Independent Office of Evaluation

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Belize

Rural Finance Programme

PROJECT PERFORMANCE EVALUATION

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Project Performance Evaluation

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Photos of activities supported by Belize Rural Finance Programme

Front cover: Front: Members of the Toledo Teachers Credit Union in Punta Gorda, Belize, participating in a focus group discussion during the evaluation mission.

Back cover: Founders and members of the St. John's Credit Union, Dangriga, Belize (right); Clients of La Inmaculada Credit Union accessing financial services in Orange Walk, Belize (left).

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Preface

This report presents the findings of the project performance evaluation of the Belize Rural Finance Programme, conducted by the Independent Evaluation Office of IFAD (IOE) in collaboration with the Evaluation Office (ODE) of the Central American Bank for Economic Integration (CABEI), which cofinanced the programme.

The programme's support to the credit union movement in Belize – to boost access to financial services for poor rural farmers and microentrepreneurs – was both timely and contextually relevant. It focused on capacity-building at micro level (through credit unions) and meso level (through the Belize Credit Union League), providing appropriate technical assistance and introducing an innovative member share account incentive scheme to attract new rural members to the credit unions.

The rural poor who joined credit unions as a result of the programme enjoyed modest improvements in incomes, assets, quality of life, on- and off-farm economic activities, education and health. It is unlikely, however, that access to credit union financing significantly improved agricultural productivity or rural enterprise performance in the absence of complementary agricultural extension and enterprise development services.

The programme's design reflected good practices in inclusive financial sector development but lacked a solid analysis of rural financial markets and credit union demand, leading to some less relevant design features. The programme also suffered from poor management in its initial years, delaying key activities and some necessary changes to project design. Improved management and appropriate adjustments to project design after midterm helped to turn the programme around and, in the end, it succeeded in improving the performance of six credit unions and their apex organization, enabling them to expand their services to the programme's target beneficiaries.

However, the credit unions had insufficient time and lacked market intelligence to develop more appropriate products for the rural poor. As a result, the business case for serving the rural poor remains to be made for most credit unions, and only two out of six are committed to continue developing the rural market. Nonetheless, convinced of the value of further developing the rural financial sector, the Government intends, along with IFAD, the Inter-American Development Bank, CABEI and others, to continue supporting credit union activities in rural areas.

This project performance evaluation was managed by Michael Carbon, Senior Evaluation Officer, IOE, and conducted by Marc de Sousa-Shields, senior evaluation consultant, with substantive contributions from Shirley Orellana García, Research Analyst, ODE (CABEI), Jorge Carballo Gutierrez, Research Analyst, IOE, and Sergio Garcia, consultant. Pilar Zuniga Flores, Administrative Associate, IOE, and Manuela Gallitto, Evaluation Assistant, IOE, provided administrative support.

IOE is grateful to IFAD's Latin America and the Caribbean Division, the Government of Belize, the Evaluation Office of CABEI, as well as in-country stakeholders and partners for their collaboration and useful contributions at various stages of the evaluation process. I hope that the results of this evaluation will be of use to help improve IFAD operations and to guide the Government's continuing support to financial services for the rural poor in Belize.

Oscar A. Garcia
Director
Independent Office of Evaluation of IFAD

The house of a beneficiary family who were supported by the Belize Rural Finance Programme through accessing credit and saving services offered by the St. Martin's Credit Union. Community of San Antonio, Cayo District, Belize.

@IFAD/Jorge Carballo

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Currency equivalent, weights and measures

Currency equivalent

Currency unit = Belize dollar (BZD)
1 US$ = 2 BZD (fixed rate since 1978)
Fiscal year = 1 April – 31 March

Weights and measures

1 kilogram (kg) = 2.204 pounds
1 metric tonne (t) = 1,000 kg
1 kilometre (km) = 0.62 miles
1 metre (m) = 1.09 yards
1 square metre = 10.76 square feet
1 acre (ac) = 0.405 hectares (ha)
1 ha = 2.47 ac

Abbreviations and acronyms

BCUL	Belize Credit Union League
BRDP	Belize Rural Development Project
BRFP	Belize Rural Finance Programme
CABEI	Central American Bank for Economic Integration
CARD	Community Initiated Agriculture and Resource Management Project
CBB	Central Bank of Belize
DFC	Development Finance Corporation
EU	European Union
IADB	Inter-American Development Bank
ILCU	Irish League of Credit Unions
IOE	Independent Office of Evaluation of IFAD
ISSA	Inclusive Savings with Shared Agents programme
M&E	monitoring and evaluation
MoED	Ministry of Economic Development
MTR	midterm review
ODE	Evaluation Office of CABEI
PAR	portfolio at risk
PCR	project completion report
PMU	programme management unit
POC	Programme Oversight Committee
PPE	project performance evaluation
RCF	Rural Credit Fund
RIMS	Results and Impact Management System
TTCU	Toledo Teachers' Credit Union

A beneficiary family who accessed capacity building and credit through the Belize Rural Finance Programme. The credit funds were principally used to increase agricultural production and for house improvements.

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Map of the project area

Belize

Rural Finance Programme

Project performance evaluation

The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

IFAD *Map compiled by IFAD* | 07-03-2018

Executive summary

Background

1. The Independent Office of Evaluation of the International Fund for Agricultural Development (IOE) undertook a project performance evaluation (PPE) of the Belize Rural Finance Programme (BRFP) in Belize. The BRFP was cofinanced by the Central American Bank for Economic Integration (CABEI), and the PPE was conducted in close collaboration with the Evaluation Office (ODE) of CABEI. The main objectives of the evaluation were to assess the results of the project and generate findings and recommendations for the design and implementation of ongoing and future operations in Belize or interventions with similar objectives in comparable countries.

2. The PPE assessed and provided independent ratings on project performance according to the standard evaluation criteria defined in the IOE Evaluation Manual. Given the time and resources available, the PPE was not expected to examine in detail the full spectrum of project activities, achievements and drawbacks. Rather, it focused on selected key issues with consideration to contextual, project design and/or implementation strengths and weaknesses that had a critical bearing on project achievements; and issues of importance that cut across the thematic area of inclusive rural finance.

3. The evaluation team undertook a desk review of available programme documents and a telephone survey of a sample of 408 credit union members (52 per cent women, 32 per cent youth). The team conducted a mission in Belize from 23 July to 3 August 2018. Data collection methods in the field included key informant interviews with various stakeholders (government officials, IFAD staff, former programme personnel, implementing partners and beneficiaries), as well as direct observation. The team also discussed programme outputs and outcomes with a range of credit union executives and staff, as well as credit union members, in structured focus groups.

The programme

4. The **development goal** of the programme was to contribute to the reduction of poverty and extreme poverty levels of the rural population of Belize – men, women and youth – by increasing the incomes and assets of smallholder farmers and the rural population through improved rural financial services. The **purpose** of the programme was to expand and enhance inclusive and sustainable rural financial services to underserved smallholder farmers and the rural population in Belize. The programme had five immediate objectives: (i) improve governance, management and operational capabilities of credit unions; (ii) strengthen the Belize Credit Union League (the BCUL) in order to expand its capabilities for developing, coordinating and training the credit union movement; (iii) provide rural financial services and, in particular, credit facilities for agricultural production and rural non-agricultural entrepreneurial activities; (iv) foster the capitalization of both credit unions and clients through the affiliation of the rural poor to the credit union movement and the mobilization of savings; and (v) establish a knowledge management system for information exchange and monitoring and evaluation (M&E) information.

5. The underlying theory of change of the BRFP was that the programme would improve access by smallholder farmers and the rural poor population in Belize to inclusive and sustainable financial services. Improved access would lead to increased use of financial services, credit in particular, by the poor to develop their agricultural activities and non-agricultural income-generating activities such as agro-processing, small commerce, rural ecotourism, and small workshops. This, in turn, would contribute to increased incomes and thus to reducing poverty in rural areas.

6. The programme coverage was nationwide, with field-level interventions based on the location of six participating credit unions. The programme had five outputs spread over four components. **Component 1 - institutional capacity-building** included output 1 - strengthened governance and managerial and operational and financial capabilities of credit unions, and output 2 – a strengthened the BCUL in its capabilities for developing, coordinating and providing leadership to the credit union movement. **Component 2 - rural credit fund** was to deliver output 3 – rural financial services (particularly credit facilities) provided for agricultural, non-agricultural, entrepreneurial and other selected activities. **Component 3 – share and savings incentives** included output 4 – incentives provided for affiliation of rural poor to the credit union movement and mobilization of savings promoted; and **component 4 – programme management** was to deliver output 5 - knowledge management system established for information exchange and M&E information.

Main findings

7. **Relevance.** The programme objective and main design were broadly relevant to, and aligned with, key Government of Belize policies, the IFAD Country Strategy Framework for Belize (2005) and several ongoing development programmes in rural development generally and rural finance specifically. Design built upon the IFAD-supported Community Initiated Agriculture and Resource Management Project (CARD), which helped to create the Toledo Teachers' Credit Union and was consistent with good practice in inclusive rural finance as outlined in the IFAD Rural Finance Policy. The programme would have benefited from a more exhaustive assessment of the nature of rural finance supply and demand. Demand for credit was underestimated as a priority service despite the programme's good-practice initiative to incentivize savings. Similarly, the credit unions' need for funding was *over*estimated due to an *under*estimation at design of their institutional liquidity (it was *more* than expected). As a result, both the Rural Credit Fund (RCF) and the savings incentives were abandoned for lack of beneficiary and credit union interest. Project design also made the important assumption that enterprise development and agricultural extension services would be provided externally to the project, ensuring that loans would finance profitable enterprises and/or productive agriculture. No mitigation measures were foreseen in case these services were not provided, which turned out to be the case. Finally, design overestimated credit union capacity to finance and manage a formal financial literacy training programme. This was replaced by informal financial literacy training provided by credit union field officers to new members. These design shortcomings notwithstanding, the share savings account (or share account) incentives, effective technical assistance after midterm, and adaptive management contributed to moderately satisfactory project relevance.

8. **Effectiveness.** While overall outreach targets for new members, loans and savings were not met due primarily to poor management in the first half of the programme, credit union performance experienced a notably positive improvement across several key indicators attributable to technical assistance/capacity-building provided under component 1 of the programme. Unfortunately, Hurricane Earl and deteriorating rural economic conditions from 2016 onwards eroded some of these gains towards the end of the programme. Due to improved governance and management, however, credit unions were more stable than before BRFP interventions, and notably more market-oriented. While no new products were introduced by credit unions or promoted by the BCUL as per design, existing products were adapted for rural markets. The BCUL was strengthened through the development of a strategic plan, improving M&E and compliance functions, and envisioning more member-paid services such as its internal credit union audit function. Member credit unions, the Government, and the CBB all recognize the BCUL's key second-tier role and its strengthened leadership due to BRFP interventions.

9. The RCF was not as effective as expected because most credit unions had enough on-lending capital. A substantial portion of the funding dedicated to the RCF was thus reallocated to component 1 for institutional capacity-building. A few credit unions did require lending capital and were able to employ RCF funds, particularly Evangel, which was able to grow its membership base threefold using the RCF funding and the BRFP share incentive programme (component 3), with most lending being employed in agricultural production. Moreover, the credit unions improved nine key performance indicators from below to above good-practice standards during the programme, demonstrating the validity of BRFP's theory of change. The 1:1 (US$40) matching grant for new member share accounts was effective to attract new members to credit unions, whereas a similar matching grant offer for new member savings accounts was not successful. New members did save, but primarily for meeting loan savings ratio requirements. A credit-based incentive (e.g. larger savings matching to leverage larger loans) followed by a savings incentive once a member's productive activities were providing stable income may have been more appropriate and effective.

10. Finally, the informal financial literacy training provided by field officers on a one-to-one or small-group basis proved reasonably successful. With some standardization it may offer a future model for financial literacy training and relationship-building between credit union representatives and their rural client base.

11. **Efficiency.** Project implementation performance varied over the life of the project. BRFP's pre-implementation processes were managed efficiently, resulting in an effectiveness lag below the country and regional averages. During the first three years of implementation, the project suffered from managerial deficiencies which constrained physical and financial performance. The programme oversight committee's decision around midterm to change the programme manager brought stability and efficiency to the programme management unit (PMU). This resulted in a higher disbursement rate over the final four years, allowing for a final IFAD loan disbursement of 92 per cent. PMU costs also dropped slightly below design estimates. In early project years, the cost per beneficiary was higher than design expectations, but the PMU achieved a 20 per cent saving per member after midterm (US$565, down from US$717).

12. **Rural poverty impact.** *Household assets and income* remained largely the same in the programme districts as measured by three Results and Impact Management System (RIMS) surveys. Consistent with the project completion report, the PPE beneficiary survey showed lower levels of enterprise borrowing, which limited income gains. Credit was largely invested in improved housing and education, which will contribute to long-term asset growth (e.g. increased home value, health, social capital). *Human and social capital* impacts were difficult to measure. New credit union members were empowered through engaging with credit unions, informal financial literacy training, and enterprise development. Given low levels of lending for agricultural purposes and very limited availability of (externally provided) agricultural extension services, *agricultural productivity* gains were likely modest. The RIMS surveys indicate no notable changes to food security in programme districts. From an *institutional and policy* perspective, credit union, the BCUL, the Central Bank of Belize (CBB) and government participation has led to greater confidence in the credit union movement and its leadership. And while not all participating credit unions will continue to proactively serve the rural markets, the BRFP demonstrated that rural markets can be profitable and that continued attention to policy and institutional development is warranted.

13. **Sustainability of benefits.** Beneficiaries directly benefited from access to financial services, which the PPE confirms has led to improved income, assets, and household and economic security. The extent to which access to financial services to poor rural households is sustainable depends on several factors but is moderately positive. While some credit unions will not proactively develop rural

markets, at least two of the six will. Others may continue developing services, but much depends on the outcomes of the agency banking programme funded by the Inter-American Development Bank (IADB), which is expected to reduce transaction costs of financial services in rural areas.

14. **Gender equality and women's empowerment.** The programme developed a good-practice-based gender strategy to guide proactive inclusion and empowerment of women and youth in all aspects of the programme. All gender targets related to new members, savings, loans and training were met on percentage basis of achievements (not on programme overall targets). Evidence available to the PPE through interviews and the member survey indicates that women and households headed by women saw improved economic stability, household health, and income. Gender issues were successfully integrated into the programme's core activities, including communications and training materials, and credit union and the BCUL policies, strategic plans, and operations (gender equity policy). All credit unions adopted the programme's Gender Manual and three credit unions have adopted a sexual harassment policy developed with the BRFP; the three others are in the process of approving one. In 2015, the BRFP won an IFAD Gender Award. While very few activities focused specifically on youth, evidence suggests that the programme has delivered lasting value to young adult participants.

15. **Innovation.** The BRFP was not especially innovative for an inclusive rural finance programme. However, it was innovative in the Belize context, particularly its focus on rural financial markets. The share account incentive was a new method to attract new credit union members. The private-public partnership model for finance was also innovative for Belize, as was the strong market-oriented focus for the Belize credit union movement. The mobile field officer business model developed by credit unions was an innovation for the country, although not for inclusive finance. No new products were developed as expected by design, although several credit unions adapted existing products (e.g. lower collateral requirements) to better suit rural member needs.

16. **Scaling up.** The BRFP was itself a scaling-up of the IFAD CARD project in Toledo District. Further development and scaling up of the mobile field officer model could be possible if linked to emerging agency and electronic banking opportunities. The public-private partnership model employed by the programme will be scaled up by the new IFAD Be-Resilient value chain programme, which also offers opportunities for linking smallholder farmers to credit unions for financing needs.

17. There were no direct environmental, natural resources management, and adaptation to climate change interventions, and related impacts due to the BRFP were minimal.

Conclusions

18. **Poor management in the early years constrained the programme's effectiveness and sustainability**, including, most critically, the credit unions' future commitment to rural markets. However, the PPE concludes that once initial challenges were overcome, **the programme's implementation structure after mid-term was demonstrably more efficient and effective, and made up a substantial portion of lost time and ground.**

19. Despite this poor initial performance and some supply-side-driven design elements that were either redundant (RFC, formal financial literacy training, savings incentives) or less effective than planned (slightly adapted vs. new financial products, overly strong focus on savings), **the programme's basic theory of change proved to be valid.** This was the case with Evangel, which availed itself of all major design elements. The willingness of the Government, IFAD and CABEI to reallocate funding from the under-used RCF to institutional capacity-building was an example of **good adaptive management and appropriate flexibility**. So too

was the decision to switch to informal financial literacy training, which proved acceptably successful.

20. **The business case for serving the rural poor remains to be made with most credit unions, but they were able to serve BRFP's target beneficiaries, underscoring their "brand" as the "poor person's bank".** Without a sound understanding of the financial value of each poor household to long-term profitability, however, four of the six credit unions are reluctant to continue to proactively develop the rural market. Nonetheless, with improved overall institutional performance, several credit unions and the BCUL will continue to develop rural markets. Furthermore, the Government continues to see value in developing the rural financial sector, and intends, along with IFAD, IADB, CABEI and others, to continue supporting credit union activities in rural areas.

21. **While BRFP project design reflected good practice in inclusive financial sector development, a lack of solid market data and credit union management diagnosis negatively affected programme performance**. The BRFP's intention to engage the Belize credit union movement was both timely and contextually relevant. It was market-driven, focused on the capacity-building needs of the micro (credit union) and meso levels (the BCUL), providing appropriate technical assistance and an innovative member share account incentive.

22. **Programme partners proved initially unable to overcome poor programme management, delays to key planning inputs, and challenging inter-programme stakeholder communications, affecting overall programme performance**. The programme partners are credited with stronger performance in the second half of the programme, particularly the high-quality international technical assistance procured by the new programme manager. However, the cost to programme outcomes for failing to act on poor programme management more quickly was substantial. Most critically, if credit unions had had more time to develop markets with the support of quality technical support, they may have achieved greater rural market deepening, leading to a more broadly available and sustainable financial service. With less time to develop, some credit union rural market services will/may not be continued post-programme.

23. **Programme interventions encouraged market-driven credit union approaches to inclusive rural financial service provision.** While the credit unions and the BCUL responded well to technical assistance, capacity building and market outreach support, they were unable to meet financial literacy training and new product design expectations. The programme's flexibility towards credit union strategies was notable, with both positive and negative effects. In the case of market outreach, credit union market-driven business models contributed to good outreach performance. At the same time, the programme may have benefited from less flexibility in product design. Had early programme management been more effective, credit unions would have had more time and better market intelligence to meet market growth and product design targets.

24. **The programme's impact on rural poverty was moderate.** The PPE survey and stakeholder interviews suggest that programme beneficiaries have experienced modest improvements to incomes, assets, quality of life, on- and off-farm enterprises development, household education and health. The PPE survey found that these gains were shared on equal terms by women, households headed by women, and youth. While the long-term impacts of reported gains are not possible to estimate, those appeared modestly positive at programme's end. Nonetheless, evidence from the RIMs paints a challenging environment for rural smallholders with little income and asset growth, and continued food insecurity during the time of the programme. Project beneficiaries did not receive external enterprise development and agricultural extension services as expected by design, which may

have decreased the likelihood that loans would contribute to increasing agricultural and rural enterprise performance.

Recommendations

25. The PPE offers four recommendations for IFAD and the Government of Belize for future inclusive rural finance programmes in particular, and rural development programmes in general.

Recommendation 1: Continue to support the rural financial sector in Belize. The BRFP gave the credit union movement substantial brand visibility as an agent of rural development, reinforcing relationships with the Government and CBB, along with external organizations (e.g. IADB, EU). It also established rural markets and credit union technical capacities to serve them. The Government can leverage this visibility, interest and capacity through modest ongoing policy and programme support. This would include supporting the BCUL events and exchanges as low-cost ways of keeping rural markets on the credit union movement agenda, and supporting the IADB's Inclusive Savings with Shared Agents programme to expand agent banking in rural Belize. The Government should also work to ensure that the new IFAD Be-Resilient programme connects smallholder value chain actors with credit unions (and other financial institutions).

26. **Recommendation 2: Be fully market-driven, and design incentives to meet expressed beneficiary/stakeholder demand.** Both new members and credit unions articulated market-driven needs: beneficiaries wanted loans, and credit unions wanted to lend. This was the market context even as good-practice inclusive finance suggests that saving is key to poverty alleviation. Future programmes working at the micro level must be well-informed of, and respond flexibly to, demand. To be more effective, a programme must use incentives to directly address new member and credit unions market-based interests. To ensure sustainability of outcomes, credit unions need to be able to calculate the rural member's long-term net business value to prove the market development case.

27. **Recommendation 3: Undertake foundational market intelligence before substantial activities begin on the ground.** BRFP was designed to rely on good-practice market and organizational analysis (i.e. credit union diagnostics) to meet performance expectations. Due to delays, the programme was past the mid-term point before these foundational activities were undertaken. Future programmes must resist starting/expanding programme activities before findings from important market and institutional studies (in this case credit union diagnostics) are available.

28. **Recommendation 4: When poor programme leadership is evident, rectify it immediately.** IFAD should require an annual, formal evaluation of project staff performance. The Government should empower steering committees to govern to best-practice standards and establish their mandate to take decisive actions, including key staff changes, based on demonstrable performance issues.

IFAD Management's response[1]

1. Management welcomes the project performance evaluation (PPE) of the Rural Finance Programme (BRFP) in Belize, and wishes to express its appreciation to IOE for the overall high-quality report.

