater into the immediate environment, causing health problems to poultry, inflicting damages on fruit bearing trees and triggering disputes with the neighbours.	4
Human, Social Capital and Empowerment	SEDP investments through the Village Infrastructure Component, including the rehabilitation of the existing drinking water system, have had a significant positive impact on living conditions in the poor villages. The sewerage systems installed in 30 villages have significantly improved health and sanitation (particularly for women and children) and village living conditions. Around 15000 farmers also became exposed to modern technical practices in modern irrigation and in agricultural production and marketing practices, through the provision of training activities in a number of agriculture and irrigation related skills and competencies (including crop and horticulture production, feed and fodder production, dairy farming skills, apiculture as well as modern irrigation technologies). Demonstrations of technologies on horticulture were linked with farmer visits to demonstration sites. Communities have also been empowered through the village planning process to determine and prioritise their needs and through training in O&M of sewerage system.	5
Inst. & Policies	Several farmer organizations (Associations and Cooperatives) were supported by SEDP. The support included material support with partial grants for equipment and transport vehicles for milk collection to Cattle Breeding Associations (CBAs) and to the dry beans processing facility as well as technical assistance and training to the Sivas Bee-Keepers Association and the seven irrigation cooperatives/ water users associations. However, it seems that the CBAs (which are institutions intended to serve the whole farming community but are inclined to focus on the more commercial minded middle and higher level producers) received stronger support from SEDP compared to the Cooperatives (which are truly institutions of the poor). However, it is not possible to attribute the CBAs expansion only to	4

Item	Assessment Remarks	
Country & Project Name	Turkey - Sivas-Erzincan Development Project (SEDP)	Ratings
	the project, as the CBAs have received large amounts of external support from donors during the project implementation period as well as from the GOT.	
Markets	Project support to the four Strategic Investment Plans (SIPs) in 3 different value chains has resulted in improved farmers' (and their cooperatives and associations') access to markets. Roads and associated village infrastructure have also improved access to pastures, agricultural lands and markets. In general, marketing of commodities supported by SEDP vary from direct sales to family and neighbours (as in the case of bee-keeping) to more coordinated activities that include collection, cooling, transportation and sales through associations (in the case of dairy). Involvement in primary level processing (value-addition) is not frequent within the associations and has not been supported by the project. No collective marketing efforts are evident in the dry bean or in the beekeeping chains. Marketing activities concerning the dry beans still seem to be varied in nature, with some producers selling the unsorted and ungraded produce to traders, and others selling the sorted, graded and packaged produce to middlemen. (Additional CPM comment: The significant increases in the values of sold milk and milk prices should be noted as a success.)	4
Project Impact		4
Overarching Factors		
Innovation	Improvement of irrigation systems through implementation of drip irrigation to rationalize the use of water and fertilizers represent an innovative approach in the context of Sivas and Erzincan to reduce production costs and maximize farmers' income. Another important innovation is the introduction of natural treatment of waste water plant using constructed wetland system. Besides, its maintenance does not require special qualification. The adoption of the supply chain management approach is an important innovation introduced by SEDP, and implemented in the Turkish rural and agricultural development sector and environment.	5
Replicability and Scaling-up	SEDP has provided a successful low-cost irrigation with high potential for replication and scaling-up. The adoption of the drip irrigation technology can be replicated by farmers in other regions with similar possibilities of using a water intake located at a sufficient altitude with respect to the fields to be irrigated. The introduction of natural treatment plant is a low cost appropriate technology which has a potential to be replicated in the project area and elsewhere. This system can be easily replicated to cover the needs for sewerage networks in other villages of Turkey. The adoption of the supply chain management approach has the potential to be replicated in other geographic areas of Turkey and within other sub-sectors, while observing IFAD's required focus on the poorer inhabitants.	5
Innovation, Replicability and Scaling-up		5