2. Overall, Management agrees with IOE's assessment of the programme's performance. It notes that the PPE recognizes the validity of the programme's basic theory of change, which led to improvement of nine credit union's key performance indicators, and ultimately to improvement of households' income, assets and economic security. Management agrees with the PPE assessment that there were hurdles with programme management that proved hard for to overcome. At the same time, Management notes that the PPE recognizes the subsequent efforts towards good adaptive management and flexibility, which allowed to improve the efficiency and effectiveness of programme management after the mid-term review. Management also agrees that the Programme's impact on rural poverty was moderate. Management notes that the PPE recognizes the adverse effects of Hurricane Earl and deteriorating rural economic conditions from 2016 onwards, which eroded some of the project gains.

3. Management appreciates the PPE recommendations. Although the new programme has a different focus – climate resilience and value chain – some of the recommendations are already being acted upon in the recently approved programme "Be-Resilient". Management's detailed views on the proposed recommendations are presented below:

   (a) **Recommendation 1. Continue to support the rural financial sector in Belize.** The BRFP gave the credit union movement substantial brand visibility as an agent of rural development, reinforcing relationships with the Government and CBB, along with external organizations (including the IADB and the EU). It also established rural markets and credit union technical capacities to serve them. The Government can leverage this visibility, interest, and capacity through modest ongoing policy and programme support. This would include supporting the BCUL events and exchanges as low cost ways of keeping rural markets on the credit union movement agenda, and supporting the IADB Inclusive Savings with Shared Agents programme to expand agent banking in rural Belize. The Government should also work to ensure that the new IFAD Be-Resilient programme connects smallholder value chain actors with credit unions (and other financial institutions).

   Response from Management: Agreed. The project design of the "Be Resilient" new programme foresees for the Matching Grant Fund will work with the credit unions formerly supported by the BRFP. Several poor and vulnerable smallholders and farmers targeted by the new programme are members of a credit union and will be offered the opportunity to finance their counterpart funds through a loan offered by one of the credit unions. In this context, the programme will promote Government's active involvement to leverage credit unions' visibility, interest, and capacity through policy and programme support.

[1] The Programme Management Department sent the final Management's response to the Independent Office of Evaluation of IFAD on 1 March 2019.

(b) **Recommendation 2. Be fully market driven, and design incentives to meet expressed beneficiary/stakeholder demand**. Both new members and credit unions articulated market-driven needs: beneficiaries wanted loans and credit unions wanted to lend. This was the market context even as good practice inclusive finance suggests saving is key to poverty alleviation. Future programmes working at the micro level must be well-informed of, and respond flexibly to, demand. To be more effective, a programme must use incentives to directly address new member and credit unions market-based interests. To ensure outcome sustainability, credit unions need to be able to calculate the rural member's long-term net business value to prove the market development case.

Response from Management: Agreed. The Rural Credit Fund was not as effective as expected because most credit unions had enough on-lending capital. In addition, the matching grant offer for new members saving accounts was not as successful as expected. More information and assessment of market demand, along with capacity to quickly adjust programme implementation to needs and demands would have allowed more effective interventions and better results. As mentioned, although the current focus of the programme in Belize is different, in the future, rural finance programmes will be fully market driven and ensure that programme design and implementation meet beneficiary/stakeholder demand.

(c) **Recommendation 3. Undertake foundational market intelligence before substantial activities begin on the ground**. BRFP was designed to rely on good practice market and organizational analysis (i.e. credit union diagnostics) to meet performance expectations. Due to delays, the programme was past the mid-term point before these foundational activities were undertaken. Future programmes must resist starting/expanding programme activities before findings from important market and institutional studies (in this case credit union diagnostics) are available.

Response from Management: Agreed. A detailed diagnostic assessment of institutional structures and market, including constraints, is crucial. The new "Be-Resilient" Programme's first activity consists of undertaking a climate vulnerability assessment and value chains analysis and market assessment which will provide key input for further activities.

(d) **Recommendation 4. When poor programme leadership is evident, rectify it immediately**. IFAD should require an annual, formal evaluation of project staff performance. The Government should empower steering committees to govern to best practice standards and establish their mandate to take decisive actions based on demonstrable performance issues, including key staff changes.

Response from Management: Agreed. RFBRP initially suffered from weak programme management. We fully agree that effective programme leadership is key for any project and management weaknesses should be rectified immediately. The new programme includes provisions for an annual formal evaluation of project staff performance. Results are closely monitored by the steering committee, along with performance evaluations and personnel recruitments. The current programme is led by an experienced programme coordinator who performed successfully during the second phase of the BRFP and was fully involved in the design of the new project. Therefore, the new programme is not expected to face the challenges that PPE mentions.

Belize
Rural Finance Programme
Project Performance Evaluation

I. Evaluation objectives, methodology and process

1. **Background.** The Independent Office of Evaluation of the International Fund for Agricultural Development (IOE) undertook a project performance evaluation (PPE) of the Belize Rural Finance Programme (BRFP) in Belize. The BRFP was co-financed by the Central American Bank for Economic Integration (CABEI), and the PPE was conducted in close collaboration with the Evaluation Office (ODE) of CABEI. The BRFP was selected for a PPE due to its strategic relevance, the learning opportunities it offers, and analytical and evidentiary gaps in the project completion report (PCR), as well as to ensure a regional balance in IOE's evaluation programme. The BRFP PPE assesses the project's relevance and results to generate findings and recommendations for the design and implementation of possible future operations in the country and for similar rural finance development interventions elsewhere.

2. **Objective.** The main objectives of the PPE are to: (i) assess the results of the project; and (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in Belize, or interventions with similar objectives in comparable countries.

3. **Scope.** The PPE assesses and provides independent ratings on project performance according to the standard evaluation criteria defined in the IOE Evaluation Manual. Given the time and resources available to the PPE, it is not expected that the report will examine in detail the full spectrum of project activities, achievements and drawbacks. Rather, it will focus on key issues, including: (i) contextual, project design and/or implementation strengths and weaknesses, with critical bearing on project achievements; and (ii) issues of importance cutting across inclusive rural finance.

4. **Methodology.** The PPE used the project's theory of change to examine assumed causal linkages and to determine whether there was enough evidence to support the veracity of these linkages. The PPE also examined to what extent key assumptions were realistic. The PPE collected information to assess BRFP through desk reviews and in the field.

5. *Pre-mission data/information collection.* The PPE was built on a desk review of the PCR, key project documents, and available data. Prior to the PPE mission, relevant documents and data were gathered and reviewed to guide evaluation design and the mission.[1] The evaluation team also reviewed policy and strategy documentation for the Government of Belize, IFAD, CABEI and other relevant country and institutional background information (see annex XII for the list of resources). Interviews were conducted with IFAD staff and international programme stakeholders/service providers, including credit union technical assistance providers. The PPE commissioned a telephone survey of credit union members who benefited from the programme, to assess the extent to which credit union membership and access to improved financial services changed their household welfare (generally or as it relates to a specific loan and/or savings product or service). Four of the six participating credit unions provided 1,306 beneficiary phone numbers of members who were contacted by an independent, professional

[1] Main project-related documents and data for a desk review include the following: (i) project design documents; (ii) project implementation manual; (iii) financing agreements, amendments and background documents; (iv) supervision and implementation support mission reports; (v) midterm review; (vi) the PCR; (vii) IFAD project status reports with self-assessment ratings (annexes of supervision reports); (viii) IFAD and CABEI financial and disbursement data; and (ix) household survey reports conducted for IFAD's Results and Impact Management System (RIMS).

phone survey company located in Belize City. Out of these, 383 were interviewed over the phone in late July and August 2018.[2] Another 35 members (15 women, 20 men) were given the survey in person by the PPE mission team. More details and the questionnaire are presented in annex VII. The BCUL provided credit union performance and member data from 2012 to 2018. During the country mission, data collection for the PPE included interviews with government officials and credit union executives, staff and focus group interviews with programme beneficiaries. All interviews (individual and focus groups) were semi-structured, allowing the PPE to collect both qualitative and quantitative data.

6. *Field mission*. The PPE mission was held from 23 July to 3 August 2018. At the start of the mission, the PPE team held meetings in Belize City and Belmopan with key stakeholders from the Government of Belize and other stakeholders. The PPE mission conducted field visits to the six participating credit unions, one in each of Belize's six districts. Interviews were held with credit union management and staff. Three of the six credit unions organized focus groups (between 12 and 25 credit union members per group) based on a representative distribution of members' main economic activity, ethnic group, gender, and poverty ranking. Discussions were held at the credit unions' offices. Two credit unions organized visits to beneficiary homes or places of business for personal interviews. A second round of interviews was held with key stakeholders upon the mission's return from the field. A mission wrap-up meeting was held with the Government of Belize on 2 August 2018 to share preliminary findings and recommendations.

7. Following the mission, further data and information analysis was conducted to inform the draft PPE report. The team undertook an evidence-based review, analysis, and triangulation of reported project achievements. The draft PPE was subjected to a peer review within IOE and then an external peer review. It was then shared with IFAD's Latin American and Caribbean Division and the Government of Belize.

8. **Collaboration with the CABEI Evaluation Office**. The ODE provided comments on the draft approach paper and was consulted for the selection of evaluation consultants. An evaluation officer from ODE joined the field mission and provided inputs on all aspects of the programme, with a focus on the Rural Credit Fund. The ODE also reviewed and provided comments on the draft evaluation report.

9. **Data availability and limitations.** BRFP's first Results and Impact Management System (RIMS) data was from 2011 (a random sample collected over the five programme areas and used as baseline), followed by IFAD's standard RIMS reports, which were produced in 2015 and 2016. As reported in the PCR, data from RIMS reports do not necessarily reflect changes to programme beneficiary households as the sample did not distinguish between programme participants and non-participants. Results from the RIMS are contrasted against PPE survey results but are not directly comparable because sample populations do not overlap. Due to the limited list of telephone numbers provided by credit unions for the PPE telephone survey, results are indicative and not statistically representative. There are also some biases inherent to telephone interviewing.[3]

[2] The telephone survey was conducted by a professional call centre contracted by IOE. The initial agreement was to reach at least 600 BRFP beneficiaries, spread equally over the six partner CUs. Lists of BRFP beneficiaries were obtained from five CUs (La Inmaculada, St. Martin's, Toledo Teachers, St. John's, St. Francis Xavier), containing a total of 1,306 names with phone numbers. credit union members to be interviewed were selected randomly from the lists by the call centre's telephone software. Since the duration of the interviews was much longer than anticipated and due to numerous "no answer" and requests for call back, it was agreed to reduce the number of interviews to reach a reasonable 30 per cent of members on the lists. A total of 29 per cent were reached.

[3] For example, only people with a phone and whose number is known to their credit union could participate; reliability of responses cannot easily be verified over the phone; and, when calling home phones, there is a risk of not interviewing working people, who are not at home during the working hours of the call centre (between 9:00 and 20:00).

II. The project

10. Gaining independence in 1981, Belize is a sovereign state on the east coast of Central America, bordered by Mexico and Guatemala to the north and west, respectively. The country has a land mass of 22,966 km², of which 22,806 km² is land and 160 km² is water, with 386 km of Caribbean Sea coastline. The Maya Mountains in the southern half of the country are sparsely inhabited and heavily forested, covered with shallow, highly erodible low-fertility soils. The northern lowlands and southern coastal plain are flat and swampy with numerous rivers. Westward from the northern coast, the terrain changes from mangrove swamp to tropical pine savanna and hardwood forests. The population of Belize is 382,444 with an average growth rate of 2.4 per cent since 2010. Some 44 per cent of the population lives in rural areas, with 25 per cent living in Belize City. The official language is English, spoken by 63 per cent of the population, with 57 per cent, 45 per cent, and 11 per cent speaking Spanish, Creole and Maya, respectively.[4]

A. Project context

11. **Economy.** Belize is an upper middle-income country with a GDP of US$3.2 billion in 2017, up from US$3.18 billion in 2015.[5] GDP growth has averaged about 2 per cent annually since 2008. Estimated per capita income was US$8,300 in 2017, down from US$8,700 in 2015.[6] Agriculture, industry and services comprised 10 per cent, 14 per cent, and 62 per cent of the GDP in 2017, respectively. Since the economic crisis of 2008, the economy has averaged low levels of inflation (<1 per cent annually), but high levels of un/under-employment and investment, along with persistently negative balance of payments, high public debts (>100 per cent GDP), and high levels of poverty.

12. Labour force participation grew rapidly from 2008 due to service sector expansion, and currently an estimated 83 per cent Belizeans are employed in the secondary and tertiary sectors, with 17 per cent in agriculture, 90 per cent of whom are men. Unemployment dipped below 10 per cent in 2016 after decades of double-digit rates. Women and youth represent 68 per cent and 30 per cent of the un/under-employed, and women have experienced net job loss in rural areas.[7] Some 6 per cent of all employed women worked in agriculture in 2000 and 3 per cent in 2016.[8] Rural unemployment is reported to be an estimated 20 per cent.

13. The International Monetary Fund assessed Belize's macroeconomic outlook as weak, given a high public debt (>100 per cent of GDP) and poor medium-term economic growth prospects.[9] It noted that an improved economic outlook requires prioritization of programmes under the Government's Growth and Sustainable Development Strategy. In addition, Belize is an open economy vulnerable to external shocks and climate and natural disasters. The effects of Hurricane Earl (2016), for example, caused US$100 million in damages and GDP contraction of 1 per cent, including 25 per cent losses in the agriculture sector. Hurricane Richard (2010) caused US$25.5 million of damage, with US$17.5 million losses in the agriculture sector.[10]

14. **Financial sector.** In 2008, there were four commercial banks and 13 credit unions serving 110,000 clients/members in Belize. The banking system provided US$1.72 billion in credit, growing 15 per cent, to US$2 billion by 2016. Today, there are five domestic and four international banks, 14 credit unions, and a dozen or so private lenders (e.g. payday lenders, pawn shops). Banks, credit unions,

[4] Recent immigration from El Salvador, Guatemala and Honduras has increased the number of Spanish speakers, particularly in rural areas closer to the western Belize border.
[5] Belize ranked 172nd out of 194 countries in The World Bank Development Indicators.
[6] See World Bank: https://data.worldbank.org/country/belize.
[7] The Labour Force Survey 2017, Government of Belize: http://sib.org.bz/the-labor-force-survey/.
[8] See: http://datatopics.worldbank.org/gender/country/belize.
[9] Staff Report: 2017 Article IV Consultation with Belize.
[10] Hurricanes and Tropical Storms Affecting Belize Since 1930. See: http://consejo.bz/weather/storms.html.

insurance companies and some private lenders are supervised by the Central Bank of Belize (CBB). Sector demand deposits were US$706 million and long-term savings US$1.471 billion in 2008; by 2016, demand deposits and long-term savings had risen 108 per cent and 17 per cent, respectively, to US$1.47 and US$1.48 billion.[11] Over the same time, public sector lending contracted US$10 million due primarily to the closure of the Small Farmers Business Bank (2008), which notably reduced credit available to smallholder farmers. Financial services in rural areas remain limited today (e.g. few commercial bank or credit union branches, no microfinance). Some credit exists for well-organized banana and sugar cane value chains but is scarce for small on/off-farm rural enterprises. In 2008, there was an estimated US$1.1 billion credit gap for smallholder production and rural enterprises. There are no current data available, but there is little reason to believe that the gap has been substantially closed (e.g. no more banks or credit unions active in rural areas).

15. **Credit union system.** There were 13 credit unions in Belize in 2008, with at least one active in each district of the country. Holy Redeemer, St. Francis Xavier and St. John's Credit Union were the largest credit unions, accounting for 86 per cent of credit union assets and capital, and 72 per cent the 110,020 credit union membership nationwide. In 2007, the credit union system held 15 per cent of total banking sector assets, or US$258 million. This grew to US$457 million, or to 21.7 per cent of total banking sector assets in 2018.[12] credit union membership in 2008 was 110,020, growing to an estimated 119,328 in 2016, for 8.5 per cent growth.[13] Women currently make up an estimated 60 per cent of credit union membership, unchanged from 2008. Most credit union members outside Belize City live in rural areas, and many are from low-income households. the BCUL is the credit union system's second-tier organization. Formed in 1958, the BCUL provides training and support services to member credit unions, as well as compliance data for the CBB. As in 2008, credit unions still offer basic credit and deposit services. Lending is primarily for consumer purchases, education and housing. There is some lending for enterprises and agricultural production, but this requires collateral that most members do not have, and/or that has unattractive terms and conditions.

16. **Agriculture sector.** Agriculture is the main source of rural livelihoods in Belize and an important, if uneven, contributor to the national economy, reaching a high of 17 per cent GDP in 2006, decreasing to 11 per cent in 2016 (compared to secondary and tertiary industry at 17 per cent and 71 per cent, respectively). Belize is self-sufficient in poultry meat, eggs, beef, pork, beans, rice and corn, even as other food imports have doubled over the last decade. Raw sugar, citrus products, bananas and marine products comprise over 70 per cent of national exports. The economic performance of major crops since 2008 has been notably volatile and with modest incremental growth.[14] The financial sector contraction of 2007-2008 hurt both agricultural exports and national markets due to reduced demand. Hurricanes Richard in 2010 and Earl in 2016 had notable negative effects on agriculture production, including pigs, cocoa and citrus fruits. The sector is also subject to periodic "flooding" of the market by both illegal and legal imports, primarily from Mexico and Guatemala.

17. Only a small number of large- and medium-sized producers have the scale and financing to manage constant economic and environmental volatility. The country's

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[11] The CBB regulates all financial institutions in the country, including domestic banks (5), international banks (5), credit unions (14), remittance service providers (money transfer service providers) and licensed moneylenders. There is no credit bureau in Belize.

[12] Sources include: CBB Credit Unions at: https://www.centralbank.org.bz/rates-statistics/banking-system; and CBB Quarterly Financial Information of Domestic Bank 30 June 2017 at: https://www.centralbank.org.bz/docs/default-Source/4.4.1-commercial-bank-financials/quarterly-financial-information-of-domestic-banks--june-2017.pdf?sfvrsn=2.

[13] The BCUL Annual General Meeting Report, June 2016: https://www.belizecreditunionleague.org/wp-content/uploads/2015/07/BCUL-AGM-REPORT-2016.pdf.

[14] Source: Major Economic Indicators, Central Bank of Belize: https://www.centralbank.org.bz/rates-statistics/economic-indicators.

19,000 smallholder farmers are more vulnerable to shocks due to lack of scale, inadequate infrastructure, inefficient value chains, and inadequate access to finance, among other factors. Their small production, mixed-crop/livestock farms provide household subsistence and limited commercial sales, usually in local markets. Smallholders typically sell to buyers at the farm gate and generally sell at peak supply when prices are low. This reduces income, exacerbating inefficient production, low product quality and high production costs.

18. **Poverty.** The last available and reliable poverty data in Belize showed increases in poverty from 34 per cent in 2002 to 42 per cent in 2009.[15] Household poverty in rural areas was 55 per cent in 2009, compared to an urban rate of 28 per cent. Current high un/underemployment rates, GDP growth, GDP per capita contraction, and the impact of two major hurricanes since 2009 suggest that poverty rates have not substantially changed. Indeed, there were an estimated 37,900 poor households in 2016, an increase of 6 per cent since 2010.[16] The country's UN Human Development Index continued at high levels, rising from 6.5 in 2008 to 7.1 in 2016 (103 out of 189 countries measured). The poorest people and communities in Belize are those whose livelihoods largely depend on climate-sensitive sectors such as small-farm agriculture, fishing and tourism. These households are exposed to hurricanes, storm surges and floods, and have generally weaker protective infrastructure and poorer-quality housing. The districts with the highest levels of poverty are Corozal, with its large number of smallholder farmers, and Toledo, with its large Mayan population.[17]

19. **Gender equality.** Belize ranked 96 out of 144 countries on the World Economic Forum's Global Gender Gap Report in 2016, up from 103 in 2013.[18] The country ranked third to last among Latin America and Caribbean countries for female-to-male primary school enrollment. The 2013 UN Gender Inequality Index score for Belize was 0.435, or 103 out of 168 countries.[19] The female-to-male labour force participation ratio in 2016 was 65 per cent, up from 60 per cent in 2008.[20] Some 6.0 per cent of all employed women worked in agriculture in 2000 and 3.1 per cent in 2016.[21] Currently, 11 per cent of the seats in Belize's National Assembly and Senate are filled by women, and 42 per cent of 12 Cabinet Members are women.

B. Project description

20. **Programme rationale.** The Belizean economy is small and subject to frequent economic and natural shocks. Growth over the last decade has been correspondingly volatile, with modest incremental growth across all sectors, most notably in services. Volatility is most notable in rural areas, where enterprises are more vulnerable than those in urban areas. Rural unemployment and underemployment are higher than they are in urban areas as a result. The financial sector, while relatively stable and well regulated, is small and does not provide substantial credit to smallholder farmers and rural enterprises. Poverty levels in rural Belize are pernicious, disproportionally affecting women and youth.

21. **Project goal and objectives**. The programme's overall goal was to contribute to the reduction of poverty and extreme poverty levels of the rural population – men, women and youth – by increasing the incomes and assets of smallholder farmers and the rural population through improved rural financial services. The purpose of the programme was to expand and enhance inclusive and sustainable rural financial services to underserved smallholder farmers and the rural population. The programme had five objectives: (i) improve governance, management and

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[15] Belize Country Poverty Assessment, 2009.

[16] Based on 2016 population projections, which accounts for the rate of poverty for each district, applying the mean household size per district (data from the 2010 Belize Census).

[17] Farmers with less than 25 acres are classified as smallholder farmers.

[18] See: http://www3.weforum.org/docs/GGGR16/WEF_Global_Gender_Gap_Report_2016.pdf.

[19] See: http://hdr.undp.org/en/data.

[20] See: http://datatopics.worldbank.org/gender/country/belize.

[21] See: http://datatopics.worldbank.org/gender/country/belize.

operational capabilities of credit unions; (ii) strengthen the BCUL in order to expand its capabilities for developing, coordinating and training the credit union movement; (iii) provide rural financial services and, in particular, credit facilities for agricultural production and rural non-agricultural entrepreneurial activities; (iv) foster the capitalization of both credit unions and clients through the affiliation of the rural poor to the credit union movement and the mobilization of savings; and (v) establish a knowledge management system for information exchange and monitoring and evaluation (M&E) information.

22. Programme coverage was nationwide, with field-level interventions based on the branch location of six participating credit unions. The programme had four components and five major outputs:[22] **component 1**, Institution- and capacity-building; **component 2**, Rural credit fund; **component 3**, Rural shares account and savings incentives; and **component 4**, Programme management unit and M&E.

23. The programme complemented the IFAD Community-Initiated Agriculture and Resource Management Project (CARD, from 1999 to 2005), which successfully supported the creation of the Toledo Teachers Credit Union (TTCU) in Toledo District. A US$100,000 grant was provided by IFAD in 2006 to continue developing the rural financial/credit union sector.

24. **Theory of change.** The development of on/off-farm enterprises by the rural poor and very poor in Belize is constrained by inadequate access to financial services (see annex X for theory of change diagram). Access to financial services would be improved by strengthening the governance, management, operational and financial capabilities of credit unions and the BCUL, and increased credit union membership of the rural poor. Improved access to inclusive and sustainable financial services to the rural poor would lead to increased use of financial services (credit in particular) to improve and/or expand on- and off-farm enterprises. This would lead to increased income and asset development and to a reduction of poverty in rural areas. Critical assumptions underpinning the theory of change include: (i) the rural poor would reap knowledge/skills for enterprise enhancement via improved public and private agricultural extension services, particularly from European Union (EU)-funded programmes and by other government institutions/programmes;[23] (ii) existing credit unions would be willing/able to provide appropriate financial services to poor rural households; and (iii) national policy, legislative, regulatory and supervisory frameworks would become favourable for rural microfinance service development.[24]

25. **Target group and targeting approach**. BRFP is a nationwide programme but worked primarily in and around the membership catchment areas of six participating credit unions and their seven branch offices. The target population was 11,500 poor rural households (54,800 rural inhabitants), of which 4,000 households (21,000 people) were considered extremely poor. Direct beneficiaries included small-scale farmers, microentrepreneurs, craft workers, artisanal fishers, rural wage workers, women and youth. The targeting strategy employed complementary and mutually reinforcing measures: direct eligibility criteria targeting based on housing characteristics; and self-selection via financial products and services attractive to the target population (e.g. small loan sizes). The programme also sought to reach disadvantaged ethnic groups/communities, particularly Mayans.[25]

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[22] BRFP, Final Programme Design, Main Report (October 2008) cited outputs, which are in fact outcomes.
[23] The Belize Rural Development Programme, Banana Support Programme and Country Adaptation Strategy for the Sugar Industry Programme.
[24] For details see BRFP Project Performance Evaluation Approach Paper, paragraph 43-49.
[25] BRFP, Final Programme Design, Main Report, October 2008.

26. **Timeframe**. The BRFP was a seven-year programme with the proposal for financing approved by IFAD's Executive Board on 17 December 2008. The loan agreement was signed on 19 May 2009 and the CABEI loan agreement was signed on 5 June 2009. Entry into force followed quickly, with the disbursement made on 6 July 2010, or 19 months after Board approval and 13 months after the loan agreement was signed (table 1).

Table 1
BRFP key dates

Milestone	*Date*
IFAD Executive Board approval	17 December 2008
CABEI approval	-
IFAD loan agreement	19 May 2009
CABEI loan agreement	05 June 2009
Entry into force	01 September 2009
First disbursement	06 July 2010
MTR	October 2012
Completion	30 September 2016
Loan closing	31 March 2017

Source: IFAD Business Intelligence.

27. **Programme financing.** The total project cost was estimated at US$6.04 million, financed by an IFAD loan at ordinary terms of Special Drawing Rights (SDR) 2.05 million (equivalent to US$3 million),[26] a CABEI loan of US$1.91 million, a contribution by the Government of Belize of US$0.73 million and credit union contributions of US$0.40 million (see table 2). The Government would finance taxes and duties plus a portion of the Rural Credit Fund (RCF). CABEI would finance 70 per cent of the RCF and 13 per cent of component 1. IFAD would finance 100 per cent of the shares account and savings incentives; 66 per cent of the PMU; 21 per cent of the RCF; and 58 per cent of institution- and capacity-building. Table 2 shows reallocated costs in 2015. Table 3 shows the BRFP estimated component costs (approved and disbursed) by funding source.

[26] To be reimbursed within 18 years, including a grace period of three years, with an interest rate equal to the reference interest rate per annum as determined by the Fund annually.

Table 2
BRFP estimated and actual component costs (in US$ '000)

Component	*Estimated cost*				*Expenditure as of 31 January 2017*		*Disbursement % appraisal*	*Disbursement % revision*
	at appraisal		after July 2015 revision					
	Amount	%	Amount	%	Amount	%	%	%
1. Institution- and capacity-building	1 936	32	2 664	44.1	3 228	57	166.8	121.2
2. Rural Credit Fund	2 350	38.9	1 905	31.5	1 375	24.3	58.5	72.2
3. Rural shares and savings incentives	673	11.1	473	7.8	189	3.3	28.1	40
4. Programme management unit	1 082	17.9	997	16.5	869	15.4	80.4	87.1
Total	6 042	100	6 042	100	5 662	100	93.7	93.0

Source*:* PCR.

Table 3
BRFP estimated component costs and funding sources (in US$)

Financier	*Approved Amount*	*%*	*Disbursed Amount*	*%*	*% Disbursed*
IFAD loan	3 000 000	49.7	2 592 689	46.6	86.4
CABEI loan	1 905 800	31.5	1 895 800	34.1	99.5
Credit unions	403 900	6.7	129 684	2.3	32.1
Government of Belize	731 700	12.1	945 949	17.0	129.3
Total	6 041 400	100	5 564 122	100	93.0

Source*:* PCR.

C. Project implementation

28. **Implementation arrangements.** The Ministry of Economic Development (MoED), the Programme Oversight Committee (POC), and the BCUL provided guidance and supervision to the Programme Management Unit (PMU). This ensured that the economic and social priorities of the Government of Belize were followed and that loan agreement covenants were applied. The MoED was the lead programme agency and was accountable for overall implementation of BRFP, as stipulated in CABEI and IFAD loan agreements. The POC included representatives from MoED, the BCUL, the Ministry of Agriculture and Fisheries, the Ministry of Labour, Local Government and Rural Development, and the Ministry of Finance. The POC was responsible for overall programme guidance, review of annual work plans and budgets, and review of programme reports and evaluations. The PMU was an autonomous body within the BCUL, organized via a subsidiary agreement between the MoED and the BCUL. The PMU managed the programme, with responsibility for planning, coordinating and supervising, as well as direct responsibility for implementation of components 1 and 3. The Development Finance Corporation (DFC), via competitive tendering, was trustee of the RCF (component 2).[27]

29. Credit unions implemented the programme in the field, working to improve financial services for target beneficiaries, strengthen credit facilities, and improve

[27] The DFC is Belize's only development bank. Its purpose is to strengthen and expand Belize's economy by providing economically sustainable and environmentally acceptable businesses and organizations. The DFC is not a cash-deposit bank and accesses financing from regional and international lending institutions for lending to Belizeans, residents, companies, cooperatives, and other bodies with Belizean majority share interest.

internal management processes and governance systems. Seven credit union field officers were hired by credit unions, with salaries digressively[28] paid by BRFP to deliver services to the target population (e.g. outreach, lending, collections, counselling, related reporting). The Belize Institute of Management and the DFC initially provided technical assistance and training to credit unions. They were replaced in 2013 by the Irish League of Credit Unions Foundation (ILCU), working with the BCUL, and by Gbest consultancy from Trinidad and Tobago, which worked with the credit unions.

30. The project was supervised directly by IFAD, from Rome (until 2014 and from January 2017 onwards) and Guatemala City (between 2015 and December 2016).

31. **Component 1. Institution- and capacity-building.** Component 1 provided institutional and capacity-building at three levels: (i) six credit unions; (ii) the BCUL; and (iii) members of participating credit unions. Technical assistance and training were given to the BCUL to strengthen its capacities to lead, develop and coordinate the credit union movement.

32. Component 1. **Output 1: governance, management and operational capabilities of credit unions strengthened** has three key performance indicators: (i) at least one field officer from each participating credit union trained by the programme, providing services to the target population; institutional-strengthening package provided to participant credit unions, resulting in at least one new financial product better tailored to rural client needs being widely used; and (iii) loan portfolio performance by participating credit unions shows: portfolio at risk of less than 15 per cent; loan loss rate less than 3 per cent; institutional capital of at least 5 per cent of total assets; and external credit to total assets less than 25 per cent. **Output 2: the BCUL strengthened in its capabilities for developing, coordinating and providing leadership to the credit union movement** had two key performance indicators: (i) feasibility studies for at least two new products and service for credit unions developed and tested; and (ii) the BCUL incorporates Programme and Monitoring Evaluation system developed for BRFP as internal management and knowledge management tool at year five.

33. Six credit unions participated in components 1 and 3.[29] They received institutional/capacity-building technical assistance to expand credit and diversify financial services targeting poor rural clients. Support included training and financing of field officers, vehicles, hardware, software, and information systems. Technical assistance focused on governance, delinquency management, credit administration (e.g. loan analysis, loan portfolio management), product development, and business planning.

34. The programme was slow to fully engage credit unions.[30] As early as the supervision mission in November 2011, IFAD and the POC recognized that the programme manager lacked the requisite skills to plan, source and effectively manage the technical assistance required to meet the programme output objectives.[31] Capacity-building at credit unions and the BCUL were to be guided by institutional assessments and a national financial market survey identifying rural financial product opportunities. The World Council of Credit Unions undertook credit union diagnostics and strategic plans. The World Council used national consultants to develop plans, but the output was considered too general to guide technical

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[28] The programme paid a decreasing proportion of salaries over time.

[29] St. Francis Xavier Credit Union in Corozal; La Inmaculada Credit Union in Orange Walk; Evangel Credit Union in Belize; St. John's Credit Union in Belize City and its Dangriga branch in Stann Creek district; St. Martin's in Cayo; and TTCU in Toledo. Due to challenging finances, Mount Carmel and Citrus Growers and Workers CUs only participated in some component 1 activities (e.g. staff/board member trainings).

[30] CUs insisted on starting with hard-asset transfer (e.g. vehicles, computers – BRFP supervision mission, 2009).

[31] The BRFP supervision mission November-December 2011 identified management issues regarding *inter alia* partnership communications, planning and processes. This was confirmed through PPE interviews with POC members, BCUL and BRFP staff. St. Martin's did not actively join the programme until June 2011.

assistance plans.[32] The financial market study procurement began only after the change of programme manager in 2014. It was further delayed by a midterm review (MTR) recommendation to combine the study with product development planning. Lack of qualified consultants made this impossible.[33] The study was procured in 2014 and *The National Rural Financial Market Study* was finished in May 2015, leaving little time and budget to support product development.[34]

35. Early technical assistance and capacity-building did not meet credit unions' needs: the first credit union trainings focused on microcredit product development were held one year after start-up. In the absence of market intelligence, credit unions found training inapplicable and would not commit to new product development.[35] The next "training" was in mid-2013, when selected credit union officials participated in the Inter-American Development Bank (IADB) small enterprise conference in Barbados.[36]

36. After midterm, the new programme manager sourced qualified technical assistance service providers. Tailored credit union technical assistance plans were developed and implemented by Gbest after early 2015 credit union diagnostics.[37] The ILCU developed a 2015-2018 strategic plan for the BCUL focused on improving credit union services (including improved member services and fee for services).[38]

37. By mid-2016, the programme had improved overall disbursement to 87 per cent. credit union performance had improved, with stakeholders uniformly crediting Gbest and the ILCU. Although *The National Rural Financial Market Study* was too late to alter the course of technical assistance or influence new product development, it did find unmet demand for rural savings and loans, causing some credit unions to rethink post-programme rural development strategies.

38. **Component 2. Rural Credit Fund.** The programme established the RCF to provide credit unions with loans for on-lending to credit union programme beneficiary members.[39] The RCF was a trust fund managed by the competitively selected DFC.

39. Component 2 had one output/outcome: **Output 3: rural financial services, particularly credit for on- and off-farm enterprises and other select activities provided**, with three key performance indicators: (i) 9,000 rural poor individuals have access to credit, of whom at least 40 per cent (3,600) are women; (ii) 5,000 smallholder farmers improve/expand activities through credit from the programme; and (iii) at least 25 per cent of loans go to start, improve or expand non-agricultural income-generating activities (e.g. processing, small commerce, rural ecotourism) among the rural poor.

40. The RCF design assumed that as credit union membership grew, credit unions would require on-lending funding to meet increased loan demand. Credit unions were to pay competitive rates for RCF funding to ensure continued credit union saving mobilization (loan rates were at the interbank rate of 5 per cent to 8 per cent per annum). RCF funds would be onlent by credit unions at rates and terms set by the credit union. Only solvent credit unions with good loan portfolio

[32] The World Council of Credit Unions began the plan for one credit union in October 2011, with the target of finishing all six participating CUs' plans by January 2012 (BRFP midterm review, September 2012, paragraph 61).
[33] BRFP midterm review, September 2012, paragraph 127.
[34] Praxis5, a national consultancy, was selected to undertake the financial market study in 2014.
[35] BRFP midterm review, September 2012, paragraph 56-58.
[36] RBFP supervision mission, June 2013 paragraph 16.
[37] BRFP supervision mission, June 2015 paragraph 18. Packages included oversight and supervision training for credit union boards, credit union committees, and management, as well as capacity-building for credit union systems and operations (e.g. treasury, credit risk management, human relations). Note: the Evangel Credit Union postponed its plan due to changes in senior management.
[38] Improvements to BCUL including: credit union membership campaigns; monitoring, evaluation and compliance support; good-practice standards training; and seeking external sector development funding. The BRFP also paid for a BCUL business development officer, now funded by the organization. See: BRFP supervision mission, June 2015 paragraph 23.
[39] The RCF was based on a subsidiary loan agreement between the DFC and the Ministry of Environment.

performance were eligible to borrow. Loans were for on- and off-farm productive use, and could not be made for land or homes. Terms were to range from one to three years, backed with some form of collateral (e.g. group savings, co-signators).

41. RCF start-up was beset by early delays, including a delay in negotiating the formalization of funds due with DFC regarding lending terms, fees, and liabilities. An agreement was signed in March 2012 featuring an administration fee of BZD 15,000 of disbursed funds (2 per cent of disbursed funds) and 1.75 per cent of principal and interest amounts collected yearly, and with DFC loan default liability. Interest rates charged to credit unions were to be variable but not to be over 6.5 per cent and with one year grace. credit union members were to pay around 8 per cent per annum and provide 133 per cent collateral.[40] Initially, the RCF found that two credit unions met solvency requirements (St. Martin's and St. John's). Other credit unions were expected to improve performance through technical assistance support (not effectively available until after midterm). Delays were exacerbated by limited credit union interest in RCF loans, given excessive liquidity. Poor communication between the DFC and credit unions led to early misunderstandings, particularly around variable interest rates.[41] The DFC did not host planned RCF credit union orientation/information workshops, nor was it notably proactive about fund marketing.[42]

42. By late 2013, the fund had disbursed US$950,000 to four credit unions with rates between 2 per cent and 3.75 per cent.[43] Credit unions did not develop new loan products for RCF funds as anticipated.[44] Limited demand motivated BRFP to allow 20 per cent of a credit union's RCF-funded portfolio to be lent for non-enteprise use (e.g. housing, education), providing credit unions would actively encourage enterprise and agricultural loans.[45] RCF commtiments peaked at US$1.3 million in mid-June 2015.[46] At that time, on the recommendation of IFAD, the unused US$2.1 million balance of RCF funds were reallocated to component 1. Cummulative RCF lending at programme end was US$2.5 million via 2,742 member loans.[47] The fund continued to collect credit union payments after closure, with one loan still being repaid. The DFC continues to manage the RCF fund, but its future is unclear. A proposal for the BCUL fund management is being considered.

43. **Component 3. Rural shares account and savings incentives.** The programme financed a credit union member share account and savings incentive scheme to expand rural credit union membership and encourage savings. The incentives were "matching grants" given to the rural poor. There were two types of incentives, one for buying credit union shares and the other for opening a savings account.[48] Prior to receiving incentives, members were to receive cooperativism and basic financial literacy training. Share account and saving incentives had three goals: (i) integrating the rural poor into the formal financial system; (ii) increasing rural poor

[40] BRFP supervision mission, November-December 2011, paragraph 28.
[41] BRFP midterm review September 2012, paragraph 37; validated during the PPE mission.
[42] BRFP midterm review September 2012, paragraph 37.
[43] Lending rates were lowered in response to poor demand. See: BRFP Programme Report, September 2015.
[44] BRFP midterm review September 2012, paragraph38-39. Only La Inmaculada had an inclusive microfinance loan product at the time (Quickcredit) but it primarily targeted salaried employees in urban markets.
[45] BRFP supervision mission June 2013, paragraph 11.
[46] BRFP supervision mission, June 2015, paragraph 10.
[47] RCF funds revolved as members repaid, and BRFP could not count the number of member loans, only the number of loans.
[48] Credit unions require members to buy member shares, which must be maintained to remain a member. Shares are held in a share savings account. Members can withdraw shares, but once they do they are no longer a member. Member shares are important for the credit union as they comprise a substantial portion of a credit union's equity base (used for reserve requirements, capital investments). Savings accounts are not part of the equity base but are used to on-lend to members. Current account deposits can be withdrawn on demand and term deposits at the end of contract. Managing savings is a challenge because a credit union must ensure that enough capital is on hand for any potential savings withdrawal. Member shares are more stable than savings because they cause a loss of membership and are easier to management as a result. Member shares also allow for simpler financial management as CUs pay annual dividends and not variable and fixed interest rates.

household savings; and (iii) increasing credit union assets and financial resources to expand lending.

44. The component's ***outcome/output was: incentives for affiliation of rural poor to the credit union movement provided and the mobilization of savings promoted,*** which included three key performance indicators: (i) total credit union individual membership has grown by 22 per cent (15,000 new members), of whom at least 15 per cent are very poor; (ii) 60 per cent (9,000) rural poor members of credit union become savers, of whom no less than 50 per cent increase their savings over the maximum fostered by the programme; and (iii) 15,000 persons trained in cooperativism and basic financial literacy, out of whom 60 per cent are women (includes all types of training).

45. *Share account incentive*. Incentives provided credit unions with a tool for recruiting new members. The financial incentive of BZD 80 (US$40) was offered to targeted population households to become a member of a participating credit union (limit of three members per household). The money was paid on a 1:1 matching basis up to BZD 80. The programme initially projected that credit unions would recruit 55 members monthly. After several months, not one credit union had met this target (credit unions had a high of 37 new members monthly in 2012, 5.6 in 2014, and 19 in 2016). Credit union performance varied, with Evangel quickly expanding and others like St. Martin's credit union and St. Francis Xavier credit union growing at the beginning and again at the end of the programme. Failing to meet targets initially left credit unions demotivated, depressing recruitment further. In response, in July 2012 BRFP changed targets to 35 members monthly, increasing to 43 in July 2013.[49]

46. By programme end, credit unions had signed up 6,988 new share account incentive eligible members. An additional 2,369 non-incentive eligible members were also attributed to the programme for a total of 9,375 new members.[50] This was 37.5 per cent short of the target of 15,000 new members. Out of these members, 3,256, or 21 per cent of the 15,000 target and 35 per cent of the total new 9,375 members, were very poor.

47. *Savings incentives*. BRFP was to provide new members with incentives to save. Members would be provided a 1:1 match once they saved BZN 80 (US$40). The plan did not catch on among members or credit unions.[51] Members preferred to save in share accounts and the relatively liquid credit unions were more interested in selling loans than mobilizing more difficult-to-manage new deposits. The programme considered increasing the matching grant to 1:1.25 as early as 2011.[52] Member and credit union ambivalence continued, with no appreciable progress made (despite supposed demand for savings).[53] The savings incentive was formally abandoned in 2015.

48. *New member financial literacy training*. The programme was to provide new members households financial literacy training before disbursing share account incentives.[54] The workshop-based training materials were not completed until mid-2012, and the workshops proved to be costly for credit unions to organize.[55] Instead, the credit unions offered to have field officers provide members basic financial literacy training (e.g. member rights, credit union product and services

[49] BRFP midterm review, September 2012, paragraph 47.
[50] The programme M&E did not track non-incentive new members attributable to the programme until 2017. The BRFP Programme Manager worked directly with the credit union field officers to identify beneficiary participant members whose family members and or neighbours had become credit union members because of a beneficiary's participation in the programme (e.g. word of mouth, marketing, meeting the field officer at the beneficiary's home or business). The process of identifying these new members took over 18 months.
[51] BRFP supervision mission, November-December 2011, paragraph 20.
[52] BRFP supervision mission, November-December 2011, paragraph 23.
[53] National Rural Financial Market Study Final Report, BRFP, 22 May 2015.
[54] BRFP midterm review, September 2012, paragraph 59.
[55] BRFP midterm review, September 2012, paragraph 59.

familiarization, household financial literacy, personal financial planning) on a one-to-one basis or with small groups. This was accepted by the programme in 2012.