Sustainability and Ownership	With concern to the sustainability of village sewerage, it seems that the prospects for sustainability are reasonably satisfactory. By October 2013, the project has handed over sewerage systems and other village level infrastructure to the special Provincial Administration of Sivas and Erzincan (SPA) who will be responsible together with village Muhtar and the villagers' contribution for O&M. By that time, the project has also started the process of handing over the irrigation infrastructure to the Water Users Associations/farmers Cooperatives as per the existing by-laws and legal frameworks prevailing in Turkey. In order to take full advantage of irrigation rehabilitation, there is a need to provide additional support to the farmers through some accompanying measures aimed at making good value of the investment made in modernizing irrigation schemes and ensuring generalization of their benefits. The sound technical practices and the good produce collection and marketing arrangements introduced by SEDP are expected to contribute positively to the long term sustainability of the supply chain. However, given the high dependency of the supply chain on a host of grants and subsidies, concerns have been raised on whether, without these grants and subsidies, dairy production would be financially sustainable. The MFAL has started to implement an exit strategy and a set of follow-up activities to secure sustained impact and enhance wider uptake of the technologies introduced by the Project, and intends to allocate sufficient budgetary and staffing resources for this purpose. An important element of the exit strategy is also the support to existing cooperatives and associations to strengthen the implementation of a fee based systems to sustainably cover the O&M costs in the irrigation schemes.	4
Targeting	As per its design, the project was implemented in two provinces (Erzincan and Anatolia), which are among Turkey's poorest. The project aimed at giving priority to the poorest counties/villages of the two project provinces. The target group comprised the poorest people in the project area, whose livelihood system is based on the exploitation of local natural resources; but also it included support to new or established rural businesses identified as sustainably profitable on the basis of supply chain analysis of the project area commodities/subsectors with a comparative advantage. Within the implementation of the Village Infrastructure Component, the project implemented successfully very clear and relevant targeting strategy and participatory approach which benefitted the poor. Prioritization of the districts/villages for project support was based on State Planning Organization's	4

Item	Assessment Remarks	
Country & Project Name	Turkey - Sivas-Erzincan Development Project (SEDP)	Ratings
	(SPO) national poverty ranking of districts and the Agriculture Master Plans for Sivas and Erzincan. With regard to the farming support and agriculture marketing component, the project did not formulate any targeting strategy under this component, only eligibility criteria for grants users were established which overall did not favour the poorer rural groups. These eligibility criteria included that selected farmers: i) should possess minimum 5 cows with mixed-breed; ii) own or rent minimum 110 Decares (11 ha) of land; iii) own or rent plot with size of 600 m2 for construction of new barn. These requirements, although consistent with GOT support in preparation for EU accession, have deterred the relatively poorer HHs from applying a grant due to lack of access to such capital. (Additional note from CPM: It could be useful to underline that a minimum of five cows is a government/EU (accession) requirement for GAP registration, and for receiving advisory support by government advisory service. The reason is that less than 5 cows, in the competitive Turkish dairy sector, are not sustainable.)	
Gender	Although there was no specific attempt to target women during project implementation, women have somehow benefitted from various project interventions. The professional staff of the project did not include women and none of the seconded village development coordinators were women, as stipulated at appraisal. Women did participate in training activities and few received value chain investment grants, but their number was below the 50% share stipulated at appraisal. However, social infrastructure at village level (e.g. sewerage systems, bakeries and drinking water) and sanitation interventions have directly benefitted women and children health and have led to a significantly decreased workload, availing them of opportunities to socialize and cooperate. SEDP dairy chain investments by modernising dairy production have also lessened the work burden as they are usually entrusted with milking. On the other hand, there was no evidence that the SIPs have undertaken a thorough gender analysis nor did project activities under this component specifically target women producers.	4
Overall Performance		4
Estimated number of beneficiaries		
PCR Quality		
Scope	The PCR is mostly in line with the 2006 Guidelines for PCR preparation. However, some of the requested annexes were missing.	4
Quality	As stated in the same PCR, the absence of a good M&E system has severely hindered the analysis of project's results. No systematic data collection on indicators was carried out and consequently no analysis and reporting of results and outcomes could be made, without an effective M&E system in place. This has affected the ability to provide more rigorous indication on project effectiveness, efficiency, performance and impact. Nevertheless, it must be recognized that - despite this lack of data - an effort was made to provide a comprehensive analysis of the project's main results and shortcomings. The PCR was built on four evaluation studies commissioned by the Project's as well as an impact assessment study.	5
Lessons	The lessons learned are in line with the overall project's analysis and their focus is on the most critical aspects of SEDP.	5
Candour	The project's assessment has been conducted objectively, with a fair perspective on both the successful and less successful achievements.	6