49. **Component 4. Programme management unit and M&E.** The PMU was hosted by the BCUL. It was an independent team including a programme coordinator, a programme assistant (accountant), and a gender and youth specialist (short-term consultant). M&E expenses were financed by the project, including an M&E officer. Component 4 had one output/outcome: **Output 5: knowledge management systems for information exchange and M&E information established,** with three key performance indicators: (i) members of POC and programme manager make use of M&E reports in management decisions; (ii) PMU archives are a useful source of information for management and are kept up to date; and (iii) institutional learning from programme implementation has been duly gathered and communicated, and is available as reference.

50. **Adjustments during implementation.** The savings incentives scheme was not offered, and part of its budget was reallocated to component 1. Unused funds from component 2 – RCF were also reallocated to component 1. The BRFP was designed to take advantage of the EU's Belize Rural Development Project II (BRDP II), but the scope of the latter was changed during BRFP start-up to focus on rural infrastructure. Workshop-based financial literacy training was replaced by more informal field officer support delivered to members on a one-to-one basis.

Key points

- Key component 1 activities were delayed, slowing new credit union member growth rates, credit union and the BCUL capacity-building, and the credit unions'/BCUL's appetite for developing new products.
- The RCF start-up was delayed by poor communications with credit unions, along with credit unions over liquidity, which depressed their demand for RCF on-lending funds.
- Share account incentives were successfully deployed, but lack of demand for savings products and greater interest by credit unions to lend led to the cancelling of the planned new credit union member beneficiary savings incentive.
- Formal financial literary training workshops were replaced by informal training to individual members.

III. Main evaluation findings

A. Project performance and rural poverty impact

Relevance

51. **Relevance of objectives.** At the time of BRPF design, the Government of Belize's poverty reduction policies focused on basic education, health and sanitation, as exemplified in the National Poverty Alleviation Strategy Action Plan 2007-2011. The plan emphasized coordination between public institutions (central and community levels), civil society and the public/private sector. It had five pillars: economic growth; good governance; human capital investment; infrastructure; and special attention areas. Access to financial services and support for microenterprise for poor people were part of economic policy.

52. Three rural development programmes of the Government of Belize consistent with the economic pillar were being implemented at the time of BRFP design. One was the EU-funded country adaptation strategy for the sugar industry programme, (valued at EUR 50 million). The second was the EU-supported banana support programme (which had a small microcredit component via the TTCU). The third was the EU Belize Rural Development Project (BRDP, from 2004 to 2012), which financed local productive and infrastructure projects and was valued at EUR 9 million. The programme provided training, technical assistance and institutional strengthening to productive organizations and enterprises, and did not have a financial services component.

53. The Government of Belize requested IFAD to develop a financing programme to support the National Poverty Alleviation Strategy goals, complement the EU programmes, and build on two previous IFAD-supported local, smallholder development programmes in southern Belize (Toledo Small Farmer's Development Project from 1986 to 1995; and CARD from 1999 to 2005). Both programmes identified inclusive finance as a key element in rural development, with CARD having supported the creation of the TTCU. The IFAD country strategic framework was written in March 2005, just as CARD was ending, and emphasized the importance of access to sustainable rural finance as a means to poverty alleviation. Finally, BRFP complemented the IADB's three-year institutional strengthening of the credit union sector to enhance CBB's capacity to supervise credit unions, as well as the BCUL's credit union reporting compliance function (including the introduction of the PEARLS performance indicators).[56]

54. **Relevance of design.** BRFP design focused appropriately on rural financial service supply and demand (micro level) and financial infrastructure (meso level). Support for improving regulations and policies (macro level) was not required as CBB credit union regulation/supervision capacity was being supported by IADB and World Bank programmes.

55. Design analysis of credit union sector strengths and weaknesses was generally sound, leading to a technical approach focused on the *micro level* consistent with good practices found in IFAD's decision tools for rural finance and IFAD's financial sector experience.[57] Credit unions were relevant to rural development for many reasons: (i) they operated in or near rural areas; (ii) they are recognized by target beneficiaries as "the poor persons' bank"; (iii) they were serving 110,000 members, or nearly half the economically active people in the country; and (vi) they had relatively stable performance and controlled 15 per cent of all financial institution assets in the country. Notably, design avoided support for poorly performing credit unions, which would require more attention and resources

[56] PEARLS is an international standard for measuring credit union performance. See: A Technical Guide to PEARLS A Performance Monitoring System, World Council of Credit Unions, at: https://www.woccu.org/documents/PEARLS_techguide.

[57] The IFAD Rural Finance policy was not finalized until 2010. However, the good practice rural finance norms reflected in the policy were well known/developed by this time.

than the programme could have reasonably devoted. Equally consistent with good practice were planned financial literacy/ household financial management training. Incentives to attract members and encourage new members' savings were modest enough to not distort market behaviours.

56. At the *meso level*, project design identified the BCUL's central role in credit union sector development and its notable lack of staff capacity/financial resources. Design targeted support to enhance the BCUL's sector-wide services (e.g. training, compliance) to complement the IADB-supported introduction of the PEARLS-based performance reporting system, critical to credit union management and CBB regulatory compliance.

57. The EU-funded BRDP II enterprise development project was expected to improve rural household capacity to productively employ financial services for enterprise development. Similarly, improved agricultural extension services were expected to increase the likelihood that agricultural credit would lead to agricultural productivity. These were important assumptions in the project's theory of change, which were required so that the "use of financial services by the rural poor" could effectively lead to the "improvement of income-generating activities among the rural poor" and, ultimately, to increased income and food security. Without the BRDP II and/or improved agricultural extension services, it is less likely that the theory of change would be as fully effective as planned. Having made these important assumptions, project design should have considered the possible absence of these external drivers as a risk. It should have foreseen mitigation measures in case the assumptions proved false. Also, when it turned out that the assumptions were false (important shift in BRDP II design away from micro-enterprise development, and limited improvement of agricultural extension services), as highlighted in the MTR, project design was not adjusted. The MTR recommended, amongst other things, that BRFP establish new partnerships with existing rural enterprise development programmes, but this was not done.

58. Some other aspects of design would negatively affect programme performance. Emphasis on savings was, for example, under-informed by an insufficient understanding of demand. While consistent with good-practice inclusive finance, a savings focus was not aligned with the strong preference among the rural poor for credit, and a greater emphasis on inclusive rural credit product development would have been more appropriate.[58] An inadequate understanding of the rural financial services market was compounded by an inaccurate understanding of credit union capacity and an overestimation of their need for on-lending capital. This led to overly optimistic estimates of credit union need for new savings and loan products and of their demand for RCF funding. While design identified the need for senior management and Board training and capacity-building, it underestimated the degree to which credit union business culture was averse to change. This sentiment contributed to senior management's reluctance towards creating new savings and loan products, and would have required investments in treasury, credit risk management, new product marketing and other capacity development.[59] Design also overestimated the credit unions' capacity/desire to deliver formal financial literacy training (i.e. there was no formal budget for credit unions to offer workshops).

59. **Relevance of targeting approach.** The rural poor in Belize face many social, cultural and economic challenges. Among these is the ability to access formal financial services that meet their household economic needs. Financial services available to poor rural households did not enable them to expand their agricultural production and enterprises, and/or overcome periodic economic, natural or family crises.

[58] BRFP Final Programme Design: Working Paper on Rural Financial Services and Credit Unions.
[59] Senior management interviews almost uniformly reported their reluctance to develop new products and that BRFP did not make a compelling argument for creating them.

60. While demand for financial services was apparent, a key targeting lesson learned from CARD and integrated into BRFP design was that targeting the rural poor must consider social/ethnic/gender diversity. Targeting did consider this through complementary and mutually reinforcing measures, including socio-economic eligibility based on housing quality criteria and self-targeting through financial services design. The former was based on a visual inspection of housing quality and analysis of household characteristics, including assessments of poverty related to gender and ethnic background. A 2016 assessment of the targeting strategy found it to be "fairly effective and efficient for measuring rural household poverty in rural Belize" and recommended only minor changes.[60] For the latter, the modest nature of financial share account/savings incentives, planned new savings and loan products would ensure self-targeting (i.e. products and incentives attract only the interest of poorer households).

61. Targeting also had a focus on gender, and to a lesser degree, youth. With the objective of improving women's livelihood and productive capacities, family well-being, and household bargaining power, the BRFP design targeted 50 per cent of training and education activities and household members share account/savings incentives towards women. Design would ensure consistent attention to gender targets by contracting a part-time gender expert who would work to implement specific targeting mechanisms in order to meet gender targets. The part-time specialist would also ensure that gender issues were integrated across programme activities, including in credit union outreach, financial services and product development, credit union and other programme officer management-related gender issues, and within the programme itself (e.g. gender-sensitive hiring and terms of reference).

62. **In summary**, BRFP objectives were consistent with national economic, rural and agricultural development policies of Belize, particularly the Government's interest in employing market-driven financial sector development.[61] Design took into consideration the needs of a variety of government and financial sector stakeholders and programmes. It laid out a cogent sector development strategy, supporting credit union capacity development and new services while attracting demand from new members, which in turn, would result in sustainable growth of credit unions and their services. The simultaneous strengthening of the BCUL in a sound and improving regulatory environment would ensure sustainable attention to continued sector development. However, inadequate supply-and-demand analysis led to overly optimistic credit union growth expectations, and to a supply-driven strategy focusing on savings over beneficiary and credit unions' preference for credit. Design expectations were challenged by an under-appreciation of the conservative corporate governance and management culture at credit unions and an over-appreciation of credit unions' capacity to absorb new activities, particularly new product development. The targeting strategy at the beneficiary level was sound and attracted mostly the rural poor. The design of BRFP under-appreciated beneficiary financial service demand and could have benefited from more beneficiaries and credit union input, as well as a more in-depth inclusive financial assessment. An important assumption was made that the EU-funded enterprise development project and improved agricultural extension services would help drive project results to impact. No mitigation measures were put in place in case this assumption would prove false, which it turned out to be. Relevance is rated ***moderately satisfactory* (4).** This is one point below the rating in the PCR.

[60] Evaluation of the BRFP Eligibility Criteria for Targeting Rural Poverty – Final Report, BRFP, September 2016, page 37.

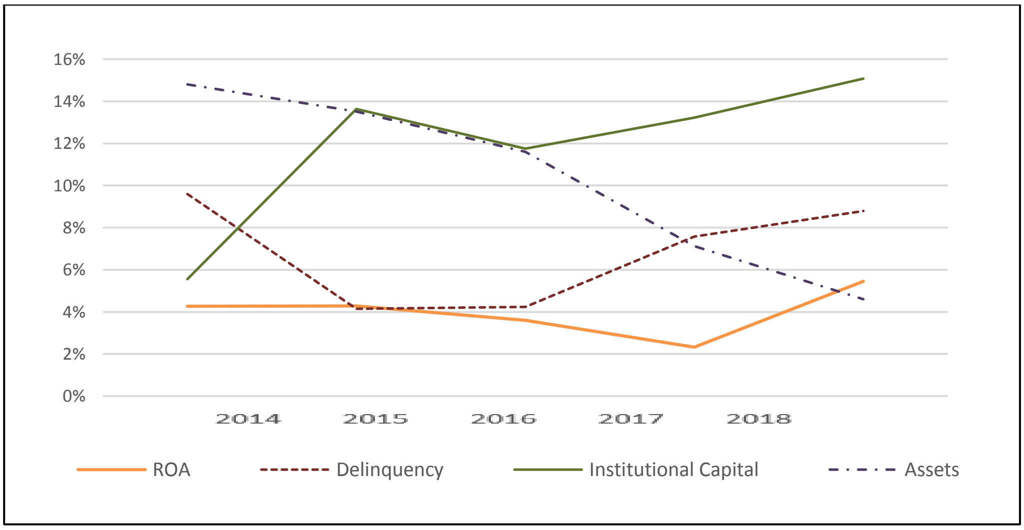
[61] It combines three related approaches: (i) creating employment through a conducive operating environment facilitating private sector-led economic growth; (ii) developing poverty-targeted programmes empowering the poor and vulnerable to access income-generating opportunities; and (iii) ensuring policy and legal framework support and public productivity improvements.

Effectiveness

63. Programme effectiveness is assessed by examining the extent to which intended programme objectives were achieved at the time of the PPE. The assessment in this section compares the expected outcomes corresponding to each component and, where relevant, to the overall programme objectives and purpose of indicators.[62]

64. **Output 1: Governance, management and operational capabilities of credit unions strengthened.** As per design, each credit union put a field officer into the field early in the programme (two in the case of St. John's). Field officers were trained to mobilize new rural members from the target population. The 62 members interviewed by the PPE expressed satisfaction with field officer services (as reflected in the credit union PPE survey). Credit unions were provided tailored technical assistance packages, although after the midterm, the efficacy of which is reflected in a post-midterm positive "BRFP performance bump".[63] All BRFP credit unions have met the 11 per cent net institutional capital good-practice standard and CB requirement (this is the capital required by law to ensure that credit unions can manage financial shocks and cover large loan losses.). After declining towards 2016, credit union loan delinquencies, or loans that members have failed to repay in part or in full, are rising and now average 9 per cent, 6 per cent less than the programme target (see figure 1). Return on assets, or the amount of income generated by member loans and other investments (e.g. Government of Belize bonds), is also within good-practice returns of 5 per cent (average 5 per cent, range 3 per cent to 8 per cent).

Figure 1
Key credit union performance indicators



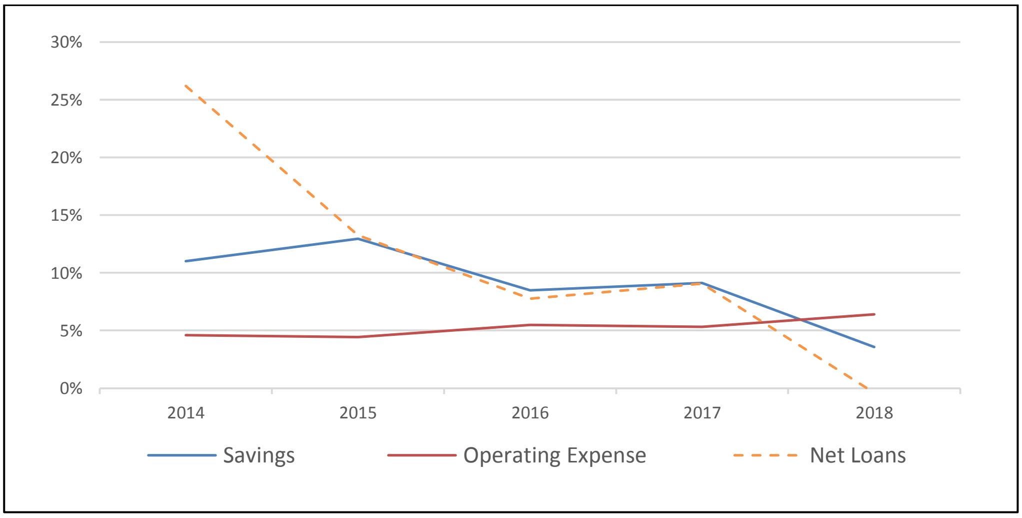
Source: BCUL PEARLS.

65. Good practice suggests that less than 10 per cent of the total value of all loans which have not been paid (default) in 30 days or more is acceptable, but less than 5 per cent is ideal.[64] The PCR reported that loan delinquencies by credit unions with funding from the RCF funds lent to credit unions averaged less than 5 per cent. While within target, average portfolio at risk (PAR) is modestly high and only one credit union has seen PAR 30 decrease from pre-programme levels. credit unions

[62] The BRFP design logframe labels outcomes and outputs. The PPE will refer to logframe outputs as outcomes.
[63] Data are from the BCUL PEARLS and include Evangel, St. Frances Xavier, St. John's, St. Martin's, and Toledo Teachers. La Inmaculada was not a member of the BCUL between 2009 to 2017. There are no data for making comparisons with non-BRFP CUs.
[64] Delinquencies are measured by portfolio at risk 30 days - PAR 30; that is, a loan is put on a delinquency watch list 30 days after a member misses payment.

report that Hurricane Earl in 2016[65] and increased commercial bank competition led to client over-indebtedness and aggressive commercial bank lending contributed to rising delinquencies.[66] Declining delinquencies prior to 2015-2016, along with a leveling of rates in 2018, suggest that BRFP support improved credit union credit risk management. credit union assets grew above inflation rates as per good practice. Declining loan volume growth is a result BRPF ending and increased competition in the salaried employee loan market[67] (see figure 2).

Figure 2
Credit union net loans, savings, and operating expenses



Source*:* BCUL PEARLS.

66. credit union deposit growth meanwhile has slowed, reflecting slower financial sector growth. Participating credit union average management cost to asset ratio averaged 5 per cent in 2018 (ranging from 5 to 9 per cent) but is within good practice standards. This is despite notable increases in credit union investments in areas such as new infrastructure, hardware, software and human resources.[68]

67. A contributory factor to improved performance not tangibly illustrated by performance indicators was BRFP's effect on the willingness to change credit union boards of directors and senior management. The PCR claims that moving credit unions from a "business as usual" to a market-oriented approach had a "transformational" effect. While the PPE confirms that credit unions adopted a more business-like approach (e.g. strategic plans, good management practice adoption), the PCR overstates the case, as several credit unions already employed market-driven approaches prior to BRFP and, at the same time, have some ways to go before a fully market-informed approach is institutionalized. Nonetheless, critical technical assistance-led advances were to improve credit union board capacity to strategically guide credit unions and not enter into day-to-day management. BRFP technical assistance helped credit unions meet CBB internal control requirements, introduce board member rotation, and improve senior management hiring capacity. Technical assistance encouraged credit union boards/management to consider underserved markets (e.g. women, youth, rural markets) beyond their increasingly competitive salaried employee market. Boards also introduced several important gender policies.

[65] Hurricane Earl caused US$100 million in damage, mostly in rural areas, contributing to a 2017 per capita income decline from 8,700 in 2015 to 8,300. See: Hurricanes and Tropical Storms Affecting Belize Since 1930, at: http://consejo.bz/weather/storms.html.
[66] Average commercial loan rates for best clients have dropped from 12 per cent to 8 per cent.
[67] credit union senior management, the BCUL and CBB stakeholder uniformly point to the saturation in the salaried employee loan market.
[68] The management cost ratio is the sum of all credit union operations and management costs divided by the sum of all credit union loans and other investments which earn income. This is the PEARLS equivalent of operating self-sustainability.

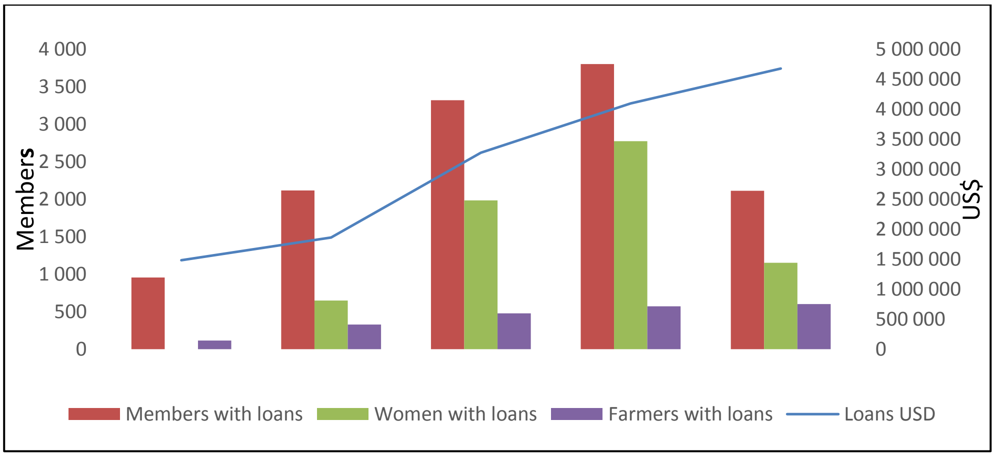
68. A second contributor to effectiveness was credit unions' ability to develop tailored rural service outreach (e.g. based on specific geographic access, ethnic and economic characteristics). Each credit union developed contextually specific outreach and service provision schedules, marketing approaches and financial literacy training. Financial literacy training was critical as the credit union was often a new member's first encounter with a formal financial institution. Training through workshops as anticipated by design was replaced by a more organic "personal financial mentoring" approach provided directly by field officers, who would spend time with members explaining products and services and providing household economic advice. Perhaps this was not the most efficient or standardized means to provide such training, but the time invested proved demonstrably positive. Overall, some 47 per cent of beneficiaries surveyed by the PPE found savings and loans training "good" to "very good", while 25 per cent responded that training was not applicable, 18 per cent reported no training, and 4 per cent and 6 per cent responded that training was "poor" or "basic". Some 62 per cent, 53 per cent, and 51 per cent found their relationship with the credit union to have a "good" to "high" impact on their quality of life, income and economic security, respectively.

69. Despite an improved business focus, credit unions did not develop new products for the rural poor as per design. Several factors contributed to this result. Until midterm, BRFP credit union technical assistance interventions were few and unconvincing of the need for new products. Starting field officer outreach before developing credit union technical assistance plans reinforced the use of existing products and the credit union preference for selling loans over deposits.[69] This preference was exacerbated by poor market information, limiting credit unions' ability to assess unserved demand.[70] credit unions did adjust some products. One refinement was to introduce low- to no-collateral loans. St. Martin's began a three-tiered loan programme graduating rural members from small to larger loans. All credit unions, but most notably Toledo Teachers, proactively lent for agricultural and enterprise purposes. All field officers focused on youth and women. Aside from these modifications, credit union products remained essentially the same (e.g. price, terms).

70. **Output 2: BCUL strengthened in its capabilities for developing, coordinating and providing leadership to the credit union movement.** The technical assistance of the BRFP to BCUL initially focused on improving its management capacity, with the intention of providing a basis for sustainably improving its services to credit unions. As per the MTR, the BCUL developed a strategic plan with the support of the ILCU for sector development while putting the organization on a path towards financial sustainability.[71] The 2015-2018 plan called for strengthening BCUL's sector analysis and compliance support, considering a credit union stabilization fund and national credit union sector market campaign, sourcing external sector development funding, and expanding fee-for-service products. Included in the plan was expanding BCUL's data collection beyond PEARLS to include, amongst others, new membership growth, and loans/savings data disaggregated by rural, gender, youth, and industrial sectors. (see figure 3).

[69] BRFP supervision mission, June 2013 paragraph 7; and BRFP supervision mission, June 2015 paragraph 31.
[70] BRFP midterm review, September 2012, paragraph 126-127; PPE mission stakeholder credit union interviews.
[71] BRFP supervision mission, June 2013, paragraph 18.

Figure 3
BRFP new member loans



Source: BRFP M&E reports.

71. This M&E framework was developed and now provides sector and credit union management knowledge, meeting the BRFP goal of BCUL developing a participatory M&E system. The plan also called for hiring a business development officer (recruited in 2015 and initially paid for by BRFP and now funded internally).[72] Finally, the focus of BCUL institutional development technical assistance precluded meaningful attempts by the organization to support new rural products as foreseen at design.[73]

72. Technical assistance helped BCUL develop its leadership role and is partly credited with helping the modest shift in credit union outlooks from "business as usual" to tapping new (rural) markets and improving management practice.[74] This includes support for improving corporate governance and management (e.g. higher standards of accountability, improved member technical services) and improving compliance. credit union stakeholders now uniformly express greater support for BCUL than they did prior to BRFP, recognizing its capacity to support strategic sector development. credit unions also note BCUL's advocacy role for ensuring an appropriate enabling environment and promoting the sector with the Government of Belize and donors. The CBB noted improvements at BCUL, particularly as it relates to BCUL's compliance and data collection. Doubt remains among stakeholders as to whether BCUL can fulfill a growing list of expectations, especially as it remains small and financially challenged.

73. **Output 3 – Rural financial services, particularly credit facilities for agricultural non-agricultural entrepreneurial and other selected activities, provided.** Cumulative RCF lending was US$2.35 million and there were 2,742 loans to 2,113 borrowers. This is 23 per cent of the programme target of 9,000 borrowers. Some 789 farmers had loans, representing 16 per cent of beneficiaries receiving the share savings incentives (the target was 5,000). By contrast, this was 9 per cent of all new member loans. Loans for farming were consistently 25 per cent of loan dollar volume, and 15 per cent of the number of loans. Micro/small enterprise loans were 30 per cent by loan dollar volume but only 14 per cent of loans. There were 1,152 women borrowers (32 per cent, or 8 per cent less than design target). Some 1,278 of the new members recruited by BRFP had active loans (60.5 per cent of design target). No data are available to estimate the percentage of loans to off-farm enterprise; however, only 14 per cent, or 77 of 408

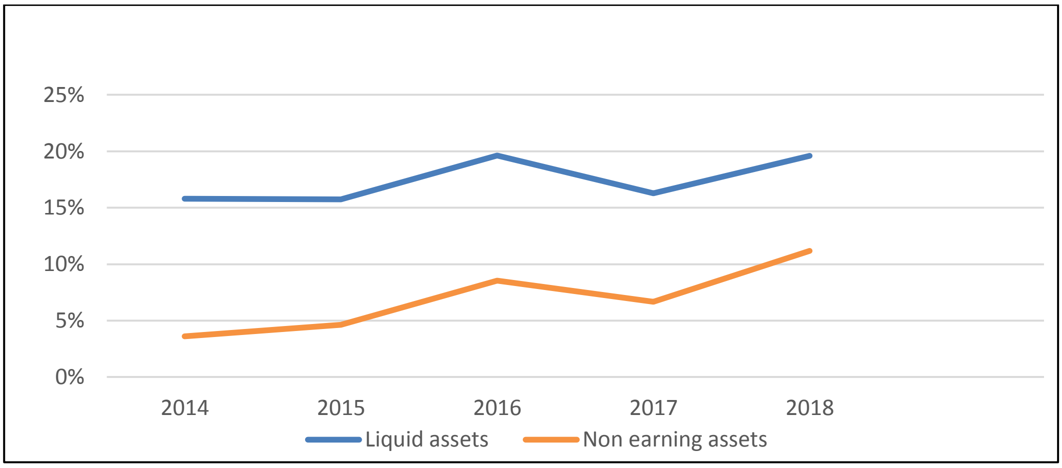
[72] BRFP supervision mission, June 2015, paragraph 23.
[73] BRFP supervision mission May 2016 paragraph 31.
[74] BRFP supervision mission, May 2016, paragraph 24 and corroborated by PPE interviews of CUs and other stakeholders. All CUs were employing good management practices and processes to various degrees prior to BRFP. However, BRFP was credited by senior managers to have helped refine and develop their business outlook.

members surveyed, used loans for off-farm enterprise.[75] The PCR reports that less than 5 per cent of RCF-related loans were delinquent. There are no specific data available for agriculture or enterprise loan delinquencies.

74. The low cost of mobilizing capital, along with credit union over-liquidity, reduced the need for the RCF (see figure 4). Two liquidity measure show that credit unions had enough member savings to meet member loan demand. This is considered healthy, as deposits are typically the least expensive capital a credit union can use for lending to members.

75. Figure 4 shows credit union liquid assets less short-term payables to total deposits between 16 per cent and 21 per cent: good practice is 15 per cent.[76] The PPE did not have access to pre-2014 data, but interviews with credit union executives confirm that these levels predate BRFP. Similarly, the non-earning assets ratio showed that credit unions had enough on-lending capital, averaging well over the good-practice amount of less than 1 per cent.

Figure 4
Credit union liquidity ratios



Source: BCUL PEARLS.

76. Lack of demand for on-lending capital was uniform except for the Evangel credit union, which made effective use of an RCF loan, confirming in the process the programme's theory of change related to outputs leading to desired improved credit union performance outcomes. Fueled by field officer outreach and funded by an RCF loan of US$200,000, Evangel's membership grew by 77 per cent in 2013-2014. The credit union initially had 9 of 22 PEARL performance indicators below standard. By 2017-2018, no indicator was below good-practice standards. RCF funding was not required by most credit unions but for Evangel it made a notable contribution to the credit union's development in combination with the member share account incentive and technical assistance package.

77. The RCF's intention to increase lending to rural enterprises was not that effective. The PPE survey found that only 23 per cent of loans were used for enterprise purposes (14 per cent off-farm, 9 per cent on-farm) with 75 per cent of loans going to family uses (e.g. home improvements, education, consumer goods). Two factors decreased RCF lending effectiveness. First, credit unions reported insufficient bankable enterprise loan demand in rural Belize. Secondly, credit unions remained reluctant to lend for agricultural purposes. credit union field officers received limited agricultural lending risk training. Moreover, the EU's BRDP II programme

[75] This would translate into an estimated 300 enterprises.
[76] The Liquidity Reserve/Savings Deposits. The goal of this ratio is 15 per cent, which allows for a sufficient amount of readily accessible short-term capital to respond to member-client withdrawal and loan disbursement commitments (e.g. signed but undisbursed loans, unused lines of credit). The goal of non-earning liquid assets/total assets is to maintain a minimum ratio of costly non-earning liquid assets at less than one per cent of total assets. See A Technical Guide to PEARLs: https://www.woccu.org/documents/PEARLS_techguide.

was to support rural entrepreneurs, thus stimulating enterprise loan demand, but was altered to focus on rural infrastructure. Limited enterprise loan demand motivated BRFP to allow up to 20 per cent of a credit union's RCF funding to be lent for non-enteprise purposes (e.g. housing, education) with the provision that credit unions encouraged enterprise and agricultural loans.[77] When loans were made to enterprises, impacts were positive: only 7 per cent of enterprise borrowers surveyed by the PPE reported that loans did not have a positive effect on their business.

78. **Output 4: Incentives for affiliation of rural poor to the credit union movement provided and the mobilization of savings promoted.** At programme end, credit unions had signed up 6,988 new members eligible for the share account incentive (beneficiary members). An additional 2,369 new members were attributed to BRFP but were ineligible for an incentive, for a total of 9,375 of all new members (non-beneficiary members).[78] This is 37.5 per cent short of the design target of 15,000 new members. Some 34.7 per cent of beneficiary members were very poor, or 21.7 per cent of design target. Some 2,113 new members with share incentives took loans (23.5 per cent of target and 30.2 per cent of actual beneficiary members).[79] Ultimately, 6,253 new members had active share accounts (66.8 per cent of target). Table 4 shows data for 7,471 loans taken by the 9,375 new accounts (share account incentive recipients and non-share account recipients; see paragraph 46). The table shows that women and the very poor meet the respective 50 per cent and 30 per cent design targets. It also shows relatively low loan sizes by type, consistent with lower-income household lending.

Table 4
Characteristics of BRFP beneficiaries of credit union loans

Item		*Achievement*
Number of loans	To all new members	7,471
	To women	4,123 (55% of new member loans)
	To very poor	2,905 (33.9% of new member loans)
Average loan size (BZD)	All new member loans	2,431
	Enterprise & agricultural	3,620
	Personal	3,862
	Housing	2,880
	Education	900

Source: PCR.

79. Initially the programme was to provide new members with financial literacy training prior to disbursing share account incentives. The training materials were not completed until mid-2012, even as many members had already saved BZD 80 and were expecting matching funds. These payments were further delayed by eligibility processing, which took MoED three to four months to approve. This discouraged new membership, as field officers were not incentivised to promote the programme, and by October 2011 only 294 of the 507 eligible grants had been

[77] BRFP supervision mission, June 2013, paragraph 11.
[78] Until late 2017, programme M&E was unable to track new members not receiving incentives but whose membership was attributable to the programme.
[79] One explanation for the relatively small proportion of incentive-beneficiaries taking loans is that multiple household members received the incentive, but only one loan was taken by the household. There are no disaggregated data available to estimate this observation, although the PCR, credit union field officers and PPE beneficiary focus group interviews confirm that many households have multiple members.

disbursed.[80] Due to these delays, the POC moved to approve grant payments prior to financial literacy training.

80. Savings mobilization did not catch on among the credit unions or their members.[81] Members found that shares accounts met their savings needs and the relatively liquid credit unions preferred to sell loans over mobilizing deposits.[82]

81. The PPE also found that most new credit union members could not consistently save more than that what was required to maintain credit unions membership.[83] The BZD that 80 beneficiaries saved to receive a programme matching grant was often withdrawn as BRFP grant funds arrived. Savings beyond what was needed for living expenses were used for emergencies or invested in housing and/or productive assets (e.g. crop inputs, livestock, school fees). In many cases where a household had three new BRFP members, the combined BZD 240 incentive (BZD 80 per member) was used to leverage a loan larger than the household could have taken backed by a single share account. One field officer noted that three incentives payments would leverage a BZD 1,200 (US$600) to BZD 5,000 (US$2,500) loan (compared to an average new member loan of BZD 2,431 or US$1,215).[84] The field officer noted that, while incentives attracted individual members, a larger household-based incentive may have better met demand for larger average loan size, and this may have also promoted good practice in savings[85] (see paragraph 76).

82. The programme reported that 3,313 new beneficiary members (22.1 per cent of the target) received some financial literacy/planning training, of whom 62 per cent were women. Design allocated US$42,000 for financial literacy training, most designated for training manuals. The training was to be delivered by credit unions in on-going group trainings. There was no credit union financial literacy training budget, and logistics and expenses proved too costly for credit unions. However, credit union field officers were found to take a "financial mentoring" role with new members, guiding them on basic topics including savings and loans, the impact of debt on household finances, household budgeting, insurance, and long-term financial planning.[86]

83. The programme recognized the efficacy of this approach and the PPE agrees that in the absence of substantial financial support, credit unions would not have met the financial literacy training targets.[87] The PPE telephone survey provides qualified support for the financial literacy training approach. Some 47 per cent of beneficiaries found informal loans, savings, and budgeting training to be "good" or "very good". Only 4 per cent found training to be "poor" and 18 per cent felt they received no training at all.[88]

[80] BRFP midterm review, September 2012, paragraph 44; BRFP supervision mission, November-December 2011, paragraph 19.
[81] BRFP supervision mission, November-December 2011, paragraph 20.
[82] It is important to note that member savings above the value of shares required for membership does not count towards a credit union's equity capital, and thus there is no incentive on the part of the credit union to encourage members to save in their share account for equity-building purposes.
[83] The value of share requirements ranged by credit union from BZN 25 (US$12.50) to BZN 150 (US$75).
[84] credit unions typically require a savings-to-loan ratio of 1:5 to 1:10. Three incentive payments, or BZN 240 (US$120) would leverage loans between BZN 1,200 (US$600) and BZN 5,000 (US$2,500).
[85] Calibrating incentives to avoid unintended effects must also be considered; specifically, that a larger incentive may leverage a loan too large for a poor household to manage (i.e. put to productive use and or repay). By contrast, member saving for matching funds provides a member credit-risk management indicator (i.e. the ability to save acting as an indicator of being able to repay credit). A structured saving programme for members to save a certain amount per month for a set number of months may have been an alternative means to increase incentive sizes without risking poor credit outcomes. Some credit unions insist that borrowing members save a small amount monthly in addition to their loan payment.
[86] BRFP Final Programme Design, Main Report, IFAD.
[87] BRFP supervision mission, June 2015 paragraph 29-30*,* noted that financial literacy work had not achieved expected design results.
[88] Training results are reported in aggregate only, as results by credit unions are essentially the same.

84. While indicators are positive, the approach employed varied by credit union and this makes it difficult to assess the extent to which members received good-practice financial literacy training. IFAD supervision missions noted this issue and reported that unmonitored financial literacy training delivery did not allow for substantial lessons to be learned (e.g. which approaches worked best, what elements were most attractive). Collecting this knowledge could have informed and improved BCUL's current financial literacy training development initiatives.[89]

85. BRFP effectiveness was uneven across activities for reasons of both design and implementation. Data provided by the programme and BCUL demonstrate that BRFP modestly improved credit union financial performance and business outlook. The RCF was not necessary, but Evangel credit union demonstrated its effectiveness in the case of a credit union with liquidity needs. The share incentive attracted new members (both those receiving incentives and others), and the programme met from two to three of targeted new members despite poor programme management in the first two years. The saving incentive was ultimately not successful, as share accounts met member needs (for savings and loans) and were preferred by the credit unions for management simplicity. The credit unions and BCUL did not develop new products and services, as they believed they could meet demand with the current offer. Financial literacy training was rated positively by members taking the PPE survey, although its informal nature did not allow lesson-learning and transfer to BCUL. The PPE rates the project's Effectiveness as ***moderately satisfactory* (4)**, the same as the rating in the PCR.

Efficiency

86. **Implementation efficiency.** The BRFP became effective in September 2009, almost nine months after its approval by the Executive Board, in December 2008 (table 5). Considering that the average effectiveness lag in the country is 19.7 months and the regional average is 17.7 months, the project managed pre-implementation processes in a comparatively efficient manner. The project was completed in September 2016 for a total implementation period of seven years.

Table 5
Comparison of BRFP timeline and other projects

	Approval-signing (months)	*Signing to effectiveness (months)*	*Approval to effectiveness (months)*
BRFP	5.1	3.5	10.3
Belize average	9.3	3.0	12.3
Divisional average	13.4	6.3	17.7

Source*:* IFAD Oracle Business Intelligence.

87. During the first three years of implementation, the project faced delays due to project management deficiencies. The project was unable to plan, initiate and maintain progress on key interdependent output activities, beginning with the procurement of appropriate credit union diagnosis, market analysis, and credit union technical assistance providers. IFAD procurement processes were new to the PMU, and the programme manager repeatedly failed to apply procurement protocols; neither the POC nor IFAD provided enough guidance. Communications with key stakeholders (POC, BCUL and credit unions) were ineffective, adding to delays.

88. At the beginning of the programme, the BCUL's governance/operational role was unclear, with BCUL being the host to the programme, a funding recipient, and a member of the POC. These issues were noted by programme stakeholders as among the principle reasons for a difficult programme start-up. Limited engagement by the programme manager at the field level was cited as the main

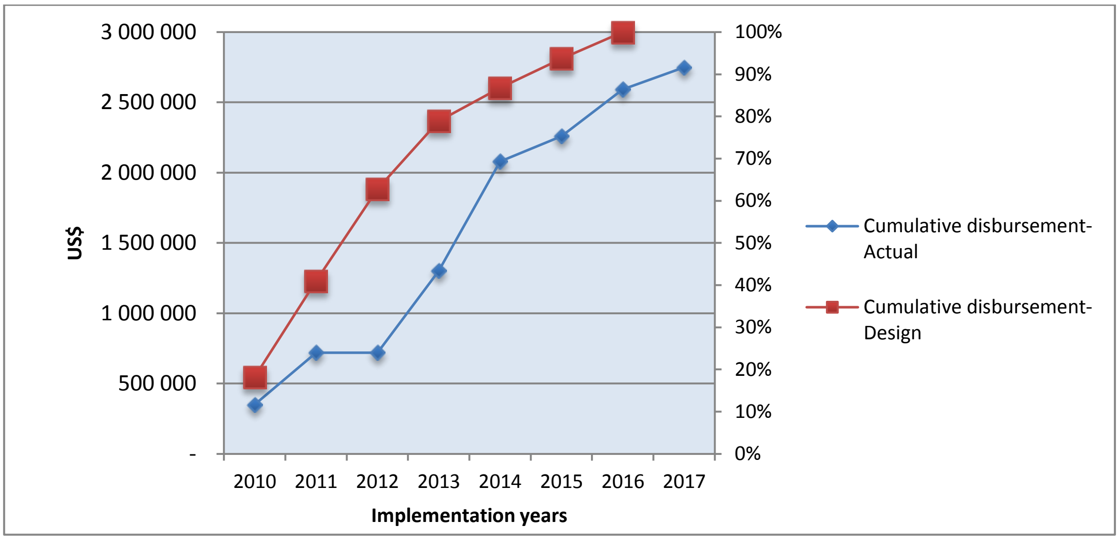
[89] BRFP supervision mission June 2015, paragraph 30.

reason for start-up inefficiencies (e.g. miscommunications and misunderstandings about roles and responsibilities, delayed programme agreements particularly between the PMU and the credit unions).[90] As a result, the project execution rate was below that expected by design annual work plans and budgets, particularly for component 1.

89. Project physical and financial progress improved after the recruitment of the new programme manager in May 2012, whose participatory management style institutionalized regular and effective communication between the PMU, credit union liaison officers, POC and BCUL staff.[91] This helped the PMU to clarify programme goals and responsibilities, work more closely with credit unions, and improve M&E system precision/efficiency.

90. **Disbursement performance.** Improvements to disbursements were notable during the last 4.5 years of the programme, and by completion BRFP had disbursed US$2.7 million, or 92 per cent of IFAD funds (compared to 24 per cent the prior 2.5 years). This achievement was made despite significant delays in the finalization of the annual work plan and budget for 2012-2013 resulting in a 17-month period where no new IFAD fund withdrawals were made, attributed by the POC to the new programme manager's learning curve and other project adjustments (see figure 5). Improvements post- 2013 were demand-driven, based on the capacity-building and technical assistance activities of participating credit unions and the BCUL.

Figure 5
Comparison of target and actual disbursements



Source: IFAD Oracle Business Intelligence.

91. IFAD resources for the RCF started to show disbursement progress in 2013 as the fund approved and disbursed loans to St. Francis Xavier, Evangel's and La Inmaculada. In October 2015, the programme realized that demand for RCF funding was below the US$2.35 million allocated at design, and following a June 2015 IFAD supervision mission recommendation, the programme reallocated the outstanding balance of uncommitted RCF funds of US$250,000 to component 1. Similarly, the share account and savings incentives for component 3 activities disbursed only 60 per cent of the total IFAD funds allocated by mid-2015 when the savings component was suspended. Considering the original budget for this component and the original target, BRFP's cost per incentive increased by 28 per cent.

[90] See: BRFP supervision mission November-December 2011, paragraph 5-6, and the Agreed Actions table, pages 3-5.
[91] The new programme manager was the former M&E officer, who became interim programme manager in May 2012 and programme manager in January 2013.

92. **Programme management cost.** The BRFP management cost at completion was 15.3 per cent of the total programme costs, or 1.2 per cent less than design, a notable accomplishment given key PMU staff turnover, M&E standardizing costs, and early delays and partnership communication challenges. BRFP's cost per credit union member at completion was US$605 (50 per cent greater than design). This estimate is based on the total project cost in US$ divided by the total number of new credit union members attributable to the programme, or 9,357. At the end of 2012, there were 1,800 members receiving programme services for a cost per member of 717. After midterm until project completion, another 7,557 households were served at a cost of 565 per new member. The cost per new member decreased by 21 per cent as credit unions developed their outreach models and improved capacity through more effective programme technical assistance.

93. **Internal rate of return.** The project design estimated an internal rate of return of 37 per cent. The PCR was unable to calculate the programme internal rate of return given insufficient detailed economic and financial data available, as well as unfamiliarity with IFAD methodologies for formulating this type of analysis. The internal rate of return was not calculated by the PPE either, but likely would have been significantly lower than anticipated by design, given that many loans were for personal and not enterprise use, as assumed by original internal rate of return calculations. This effect may be offset somewhat by housing improvement and education loans with longer-term positive economic impacts.

94. Project implementation performance varied throughout the project, with pre-implementation processes managed efficiently, pre-midterm poorly, and post-midterm seeing notable improvements. The POC's midterm decision to change the programme manager brought stability and efficiency to the PMU, resulting in a higher disbursement rate and leading to an overall IFAD fund disbursement rate of 92 per cent. PMU costs were below design, and while cost per beneficiary was higher than design expectations in the first half of the programme, the PMU achieved 20 per cent savings per member after the midterm. The PPE rates the project's Efficiency as ***moderately satisfactory*** **(4)**, which is one point below the PCR rating.

Rural poverty impact

95. Rural poverty 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). In line with the IFAD Evaluation Manual (second edition, 2015), rural poverty impact is assessed in four domains: (i) household income and net assets; (ii) human and social capital empowerment; (iii) food security and agricultural productivity; and (iv) institutions and policies. Impact is assessed based on the three RIMS studies and the PPE telephone survey.[92]

96. **Household income and net assets.** There is little data available to assess the direct impact of the programme on household income. What is available suggests that rural poverty in Belize remained persistent during the years of the programme. The 2016 RIMs study of the programme's operating area found that some 40 per cent of rural households were in the poorest or poor wealth quintiles, a finding which is consistent with national poverty data and with the distribution found in the 2015 BRFP RIMS.[93] The 2016 RIMS study found that income from 50 per cent of rural households was from self-employment (30 per cent) or non-regular sources (20 per cent). For households headed by women, non-regular

[92] Sources include BRFP RIMS 2011 (used as baseline), 2015 and 2016. Data from RIMS do not necessarily reflect changes to programme beneficiary households as reported in the PPE survey, as the survey samples do not purposely overlap. Results from the RIMS can be contrasted against PPE survey results but are not directly comparable. The PPE telephone survey included 389 households, and results are indicative and not statistically representative.

[93] The BRFP PCR notes correctly that RIMS survey respondents do not necessarily overlap with BRFP member participation, and findings are therefore are not directly comparable to BRFP achievements and/or do not show the effect of BRFP on household welfare.

sources were 64 per cent and youth 85 per cent (75 per cent for household daughters and sons of working age). The PPE beneficiary member telephone survey found that 26 per cent of beneficiary members earned less than US$200 per month (around the national poverty line of between BZD 400, or US$200), or US$2,400 annually, which is 29 per cent of the 2017 national per capita GDP of UD$8,300 (another 20 per cent earned less than US$700, or US$ 4,200 annually, or 50 per cent of per capital GDP).[94]

97. The PPE survey also found that 7 per cent, 22 per cent and 28 per cent of women earned less than US$100, US$200 and US$350 monthly, respectively. This compares to men, whose monthly earnings were 3 per cent, 13 per cent and 14 per cent in the same categories. Some 57 per cent of women earned poverty wages compared to 20 per cent of men. When asked about the impact of BRFP on household income, 31 per cent of PPE survey respondents felt the programme to be very "impactful" and 22 per cent found it "impactful". Only 6 per cent felt there was "no impact" (with 24 per cent indicated that the question was inapplicable). Sixty-two per cent of those surveyed indicated the programme had notably improved household quality of life (19 per cent impactful, 43 per cent very impactful)

98. Changing asset ownership among the rural poor was measured by three RIMS surveys, which found that small-asset ownership remained largely unchanged during the programme, with approximately 66 per cent of respondents owning radios, televisions and refrigerators. Ownership of "productive" assets also remained largely the same, with vehicle and bicycle ownership at 35 per cent and 70 per cent, respectively, between 2011 and 2016. Motorcycle ownership doubled from 8 to 15 per cent, and households with electricity remained at 90 per cent.[95]

99. The PPE survey found that 64 per cent of loans were used for household purposes, primarily home improvements and education. This contributed to increases in household assets among programme beneficiaries (home value, health and education investments). Only 14 per cent of loans were used for enterprises and 9 per cent for agriculture (the PCR reports enterprise and agriculture loan use at 18 per cent and 14 per cent, respectively).[96] Over 12 per cent of borrowers in the PPE survey reported that loans had no impact on on- or off-farm enterprise, while 7 per cent noted some impact, and 15 per cent and 24 per cent thought loans to be impactful or very impactful. It is notable that the average size of enterprise and agricultural loans of US$1,820 and US$2,060, respectively, was larger than the average household loan (e.g. personal, housing and education loans, which were US$1,931, US$1,440 and US$450, respectively). Asset accumulation through savings was uncommon, as very few beneficiaries saved more than what was required to maintain member share accounts and/or secure a loan (although 68.3 per cent of BRFP beneficiary members still save in the credit unions).[97]

100. Design anticipated a much higher percentage of enterprise and agriculture loans. As can be seen in the theory of change diagram (appendix X), part of this expectation was based on the assumptions that the EU BRDP II would provide enterprise training in rural areas, and that the limited agricultural extension services would improve.[98] This was to have stimulated agricultural and rural enterprise loan demand, translating into improvements in and expansion of agricultural and non-agricultural economic activities, and, further up in the

[94] The only data available to the PPE to compare poverty income are from the Belize 2009 Country Poverty Assessment, which reported the official minimum wage of BZN $2.50 (US$1.25) to BZN 3.30 (US$1.65) per hour for a 40-hour work week, or BZN 400 (US$200) to BZN 528 (US$269) monthly.
[95] BRFP RIMS 2016.
[96] PCR, Table 4, page 23.
[97] PCR, Annex 4, BRFP Appendix 4 - BRFP Updated Logical Framework (Progress against objectives, outcomes and outputs), page 1.
[98] See: http://www.g-fras.org/en/world-wide-extension-study/central-america-and-the-caribbean/central-america-list/belize.html#title-history.

programme's theory of change, to increased household income and assets. Challenging overall national and rural economic conditions likely suppressed enterprise start-up. Also, the RIMS and Government of Belize data reported a decrease in agricultural production (see paragraph 16 and 92). Both factors may have contributed to lower demand for enterprise lending. Moreover, the EU programme and agricultural extension services did not develop as expected, and hence the causal link between increased lending and improved/expanded economic activity by the rural poor was likely weaker than expected. However, if we consider that housing and education loans also contribute to asset development, then programme lending for asset development was an estimated 79 per cent of all loans. Net asset value from housing (assuming increase in house value) and education will show improvements over a longer period than enterprise and agriculture lending, which may account for modest overall levels of reported asset growth shortly after the programme ended.

101. **Human and social capital and empowerment.** For some new credit union members, the fact of becoming a member of a formal financial institution was an empowering event. This is particularly true for Guatemalan migrants in south Belize and for many youth and women who often feel outside the formal economy. Key to this empowerment, and one not found with most types of formal financial institutions, was a regular, often weekly, new member engagement organized by the field officer, providing financial services, financial household/enterprise management advice, and other counsel. The fact that this guidance often came with a loan provides exponential empowerment. Most new beneficiary members did not invest in enterprises as expected in project design and, as a result, income levels may not have risen as expected. However, many beneficiaries did invest in better housing, education for their children, or family health care, the impacts of which, while slower to develop, are likely to result in positive future human and social capital development.

102. Neither the RIMs nor the BRFP M&E system captured data related to empowerment as such. The PPE member survey did find that respondents thought that savings and loans training had a positive (35 per cent) to a very positive (12 per cent) impact on their ability to plan for and manage household financial affairs – with women and youth finding training more effective than men did. PPE focus groups confirmed improved levels of confidence and feelings of empowerment, again more among women and youth than among men. Similarly, 36 per cent and 12 per cent surveyed found the impact of loans on household education very impactful and impactful, respectively. The PPE mission verified through in-depth questioning of randomly selected focus group members that beneficiaries had a good knowledge of loans and savings and were able to calculate/estimate the costs and benefits of financial service use for asset and income development.[99] PPE focus groups also indicated that interacting with a "formal institution" improved their capacity to engage with government and other officials (e.g. local public authorities, school authorities). Finally, while membership in credit unions was on an individual basis, many members belonged to the same local groups (e.g. churches, non-governmental organizations, farmer groups) and often joined the credit union at the same time. Since most member experiences with the credit unions have been positive, the social and human capital value of the groups and group membership increased.

103. **Food security and agricultural productivity.** Improving food security and/or agricultural productivity were not outcome-level goals of BRFP, and as a result there is little direct data available to assess how the programme affected these areas.

[99] In each focus group and beneficiary home interview, the PPE mission team assessed beneficiaries' understanding of asset and income development through use of financial services, including the separation of household and enterprise activities, calculation of profitability, and assessment of asset appreciation.

104. Regarding food security, the 2015 and 2016 RIMs surveys measured children's nutritional status change (i.e. stunting, wasting, underweight). The 2011 RIMS did not; therefore effective longitudinal comparisons are limited to one year. A sample of 256 in the 2015 and 2016 studies showed 20 per cent of children under five to be living with chronic malnutrition (stunted), 7 per cent underweight, and 3 per cent suffering from acute malnutrition (wasting).[100] This is higher than the Caribbean average for stunting (11 per cent) and wasting (1.3 per cent).[101] Some 24 per cent of households reported a hungry season lasting on average 3.6 months in both 2015 and 2016. Some 2 per cent of households experienced a second hungry season in 2015; less than 1 per cent did in 2016.[102] The PPE member survey found that 58 per cent of respondents believed that the BRFP had a positive impact on household economic security (8 per cent some impact, 20 per cent impactful, 31 per cent very impactful). Respectively some 7, 14 and 33 per cent found that increased access to financial services through the programme: (i) had some impact, (ii) was impactful or (iii) was very impactful on household health.

105. The BRFP did not measure agricultural productivity, but the available data suggest a reduction in reliance on farming in rural Belize and little in the way of productivity investments. The RIMS surveys showed a notable decrease in cultivated farmland, from 37 per cent of households being involved in some farming in 2011 to 28 per cent in 2016. In the same period there was a 4 per cent decline in livestock ownership. Of those households that did farm, 93 per cent used hand tools (e.g. hoes and spades) while only 7 per cent used tractor-drawn plows (down 74 per cent and 24 per cent for 2015 and 2016, respectively). While the data were not disaggregated by income, the notable prevalence of hand tools suggests that many surveyed credit union members are using productivity-constraining implements. Low levels of farming are consistent with the PPE survey, which found that only 9 per cent of loans were used for agricultural purposes (the PCR indicates 14 per cent). PPE interviews and focus group interviews found that those who took loans for agriculture did so primarily for input-purchasing (e.g. seeds, fertilizer) and not for farm investments to enhance labour productivity. Considering also that agricultural extension services are weak and have not significantly improved over the period, the PPE concludes that any agricultural productivity enhancement that can be attributed to the project was limited.

106. **Institutions and policies**. BRFP had several impacts at the institutional and policy level that led to improved access to financial services for the rural poor and an enhanced understanding of the economic potential of poor rural households

107. At the credit union level, BRFP-supported interventions demonstrated the potential of the rural niche market. Training and capacity-building imbued credit unions with a more business-oriented outlook at both the senior management and board levels. This made credit unions more responsive to the financial needs of the rural market (including the ability to serve the poor) and helped expand their capacity and confidence in seeking out and serving other new markets. While this impact was greater for smaller credit unions, management and governance in all credit unions were improved by a better understanding the efficacy of more defined management and Board roles and responsibilities. This new outlook and experience have credit unions more actively engaged in new market opportunities. In particular, the credit unions are examining emerging agency banking technologies with low transaction costs (via the IADB Inclusive Savings with Shared Agents programme - ISSA), which could be used to expand their rural market presence. However, it is unfortunate for rural markets that only two of six credit unions have

[100] BRFP RIMs 2015 and 2016.
[101] See Overweight affects almost half the population of all countries in Latin America and the Caribbean except for Haiti, Pan-American Health Organization/World Health Organization at: https://www.paho.org/trt/index.php?option=com_content&view=article&id=232:overweight-affects-almost-half-the-population-of-all-countries-in-latin-america-and-the-caribbean-except-for-haiti&Itemid=310.
[102] Results and Impact Management System (RIMS) Study for Belize Final Report (2015 and 2016).

made a business case to continue proactive rural market development (St. Martin's and Evangel – see paragraph110 below for more details).

108. The BCUL was energized by the BRFP and, in the view the credit unions' leadership, moved from an "ineffective" to an "active and important" apex institution. IADB and IFAD grants prior to the BRFP start-up initiated the evolution of the BCUL through the institutionalization of the PEARLS reporting framework. The addition of demand-driven services for credit unions will further empower BCUL and strengthen its relationships with its membership. The organization's credit union compliance support and internal audit services for smaller credit unions are examples of how BCUL supports its members. The BCUL has also improved its advocacy role, gaining substantial stature via BRFP with various ministries of the Government of Belize and the CBB. This growing confidence is best exemplified by the La Inmaculada credit union (the second largest credit union in Belize) rejoining the BCUL after a six-year absence.

109. Through interaction with the BRFP staff and BCUL, the CBB has a much-improved understanding of the credit union movement in Belize and of its critical role in rural areas. The CBB, like other institutional stakeholders, views the credit unions as the "poor persons' bank", and very important for banking the rural population. The recruitment of almost 10,000 new, mostly poor to very poor rural members and a low lending delinquency rate (along with generally improving financial performance) has given CBB more confidence in the credit union movement. While the CBB did not report BRFP influence on the macro-level regulatory environment, it did note the importance of BCUL's enhanced compliance and internal audit functions as providing greater reliability of credit union reporting and thus strength to the system. Finally, BRFP's experience building the credit union movement provides the basis for credit unions to be involved in other formal rural development programmes. The IADB's ISSA programme on agency banking is an example, as are potential links to the Be-Resilient, a new IFAD value chain/backyard garden-focused programme in Belize.

110. The PPE survey indicates a modest overall improvement to beneficiary household well-being in the context of weak rural economic growth which has left most non-BRFP households no better off or poorer over the programme years. Most beneficiary households invested in home improvements or education, with longer-term positive impacts on income and asset development. Social and institutional empowerment and capital have been modest and uneven, but with potential for future growth. The success of BRFP (particularly in the second half of the programme) has empowered the Government of Belize, CBB and BCUL to continue promoting and developing the rural financial system development specifically, and rural development generally. The BRFP's impact on rural poverty is considered ***moderately satisfactory* (4).** This is one point below the rating in the PCR.

Sustainability of benefits

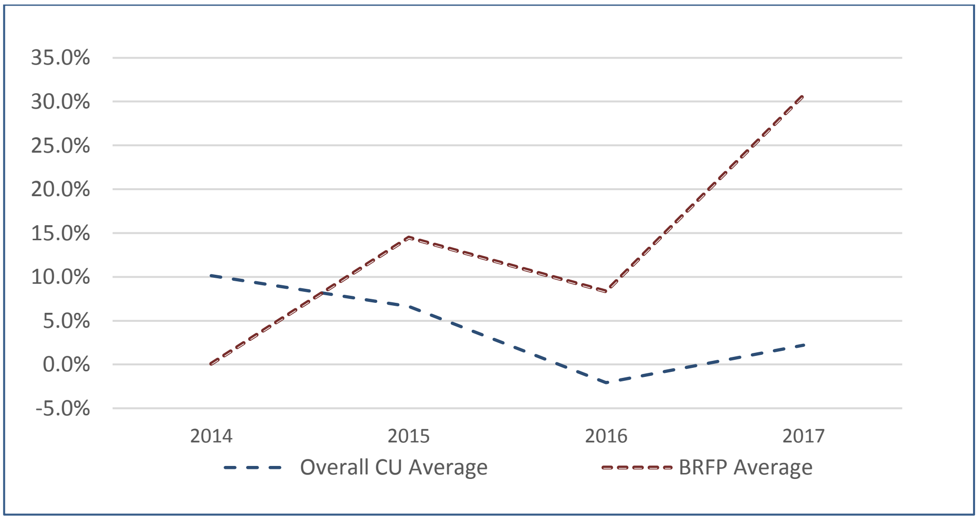
111. Sustainability refers to the likely continuation of the benefits generated by the project beyond the phase of external funding support, or in the case of BRFP, the extent to which the rural poor continue to have access to appropriate financial products and services which allow them to build incomes and assets.

112. *Target beneficiaries.* The sustainability of positive outcomes and impacts gained by target beneficiaries rests on their ability to continue to profit from the financial services and on which financial services will be available in the future. The 2016 RIMS does not offer a positive picture of asset and income development in rural Belize for the poor and very poor. The RIMS and other data cited in this report suggest modest welfare improvements in a context of declining rural wage labour opportunities and periodic environmental disasters. The BRFP helped to bring almost 10,000 people into the formal financial sector, many of the saving for the first time. This has positively changed the perspective of the financial sector on

bankability of the rural poor and will assist in future household economic management. Some 62 per cent of PPE respondents reported that credit union membership has had a positive "impact" or been "very impactful" on the quality of their lives and 53 per cent on their incomes, some two to three years after they received their first loan or saved their first dollar. Steady improvement of electronic banking technology and continued access to credit union services will also ensure access to financial and other services within the rural economies, thus supporting improved rural household welfare.

113. *Credit unions.* The extent to which appropriate services will be sustainably available to the rural poor depends on the capacity and strategies of credit unions. During the BRFP, credit unions modestly improved performance, becoming more resilient to frequent exogenous economic and environmental shocks that the country experiences. These gains may be off-set by increasingly difficult competition from commercial banks (foreign and domestic), particularly in urban markets and for salaried employees. Competition is pushing interest rates down and banks are offering more favourable terms and conditions. Moreover, recent credit union growth has been driven largely by BRFP share account incentives. Figure 6 shows overall new credit union membership growth rates versus the BRFP average membership growth rates over the last seven years. BRFP rates are clearly not sustainable, particularly when several credit unions have recently raised or will soon raise member share minimums.[103]

Figure 6
New credit union member growth - BRFP and regular members 2014 - 2017



Source: BCUL PEARLS.

114. At the same time, BRFP's governance and senior management technical assistance and capacity-building had a notable influence on credit union business culture but, as current credit union business plans show, not always to the benefit of rural markets. At the time of the PPE, all credit unions had elaborated market-based business strategies. Both St. Francis and TTCU will continue to serve rural members developed during BRFP but will not proactively expand rural markets, citing market saturation.[104] La Immaculata will not focus substantial resources on rural areas and is looking to compete with banks in key urban markets. St. Martin's views rural markets as critical to growth and will continue to mobilize and serve membership from rural areas. Evangel's strategic plan is to expand primarily in rural areas. St. John's will discontinue the field officer model it considers unprofitable but will use its BRFP experience to possibly develop rural markets once its agency banking model is established.

[103] Project Completion Report, BRFP, 2017, paragraph 6.2.
[104] National Rural Financial Market Study Final Report, BRFP, 22 May 22 2015, notes a similar finding for Corozal.

115. Several credit unions suggest that rural markets had met a saturation point, but evidence to the opposite exists. *The National Rural Financial Market Study* and the 2016 RIMS survey suggest that in most districts there is some room to grow for both savings and credit. The 2016 RIMS also found that only 29 per cent of household heads had credit union or bank loans, while 14 per cent had loans from money lenders or family. The PPE survey found that 78 per cent of beneficiaries relied on credit unions for loans, many with multiple loans. Finally, according to the Be-Resilient Programme Design, there are 20,000 farm households in rural Belize, many with multiple income earners, and many of which have youth without credit unions or bank accounts.[105] This indicates a modest rural market growth potential. Not having developed specific loan products appropriate for the rural market (and possibly also more savings products) with the support of BRFP represents a missed opportunity, particularly for the smaller credit unions less able to do so without expert guidance. The advent of agency and electronic banking will also be vital to the credit union movement if it is to remain competitive. Larger, better capitalized commercial banks have a definitive advantage and are moving into electronic banking, making these banks more attractive to the non-poor in urban and rural markets. If the credit unions do not develop electronic transactions, they will likely lose some of their most profitable, middle- and upper-income clients to banks. This will leave them unable to "cross-subsidize" lower-income members, as is currently the case.[106] Credit unions are in a better position today to remain competitive even while serving poor rural households, but the sustainability of their improved performance and any future rural market development rests, to a degree, on whether credit union leadership sees a competitive advantage in rural markets and has a business model to exploit them. BRFP has at a minimum provided credit unions a foundation for moving forward in this respect.

116. *BCUL.* BCUL's development is central to the sustainability of BRFP outcomes/ impacts. As a second-tier institution, BCUL replaces BRFP as the credit union technical assistance and capacity-building organization. The organization signed an agreement with the Government of Belize at programme end to continue providing trainings based on the manuals and courses developed during BRFP. Additionally, the BCUL also signed a memorandum of understanding with the ILCU for a long-term mentoring partnership. The BCUL has strong M&E supporting a compliance and performance reporting system valued both by the credit unions and the CBB. The BCUL strategic plan will have it expand a range of fee-for-service products, including its valued internal audit services.

117. A top strategic priority for the BCUL will be to remain relevant to credit unions while achieving financial stability. This will require increasing its own capacity on an ongoing basis. The hiring of a business development officer was a good step towards better understanding and serving the needs of its members, and to sourcing external funding. As the implementing agency for the IADB ISSA programme, the BCUL will continue to support credit union linkages and electronic banking opportunities. Other planned initiatives include a national credit union marketing campaign, a solar power loan product, and Information Technology and Communication support to member credit unions. Part of BCUL's strategic plan includes measures to encourage and incentivize credit union members to continue prioritizing the rural poor household market (e.g. through knowledge sharing and cooperation, featuring rural markets at BCUL events; continuing bilateral presentations and meetings with relevant stakeholders from the Government of Belize and other sectors).

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[105] Resilient Rural Belize (Be-Resilient) detailed programme design report, 2017.

[106] CUs in Belize are similar to those in many countries with respect to cross-subsidization, or where the income derived from a small number of more well-off members ensures profitability against a larger number of low-income members who generate lower income and higher transaction costs for the credit union.

118. *RCF*. The DFC will continue to manage the US$1.4 million RCF under a new agreement signed with the Government of Belize. The RCF had one outstanding loan at the time of the PPE, has made no new funding commitments, and is not proactively seeking borrowers, as relatively high credit union liquidity limits demand for capital. If demand rises, the DFC will have the capacity to lend to credit unions and the fund can continue to operate (so long as combined loan and other investment income is greater than fee expenses and inflation). The fund could conceivably be moved to the BCUL as part of a stabilization fund. While the BCUL does not currently have the capacity to make loans to credit unions, the ability to do so is relatively simple to develop. If BCUL manages the RCF and there is no demand for loans, the fund will generate income for credit union sector development, as opposed to the DFC, whose mission, which is no less valid from a development perspective, does not focus on financial services for the rural poor.

119. *Government of Belize.* The Government indicated some commitment to rural financial sector development through the credit union movement after loan closing. It supports new initiatives such as the IFAD Be-Resilient value chain programme which will, amongst other things, attempt to link smallholder farmers to the credit unions for productivity and market access development loans.[107] The Executive Secretaries of the MoED and Ministry of Finance were members of the BRFP POC and are now members of the Be-Resilient POC; and the MoED is the responsible agency for the programme. Beyond ongoing government extension services and supporting good financial sector management practice via the CBB, the Government has not committed further support to the credit union movement in rural areas, and no specific actions on the part of the Government are anticipated at the time of the PPE. There are no foreseeable macroeconomic or political changes that will affect BRFP outcomes at the policy, legislative, regulatory or supervisory levels.

120. The sustainability of modest household-level benefits reported by BRFP beneficiaries will depend on the availability of continued access to credit union services, which is positive, given the improved credit union performance and the intentions of four credit unions to stay or expand in rural markets. Continuation of the field officer model and proactive credit union rural market development is not guaranteed for all districts, with only two credit unions currently prepared to continue growing rural services. Continued access must be conditioned, however, on the stability of rural economies, which could cause contraction of services, particularly for loans. The Government and BCUL will maintain their rural development and financial services commitment but are not planning any programme or policy support in future. The PPE rating for sustainability is ***moderately satisfactory* (4).** This is one point below the rating in the PCR.

B. Other performance criteria

Gender equality and women's empowerment

121. BRFP had an overall gender goal of promoting the socio-economic empowerment of women, including girls and the poorest women, by enhancing their access to financial services and by providing financial literacy capacity-building. Specific issues addressed included improving the productive capacity of women-led enterprises, improving their own well-being and that of their household’s, and increasing their bargaining power within their household.[108] To fulfil these goals, a gender strategy was developed to include: proactive gender targets for the share account/savings incentive programme; a strategic alliance with the EU BRDP II programme;[109] microfinance gender issue training for all BRFP and key stakeholder

[107] It is important to note that the programme manager of the new programme will be the former programme manager of BRFP hired at midterm.
[108] Specific objectives outlined in the programme design text were redacted for brevity. For details see: BRFP Final Programme Design, Main Report, IFAD, paragraph 89. These objectives were not directly integrated into the logframe.
[109] The EU programme was to support microenterprise but was changed to rural infrastructure prior to opening.

staff, particularly credit union field officers; and a commitment ensuring that all programme material considers gender issues. A gender/youth consultant was hired to implement the gender mainstreaming strategy.

122. There were three logframe targets regarding gender. The first was a target under the *Programme Goal* of reducing the incidence of rural poverty among households headed by women by between 4 per cent and 8 per cent (for which the PCR did not provide data). A target under the *Programme purpose* was that 30 per cent of participating trained youth and women would run a business with/without credit at the end the programme. The PRC reported that 2,052 women and youth were operating a business by the programme end, i.e. 35.9 per cent of target.

123. *Women's access to and ownership of assets, resources and services.* Under component 3, *output 3*, at least 40 per cent (or 3,600) of the targeted 9,000 rural poor who were to gain access to credit were to be women. At programme end, women had received 1,152 loans, of which 324 were to young women. This represents 15.8 per cent of the overall loan target of 9,000, and 54.6 per cent of the 2,113 loans received by new beneficiary members (i.e. those receiving the share account incentive; see figure 4).[110] Data provided by the credit unions that included all 9,357 new credit union members attributed to the programme showed a total of 7,471 loans, of which 4,123, or 55.2 per cent, had been granted to women, of which 11 per cent went to young women. Under *output 4*, of the 15,000 people to be trained in cooperativism and basic financial literacy, 60 per cent would be women. At programme end, 3,313 people were reported trained, of whom 2,052 were women. This represents 22.8 per cent of the design target and 69.1 per cent of all beneficiaries trained. Other indicators not included in the logframe also demonstrate gender proactivity. Of the 9,375 new credit union members attributed to the programme, some 5,288, or 57 per cent, were women, of whom 815, or 8.7 per cent, were young women. Of the 6,988 new members who received share account incentives, 57 per cent were women, of whom 11.7 per cent were young women.

124. *Participation in decision-making at household and rural institution levels.* The PPE cannot speculate the degree to which productive capacity and empowerment of women-owned enterprises were improved (a programme purpose) except to note that some field officer provided informal enterprise and household economic mentoring support. Neither can the PPE examine the full extent that this, along with access to finance, promotes socio-economic empowerment. There were indications that both loans and training did increase the welfare of beneficiaries. During focus group discussions held during supervision, MTR, PCR and PPE missions, project beneficiary women reported that they felt more empowered to speak up in meetings and that they have increased their influence on household decision-making.

125. *Workload balance and economic and social benefit-sharing.* Some benefits of BRFP's gender approach were indicated in the PPE telephone survey, which showed that women, including 49 women heads of household (or 23 per cent of 211 women surveyed), reported a strong impact of the programme on income (53.1 per cent),[111] economic security (51.8 per cent) and health (45.5 per cent). These percentages are similar or only slightly lower than for the men interviewed, with 53.1 per cent, 54.8 per cent, and 47 per cent of men reporting strong impact on income, economic security and health, respectively. While scoring much lower than other indicators, women and youth found training good or very good at 29.2 per cent and 28.2 per cent respectively, compared to men at 19 per cent. Youth reported lower scores on income (42 per cent) and health (44.9 per cent) but somewhat higher on economic security (61 per cent).

[110] No data were provided for loans to young women programme beneficiaries.
[111] The indicator "strong impact" is a combined score of "some impact", "impactful", and "very impactful". The number of women surveyed was 211, or N = 211; for men N = 197.

126. Gender issues were also successfully integrated into the programme's core activities, including communications and training materials. This included the consideration of gender in credit union and BCUL policies, strategic plans and operations (gender equity policy). All credit unions adopted a Gender Manual and three credit unions have a Sexual Harassment Policy, both developed by the programme (the harassment policy is pending Board approval in the other three credit unions). In 2015, BRFP won an IFAD Gender Award recognizing innovative approaches to addressing gender inequality.

127. Despite not meeting most overall targets and goals, gender achievements indicate that programme design, implementation and budget were adequate to support effective implementation of gender outputs and outcomes supporting women's empowerment and equality. For these reasons the PPE rating for gender and women's empowerment is ***satisfactory* (5)**, the same as the rating in the PCR.

Innovation

128. None of the BRFP activities can be considered particularly innovative outside of Belize at the time of design. BRFP did have several "innovative firsts" in Belize, principle among being the first large-scale financial inclusion support programme, urban or rural. The BRFP was also viewed as innovative for its private-public sector partnership involving government, quasi-government (DFC), second-tier association (BCUL), the private sector (credit unions) and community groups (e.g. religious and community groups, among others, which informally supported credit union membership recruitment).

129. Supporting credit unions to serve the poor was far from innovative in the IFAD programmatic constellation at the time of design, nor was it among Belizean credit unions, which are known as the "poor man's bank". Providing technical assistance and capacity-building support was relatively common to this type of programme and cannot be considered highly innovative, but there were two activities worth noting. The first is the use of matching funds to incentivize new membership – again, not new to inclusive finance, but novel enough to merit note for incentivizing new credit union membership. The second innovation is a result of training and capacity-building, contributing to the credit unions developing an ambitious, market-oriented and strategic approach to business. This is not to say credit unions were not business-oriented prior to BRFP, but the systemic approach to business imparted by Gbest and the ILCU had notable impacts on credit union business culture at the management and governance levels. Another innovation was having the credit union serving a market outside its traditional market (salaried employees), influencing Management to consider entering other niche markets (e.g. youth).

130. BRFP was not a particularly innovative compared to other inclusive finance supported by IFAD but did introduce several innovative activities of note to Belize. Field officer business models were new to the credit unions (i.e. mobile outreach), although they were hardly new to inclusive finance at the time of design. This national innovation was practiced only by the BRFP field officers and was not developed for other credit union markets (field officer mobility was considered by some credit unions as a BRFP programme requirement despite the success of most efforts). Finally, only minor credit and savings products innovation was seen (e.g. low to no collateral lending, graduation), and the credit unions mostly offered their standard existing products/services. The PPE rating for innovation is ***moderately satisfactory* (4).** This is one point below the rating in the PCR.

Scaling up

131. The BRFP was itself a scaling-up of the IFAD CARD intervention in the Toledo District, which resulted, amongst other things, in the formation of the TTCU. Both St. Martin's and Evangel are planning to grow their rural market presence using the field officer model. Other credit unions will likely develop rural banking agents to

extend their rural activities. Future scaling up through mobile outreach strategies and to other niche markets (e.g. youth) is likely, particularly employing the share account/savings incentive programme. The IADB programme for agency banking will provide a foundation for extending the outreach credit unions have done in rural areas, as will the growing access to online banking services and cellular telephone access.[112] The BRFP has proven the bankability of rural clients generally and the rural poor in particular. The advent of electronic banking, with lower transaction costs, will build upon existing rural clients and attract new ones.

132. Scaling up the BRFP public private-partnership innovations is possible for new finance or non-finance programmes, which is, in fact, the case with the IFAD Be-Resilient. Be-Resilient will support poor rural-owned on- and off-farm enterprise value chain linkages/development (which was expected to be provided for BRFP by the EU BRDP II). Enterprise linkages to credit unions are expected on an informal basis (i.e. there are no specific Be-Resilient activities to this end).

133. Despite indications of potential, there is no evidence of scaling-up other than the plans for St. Martin's and Evangel credit unions for developing rural markets. This said, ongoing mobile banking investments by commercial banks and credit unions will promote low-cost rural financial service access, building upon market developments made by BRFP. The PPE rating for scaling up is ***moderately satisfactory*** **(4).** This is one point below the rating in the PCR.

Environment and natural resources management

134. The BRFP was primarily focused on providing financial access to the rural poor through technical assistance, training and services related to institutional capacity-building. Project design expected little to no negative impacts on the environment. No assessments were conducted on credit union or RCF lending as to their impact on the environment. Some credit union member agricultural crop and livestock production activities employed agrochemicals and other inputs with potentially negative environmental impacts, such as water and soil contamination. Since loans were small, highly localized and spread across a large area, any negative impacts on the environment from farm or off-farm enterprises were likely very minor and/or isolated. The quantity of lending with potential for negative environmental negative was also small (farmers accounted for 604 loans, or 14 per cent of all loans, for a total of US$1.24 million, and an average loan size of US$2,060).

135. The issue of environmental impact was not deeply addressed in any BRFP trainings provided to credit unions or to beneficiaries. With the goal of bringing attention to possible negative impacts, programme design indicated that BRFP would follow general guidelines to enhance natural resources management, including: (i) promoting sustainable agriculture practices (e.g. organics); (ii) utilizing a cost-efficiency approach and rational use of pesticides; (iii) promoting production methods able to mitigate flood and hurricane impacts; and (iv) promoting use of renewable energy in rural areas.[113] While credit unions and other programme stakeholders note that several of these ideas were discussed informally, no programmatic action was taken supporting these measures.

136. In sum, no particular efforts were made to integrate environmental concerns in project design or implementation, but evidence suggests that the overall impact of BRFP on the environment and natural resources management was neutral. The PPE rates environment and natural resources management as ***moderately satisfactory*** **(4)**. Environment and natural resources management was not rated in the PCR.

[112] Nearly 80 per cent of the population in Belize has a cell phone and over 95 per cent of populated areas have cellular network coverage. See: https://www.helgilibrary.com/indicators/mobile-phone-penetration-as-of-population/belize/.
[113] BRFP Final Programme Design, Working Paper Number 6, Environmental and Social Review Note.

Adaptation to climate change

137. Few of the activities and loans approved were directed to climate change adaptation. credit unions did report that a very small number of loans were for agricultural infrastructure and practices designed to mitigate climate variability impacts (e.g. irrigation, soil conservation). The subject of climate change was mentioned by credit unions and beneficiaries with respect to changing weather patterns, climatic events, and related agriculture lending and loan repayment risks. Credit unions indicated that they worked with members in the event of climate-related crop/livestock losses by rescheduling repayments but would welcome other types of interventions to assist (e.g. crop insurance). **The PPE did not rate climate change adaptation.**

C. Overall project achievement

138. Despite some unnecessary activities, the programme design, objectives and implicit theory of change were found relevant. While BRFP implementation was strongly delayed in the first years, it was able to recuperate well in the latter years thanks to better management, serving the targeted population while producing significant results at the credit union and beneficiary levels.

139. The programme's primary objective to expand and enhance inclusive and sustainable rural financial services to underserved small farmers and the rural population was effectively and efficiently pursued through credit union and BCUL capacity- building activities. Strengthening credit unions and expanding their rural outreach did not result in new rural financial services (e.g. credit products) for agricultural production and rural non-agricultural entrepreneurial activities. It did, however, demonstrate the potential of rural financial market development and of different mobile field officer models employed by the credit unions. The RCF proved unnecessary, as all but one credit union was over-liquid. Evangel credit union did need on-lending capital and was able to put an RCF loan to use as it grew membership and improved its capacity to serve new members (demonstrating the effectiveness of the BRFP package of technical assistance, capacity-building, and on-lending capital support). Through BRFP support, credit unions and BCUL developed a stronger market orientation and business management discipline, inspiring greater confidence within organizations for meeting market challenges.

140. Share mobilization incentives have increased credit union membership, but a larger household-based incentive facilitating new member access to credit may have been more attractive to both beneficiaries and over-liquid credit unions. The savings incentive was not successful, despite being a good-practice approach to inclusive finance poverty alleviation, as members wanted loans rather than savings, and because credit unions found it easier to manage relatively simple share accounts rather than more complicated savings accounts. New members reported that their credit union membership and loans have to some extent improved their asset bases, incomes, quality of life, and economic stability, despite the challenging rural economic context characterized by RIMS studies. Informal financial literacy training by field officers contributed to economic/financial achievements and empowerment of new members, despite a non-standardized application.

141. The extent to which these achievements are sustainable will depend on credit union strategic plans moving forward, although at the time of this PPE only two of six have plans for proactive rural market development. BCUL support will be important and it is well placed to provide ongoing credit union training based on BRFP-developed materials and M&E information/knowledge development (particularly related to agency and electronic banking). The organization will continue to face financial challenges, but contracting of a permanent business development officer is a positive development. Continued support by the Government will be important, as is linking the credit union movement to other programmes such as the IFAD Be-Resilient value chain programme.

142. The overall rating of the programme is ***moderately satisfactory* (4)**.

D. Performance of partners

IFAD

143. IFAD conducted eight supervision mission (from 2010 to 2016) and one MTR mission in 2012. Missions were of generally good quality, with timely flagging of a variety of important challenges and their remedies on both output and management issues, including: clarifying the roles of BCUL in the POC; improving RCF communications; establishing measures for harmonization of the M&E system between the PMU and the BCUL; and replacing the programme manager.

144. BRFP design was based on a good but limited analysis of the market for inclusive rural financial services. A market survey was planned early in the programme to provide participating credit unions with business intelligence to develop outreach strategies and business planning, including possible new product and service creation. Similarly, design called for early diagnosis of the technical assistance needs of participating credit unions and the BCUL. These foundational activities, while flagged by the first three supervision missions as critical, were not completed until after the programme's midterm. This had an indelible effect on the programme performance during its first half that IFAD, with its knowledge of good-practice inclusive rural finance, could have helped to avoid by insisting more on their earlier completion. IFAD's rural finance experience might have also directed more energy/resources towards greater involvement of credit unions during design and early implementation, to improve understanding of loan demand and credit union interest in RCF funding. An early lack of communication between the PMU and credit unions compounded the less than ideal market intelligence.

145. IFAD may have provided more support to the PMU to address its lack of familiarity with procurement and reporting issues. More seriously, and despite early supervision mission warnings, little concrete action was taken to address early stakeholder concerns over the programme manager's capacity. The programme manager had been selected by the Government in consultation with IFAD. The PPE notes that sensitivities around removing the programme manager caused the POC to wait until the his contract was over before letting him go. This was not ideal for programme progress. As made clear by supervision missions from year one, the programme manager skill set was not appropriate to programme needs. The PPE believes that IFAD supervisory missions could have been more helpful earlier in the programme by formally requesting a performance review of the programme manager, relieving the POC's legitimate political sensitivities.[114]

146. It is not clear the extent to which delays, and challenges were amplified by the high turnover of country programme managers during the project lifetime. Other than insisting on changing the programme manager earlier in the programme, the five IFAD country programme managers responsible for BRFP over the programme life were cognizant of major issues and proposed appropriate remedies to pressing challenges. The country programme managers participated in every Supervision Mission and the MTR, and the PMU, the Government, and other programme stakeholders reported overall satisfaction with IFAD, with the caveat of wanting more early guidance and clarity on stakeholder roles.

147. A strength that design and IFAD oversight brought to the programme was a degree of flexibility related to credit unions' business models and outreach. Flexibility to design member mobilization, product offer, and financial literacy training was critical to ensure full credit union ownership of programme activities and for credit unions to adapt to their local markets/contexts. This flexibility is born of lessons learned in good-practice rural finance, which insists upon both supply and demand market-driven interventions.

[114] BRFP supervision mission November - December 2011, paragraph 7.

148. IFAD’s supervision missions were of good quality and able to identify management challenges but did not provide enough support to facilitate improved performance until midterm. As per design, there were no specific efforts by IFAD to support or promote specific policies by the Government or CBB other than continued maintenance of a good-practice inclusive finance regulatory environment. The PPE rates IFAD's performance as ***moderately satisfactory*** **(4)**. This is one point below the rating in the PCR.

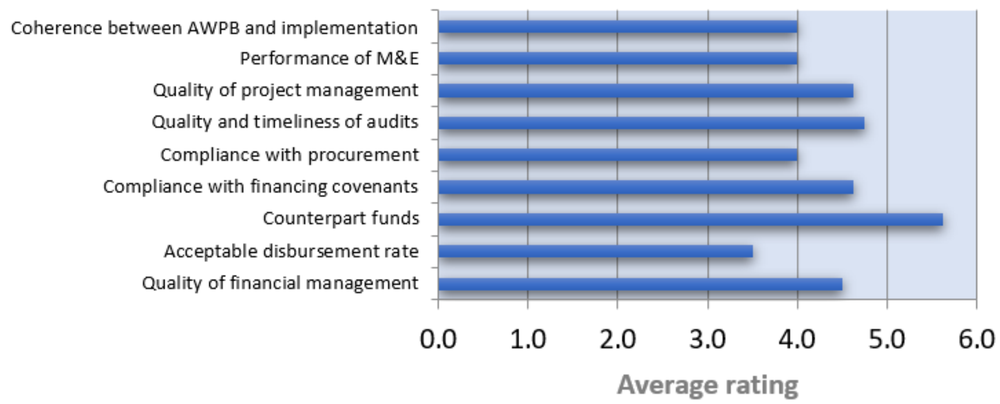
Government of Belize

149. BRFP was executed by the Ministry of Finance and MoED through a public-private partnership: the lead agency set up a PMU housed at the BCUL. The overall guidance of programme implementation was provided by the POC.[115]

150. As mentioned in Efficiency, BCUL’s participation was confused by a lack of clarity regarding its governance, management and programme recipient roles during the first two years of implementation. This contributed to slower than expected implementation of all component activities except for field officer outreach. Following MTR recommendations, BCUL’s role was clarified to relieve the organization of most management responsibilities, and its POC membership was changed to non-voting, clearing the way for conflict-of-interest-free programme technical assistance and capacity building support.[116] However, the programme continued to benefit from the close relationship afforded by being physically located in the BCUL.

151. The Government of Belize’s role in the decision to replace the programme manager also contributed to improved programme performance. This decision, again, was complicated by a variety of external issues but, once made, it led to improved stakeholder participation, ownership and management performance. The Government counterpart funding was 107 per cent of design and was consistently provided in a timely manner (accounting for 15.7 per cent of total project cost at completion). Under the guidance of the Government of Belize via the POC (with IFAD support), BRFP scored moderately satisfactory or satisfactory on all fiduciary indicators, except disbursements, reflecting management performance improvements post-MTR (see figure 7).

Figure 7
Average fiduciary aspect rating



Source: IFAD Operational Results Management System.

152. The performance of M&E varied throughout the project's lifetime. BRFP did not conduct a baseline survey before or during the start-up phase. The absence of a baseline study made it difficult for the project to assess different markets covered

[115] Chaired by the MoED and with representatives from the Ministry of Agriculture and Fisheries, the Ministry of Labour, Local Government and Rural Development, the Ministry of Finance and the BCUL.
[116] Supervision mission aide-mémoire June 2013, paragraph 23.

by the credit unions. The RIMS baseline was finally conducted at the end of 2011 (two years after implementation started). The second programme manager (the initial M&E officer) benefited from the participation of an IFAD M&E specialist in early supervisory missions. Together they designed a tailor-made M&E Excel-based system combining data from participating credit unions, the BCUL and the PMU. In 2014, the PMU developed a more efficient web-based database. Despite start-up issues, the new system notably improved data collection efficiency and quality. However, it was not able to capture all new credit union members attributable to the programme activities, which were recorded manually over the last two years of the programme.[117]

153. Poor programme manager selection and delays in addressing management challenges before midterm decreased programme performance. This was counterbalanced by improved governance beginning prior to midterm and satisfactory overall fiduciary performance. For these reasons, the PPE rates the Government of Belize’s performance as ***moderately satisfactory*** **(4).** This is one point below the rating in the PCR.

154. **CABEI.** CABEI’s cofinancing of US$1.9 million was disbursed at 99.5 per cent.[118] CABEI's funds were used for institutional and capacity-building (39.4 per cent) and the RCF (60.6 per cent). The Bank provided funds in a timely manner and was flexible about providing required extensions due to RCF start-up delays and limited demand. CABEI was equally flexible in the reallocation of funds from the RFC to component 1. While IFAD had the main supervision function, the Bank was represented in several supervision missions and was considered as a key partner in the project's promotion. The CABEI Evaluation Office (ODE) also contributed to the PPE, providing inputs to the approach paper, participating in the main mission and reviewing the draft report. CABEI performance was not rated.

E. Assessment of the quality of the project completion report

155. **Scope.** The PCR covers all the evaluation criteria and programme components, presenting adequate if uneven descriptive detail and analysis. Most critically, while the PCR provides an assessment of programme performance both pre- and post-mid-term, rightly pointing out improvements and achievements made by new management, it does not fully consider or value the consequences of delays and poor management before mid-term on effectiveness and sustainability. Additionally, the PCR did not expand fully on, or provide sufficient evidence to support, conclusions related to credit union performance and related production and enterprise activities. Similarly, the PCR reports on the economic context but does not reflect that context back to findings, particularly how the anemic national GDP and impacts of Hurricane Earl affected credit union performance. More use of available credit union performance data would also have improved the PCR's scope of analysis. The scope of the PCR is therefore rated as ***moderately satisfactory*** **(4).**

156. **Quality (methods, data, participatory process).** The PCR provides limited analysis of each evaluation criterion, supported in some cases by quantitative data, and in others by appropriate qualitative information (e.g. references to supervision missions, the MTR, reports). In many instances, unsubstantiated qualitative data or theory are used as explanatory evidence (e.g. the need for and potential sustainability of the RCF). There is little substantial performance analysis of logframe outcome achievements as they relate to implementation or credit union performance. There is almost no time-series trend analysis or substantial cross-data comparison (e.g. comparing member growth to economic/environmental events). The PCR does assess limited disaggregated data for gender and youth loan

[117] The BRFP share account incentive was limited to three members per household. Any household members beyond the first three recruited by a credit union field officer was not included in original M&E system.
[118] The 0.5 per cent not disbursed corresponds to the Supervision and Loan Administration Commission.

use, but insights are not often related to output/outcome indicators. Finally, while the PCR offers some concise qualitative analysis of credit union governance and management challenges/success, there is little analysis of credit union business models and beneficiary demand.

157. The PCR rightly points out that the RIMS studies surveyed the general population and not BRFP beneficiaries. However, it fails to contrast the broader findings of the RIMS to those of project beneficiaries which it collected through focus group and stakeholder interviews.[119] These two sets of findings provide some understanding of the programme's likely beneficiary impacts. The PCR could have improved understanding of these findings by contrasting them against the very challenging rural economic development context. The PCR did not make full use of invaluable quantitative and qualitative analysis provided by IFAD supervisory missions/MTR to assess the programme as it developed (i.e. a qualitative narrative identifying key performance recommendations and partner interactions). Nor did the PCR use available credit union performance (PEARLS) data collected by the BCUL. PEARLS offers important comparative data contrasting credit union BRFP-driven performance against overall credit union performance (e.g. for member growth, loan performance). Finally, the PCR was not fully informed by good-practice inclusive finance knowledge; as a result, some of the challenges and successes were over- or understated and/or not fully contextualized (e.g. the sustainability of credit union interest in rural markets, use and potential for the RCF, credit union over-liquidity, rural market size and saturation, need for market intelligence, cross-reference findings from the financial market study with credit union market outlook, the degree to which interventions were innovative or not). The rating for the quality of the PCR is ***moderately unsatisfactory* (3).**

158. **Lessons.** Several lessons generated by the PCR are adequate and useful, others suffer from limitations noted above for scope and quality of data/methodology. The PCR positively underscores the value of client-focused public-private partnerships, a lesson that is valid not just as it relates to inclusive finance but to other sectors/programmes as well. The missing link between beneficiary enterprise training and access to finance was also underlined as a lesson learned, although the promise of such should be qualified as challenging and costly to implement at scale (i.e. nationally as was BRFP). Similarly, the PCR argues that financial literacy training would have benefited from being more centralized and that the "ad hoc" approach taken would have benefited from contracting out to a third party. Evidence suggests that the ad hoc nature of financial literacy training certainly did not maximize effectiveness, but there was enough success to suggest that the ad hoc or customized nature of the training, supported with the proper didactic tools derived from an assessment of this delivery method, may have offered an innovative and efficient means to train beneficiaries. Finally, the lesson learned extolling the RCF is diametrically opposed to what the PPE learned interviewing credit union and DFC officials (i.e. that it was not necessary given its high level of liquidity, was not particularly attractive from a pricing perspective, and did not offer any risk-sharing mechanism). The rating for lessons is ***moderately unsatisfactory* (3).**

159. **Candour.** The PCR tried to maintain a balance between programme achievements and setbacks. It provided some critical assessments of key issues during programme implementation. However, the PCR did not provide a sufficiently critical assessment of the high cost of programme management limitations to effectiveness in the first half of the programme and the programme overall. While the post-midterm performance was substantially better, the programme failed to meet most outcome targets. A PCR must point out that this performance had costs

[119] The PPE recognizes that the PCR did not undertake a survey of its own to make comparisons as per the PPE. However, focus group findings from later supervision missions, the MTR, and by the PCR itself note substantial qualitative evidence available for making comparative analysis.

which are charged against borrowed funds. In fairness, neither the PCR nor the PPE had enough resources to assess the net present value rates of return on the programme, but it is fair to say that the BRFP did not maximize outcomes and impacts because of poor first-half performance (perhaps most notably the reported intention of four credit unions not to proactively develop rural market for the poor). The rating for Candour is ***moderately unsatisfactory*** **(3).**

Key points

- Key component 1 activities were delayed, slowing new credit union member growth rates, credit union and the BCUL capacity-building, and the credit unions'/BCUL's appetite for developing new products.
- The RCF start-up was delayed by poor communications with credit unions, along with credit union over-liquidity, which depressed their demand for RCF on-lending funds.
- Share account incentives were successfully deployed, but lack of demand for savings products and greater interest by credit unions to lend led to the cancelling of the planned new credit union member beneficiary savings incentive.
- Formal financial literacy training workshops were replaced by informal financial literacy training to members.

IV. Conclusions and recommendations

A. Conclusions

160. **Poor management in the early years constrained the programme's effectiveness and sustainability**, including, most critically, the credit unions' future commitment to rural markets. However, the PPE concludes that once initial challenges were overcome, **the programme's implementation structure after mid-term was demonstrably more efficient and effective, and made up a substantial portion of lost time and ground.**

161. Despite this poor initial performance and some supply-side-driven design elements that were either redundant (RFC, formal financial literacy training, savings incentives) or less effective than planned (slightly adapted vs. new financial products, overly strong focus on savings), **the programme's basic theory of change proved to be valid.** This was the case with Evangel, which availed itself of all major design elements. The willingness of the Government, IFAD and CABEI to reallocate funding from the under-used RCF to institutional capacity-building was an example of **good adaptive management and appropriate flexibility**. So too was the decision to switch to informal financial literacy training, which proved acceptably successful.

162. The business case for serving the rural poor remains to be made with most credit unions, but they were able to serve BRFP's target beneficiaries, underscoring their "brand" as the "poor person's bank". Without a sound understanding of the financial value of each poor household to long-term profitability, however, four of the six credit unions are reluctant to continue to proactively develop the rural market. Nonetheless, with improved overall institutional performance, several credit unions and the BCUL will continue to develop rural markets. Furthermore, the Government continues to see value in developing the rural financial sector, and intends, along with IFAD, IADB, CABEI and others, to continue supporting credit union activities in rural areas.

163. **While BRFP project design reflected good practice in inclusive financial sector development, a lack of solid market data and credit union management diagnosis negatively affected programme performance**. The BRFP's intention to engage the Belize credit union movement was both timely and contextually relevant. It was market-driven, focused on the capacity-building needs of the micro (credit union) and meso (the BCUL) levels, providing appropriate technical assistance and an innovative member share account incentive.

164. **Programme partners proved initially unable to overcome poor programme management, delays in key planning inputs, and challenging inter-programme stakeholder communications, affecting overall programme performance**. The programme partners are credited with stronger performance in the second half of the programme, particularly the high-quality international technical assistance procured by the new programme manager. However, the cost to programme outcomes for failing to act on poor programme management more quickly was substantial. Most critically, if credit unions had had more time to develop markets with the support of quality technical support, they may have achieved greater rural market deepening, leading to more broadly available and sustainable financial services. With less time to develop, some credit union rural market services will/may not be continued post-programme.

165. **Programme interventions encouraged market-driven credit union approaches to inclusive rural financial service provision.** While the credit unions and the BCUL responded well to technical assistance, capacity-building and market outreach support, they were unable to meet financial literacy training and new product design expectations. The programme's flexibility towards credit union strategies was notable, with both positive and negative effects. In the case of

market outreach, credit union market-driven business models contributed to good outreach performance. At the same time, the programme may have benefited from less flexibility on product design. Had early programme management been more effective, credit unions would have had more time and better market intelligence to meet market growth and product design targets.

166. **The programme's impact on rural poverty was moderate.** The PPE survey and stakeholder interviews suggest that programme beneficiaries have experienced modest improvements to incomes, assets, quality of life, on- and off-farm enterprise development, household education and health. The PPE survey found that these gains were shared on equal terms by women, households headed by women, and youth. While the long-term impacts of reported gains are not possible to estimate, those appeared modestly positive at programme's end. Nonetheless, evidence from the RIMs paints a challenging environment for rural smallholders with little income and asset growth, and continued food insecurity during the time of the programme. Project beneficiaries did not receive external enterprise development and agricultural extension services as expected by design, which may have decreased the likelihood that loans would contribute to increasing agricultural and rural enterprise performance.

B. Recommendations

167. The PPE offers four recommendations for IFAD and the Government of Belize for future inclusive rural finance programmes in particular, and rural development programmes in general.

Recommendation 1: Continue to support the rural financial sector in Belize. The BRFP gave the credit union movement substantial brand visibility as an agent of rural development, reinforcing relationships with the Government and CBB, along with external organizations (e.g. IADB, EU). It also established rural markets and credit union technical capacities to serve them. The Government can leverage this visibility, interest and capacity through modest ongoing policy and programme support. This would include supporting the BCUL events and exchanges as low-cost ways of keeping rural markets on the credit union movement agenda, and supporting the IADB ISSA programme to expand agent banking in rural Belize. The Government should also work to ensure that the new IFAD Be-Resilient programme connects smallholder value chain actors with credit unions (and other financial institutions).

168. **Recommendation 2: Be fully market-driven, and design incentives to meet expressed beneficiary/stakeholder demand.** Both new members and credit unions articulated market-driven needs: beneficiaries wanted loans, and credit unions wanted to lend. This was the market context even as good-practice inclusive finance suggests that saving is key to poverty alleviation. Future programmes working at the micro level must be well-informed of, and respond flexibly to, demand. To be more effective, a programme must use incentives to directly address new member and credit unions market-based interests. To ensure sustainability of outcomes, credit unions need to be able to calculate the rural members' long-term net business value to prove the market development case.

169. **Recommendation 3: Undertake foundational market intelligence before substantial activities begin on the ground.** BRFP was designed to rely on good-practice market and organizational analysis (i.e. credit union diagnostics) to meet performance expectations. Due to delays, the programme was past the mid-term point before these foundational activities were undertaken. Future programmes must resist starting/expanding programme activities before findings from important market and institutional studies (in this case credit union diagnostics) are available.

170. **Recommendation 4: When poor programme leadership is evident, rectify it immediately.** IFAD should require an annual, formal evaluation of project staff performance. The Government should empower steering committees to govern to

best-practice standards and establish their mandate to take decisive actions, including key staff changes, based on demonstrable performance issues.

Basic project data

			Approval (US m)		*Actual (US m)*	
Region	Latin America and the Caribbean	Total project costs	6 041.7		5 662.34	
Country	Belize	IFAD loan and percentage of total	3 000 000	49.7%	2 592 689	86.4%
Loan number		Borrower	731 700	12.1%	945 949	129.3%
Type of project (subsector)	Rural finance	CABEI	1 905 800	31.5%	1 895 800	99.5%
Financing type	Loan	Credit unions	403 900	6.7%	129 684	32.1%
Lending terms*						
Date of approval	17-Dec-2008					
Date of loan signature	19-May-2009	Beneficiaries				
Date of effectiveness	01-Sep-2009	Other sources:				
Loan amendments	None	Number of beneficiaries: (if appropriate, specify if direct or indirect)	26 234 of which 9 357 were direct beneficiaries			
Loan closure extensions	None					
Country programme managers	Esther Kasalu Coffin Glayson Ferrari Dos Santos; Paolo Silveri; Luisa Migliaccio (current)	Loan closing date	31-Mar-2017			
Regional director(s)	Josefina Stubbs; Joaquin Lozano	Midterm review	17-Sep-2012			
Lead evaluator for project performance evaluation	Michael Carbon	IFAD loan disbursement at project completion (%)	92%			
Project performance evaluation quality control panel		Date of project completion report	31-Mar-2017			

Source: PCR.
* Eighteen years, including a grace period of five years, with an interest rate equal to the reference interest rate as determined by the Fund annually.

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
	Four impact domains		
	• 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
	• 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
	• 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
	• 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	The contribution of the project to reducing the negative impacts of climate	X	Yes

Criteria	*Definition* *	*Mandatory*	*To be rated*
change	change through dedicated adaptation or risk reduction measures.		

Criteria	*Definition* *	*Mandatory*	*To be rated*
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 • Government	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 X	Yes 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]

Criteria	*Programme Management Department (PMD) rating*	*Project Performance Evaluation rating*	*Rating disconnect*
Rural poverty impact	4	4	0
Project performance			
Relevance	5	4	-1
Effectiveness	4	4	0
Efficiency	5	4	-1
Sustainability of benefits	5	4	-1
Project performance[b]	4.75	4	-0.75
Other performance criteria			
Gender equality and women's empowerment	5	5	0
Innovation	5	4	-1
Scaling up	5	4	-1
Environment and natural resources management	n.a.	4	n.a.
Adaptation to climate change	n.a.	n.a.	n.a.
Overall project achievement[c]			
Performance of partners[d]			
IFAD	5	4	-1
Government	5	4	-1
Average net disconnect			**-7/10 = -0.7**

[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

	PMD rating	*IOE rating*	*Net disconnect*
Scope			4
Quality (methods, data, participatory process)			3
Lessons			3
Candour			3
Overall rating of the project completion report			3

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

Approach paper

A. PPE Objectives and scope

1. The evaluation will be undertaken in accordance with the IFAD Evaluation Policy[1] and the IFAD Evaluation Manual (second edition, 2015), building on a desk review of the PCR and other available documentation, interviews and direct field observations. It will be led by IFAD's IOE, and conducted in close collaboration with the Evaluation Office of CABEI.

2. **Objectives.** The main objectives of the PPE are to: (i) assess the results of the project; (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in Belize or interventions with similar objectives in comparable countries; and (iii) provide project-level evidence that will feed into the evaluation synthesis on inclusive financial services for the rural poor under preparation in 2018.

3. **Scope**. The PPE will assess and provide independent ratings on project performance according to the standard evaluation criteria defined in the IOE Evaluation Manual. At the same time, given the time and resources available, the PPE is not expected to examine in detail the full spectrum of project activities, achievements, and drawbacks. Rather, it will focus on selected key issues of focus with consideration to the following: (i) contextual, project design and/or implementation strengths and weaknesses that had a critical bearing on project achievements; and (ii) issues of importance that cut across the thematic area of inclusive rural finance.

B. Reconstructed theory of change of the project

4. A tentative theory of change for the project has been reconstructed on the basis of project documentation and will be validated by project stakeholders during the PPE mission. It is presented in annex X in the form of a diagram. A theory of change represents the expected change pathways from project outputs (goods and services produced by the project), passing through several changes at the outcome and intermediate state level, to finally achieve impact. In the diagram, the arrows show the relationships from cause to effect between the expected changes. Outcomes usually correspond to changes in capacity and access, and often result directly from the use of project outputs, but can also be supported by progress on other outcomes.

5. The central premise of the BRFP was that the rural poor and very poor in rural Belize were constrained in the development of their agricultural and non-agricultural entrepreneurial activities by inadequate access to financial services, in particular credit and savings. The project purpose was therefore to increase access by small farmers and the rural poor population in Belize, to inclusive and sustainable financial services. In the reconstructed theory of change, this corresponds to an outcome-level result.

6. Increased access would lead to increased use by the rural poor of financial services and, in particular, credit facilities to finance agricultural, non-agricultural entrepreneurial and other selected activities, enabling small farmers to improve and/or expand their agricultural activities and the rural poor to start, improve or expand their non-agricultural income generating activities such as agro-processing, small commerce, rural ecotourism, small workshops, etc. Critical assumptions here were that public and private agricultural extension services would improve progressively, and productive investment and business development capacity would be supported inter alia by three EU-funded programmes[2] and by other government

[1] https://www.ifad.org/en/web/ioe/policy.
[2] The Belize Rural Development Programme, Banana Support Programme and Country Adaptation Strategy for the Sugar Industry Programme.

institutions and programmes, so that the rural poor would also have the required knowledge and skills to use the rural financial services for an economically profitable enterprise.

7. These changes at the intermediate state level would contribute to increased incomes and assets for small farmers and the rural population, leading to a reduction of poverty and extreme poverty levels in the rural population in Belize. The latter correspond to the project goal and to changes at the impact level.

8. Increased access to inclusive and sustainable financial services for small farmers and the rural poor population, would be achieved by strengthening the governance, managerial, operational and financial capabilities of credit unions to service the rural poor, and by stimulating credit union membership and savings by the rural poor and very poor. Two key assumptions here were that: (i) credit unions would be willing to provide appropriate financial services to poor rural households, including microcredit and savings. Project design implicitly assumed that, in Belize, the existing credit unions were best placed to service the rural poor; and (ii) the national policy, legislative, regulatory and supervisory framework would become increasingly favorable for the development of rural microfinance services.

9. The BCUL, to be strengthened by the project in its capabilities for developing, coordinating and providing leadership to the credit unions movement, was to support the participating credit unions in improving their performance and in expanding and tailoring their services to the rural poor. It was assumed that the BCUL would also benefit from capacity building support from additional IFAD and IADB grants. A Rural Credit Fund set up by the project and managed by the Development Finance Corporation would provide additional liquidity to the credit unions for on-lending to the rural poor.

10. Other key assumptions, as per the Final Programme Design, were that (i) access to land and regularization of tenancy would continue to be facilitated by government policies; (ii) local governance and fostering of local participatory policies and legislation would be maintained; and (iii) basic and social infrastructure would be provided by the Government according to the goals of the National Poverty Elimination Strategy and Action Plan.

C. Key issues for evaluation

11. Based on a desk review of project documents, discussions held with the current Country Programme Manager, and a preliminary analysis of the reconstructed theory of change of the project, key issues for this PPE have been identified as below. These may be fine-tuned and complemented with other issues of interest, based on other stakeholders' views and additional information obtained during the PPE mission.

- **Project strategic focus**. Two fundamental questions are related to the project strategic focus:
  (i) Project support was focused on the <u>supply side</u> of rural microfinance services, expecting other actors, projects and programmes to provide agricultural extension and business development services, and, more generally, address other development challenges and bottlenecks met by the rural poor. What were these other constraints and bottlenecks faced by farmers and small entrepreneurs in rural areas that needed to be addressed so that they could make use of improved financial services to enhance their productivity and income? What were the consequences of the limited credit union member training and the lack of enterprise development support to accompany financial services in the absence of the expected EU-project support? Could the project or its implementation partners have done more in this respect?
  (ii) Project support was focussed on the <u>micro level</u> (credit unions, their products and, to a lesser extent, their client base) and <u>meso level</u> (the BCUL

as a second-tier institution), while the macro level (i.e. the national policy, legislative, regulatory and supervisory framework) was left aside. Was this strategic focus appropriate in the context of Belize? How did the macro level evolve during the project lifetime? Has the project indirectly contributed to changes at the macro level?

- **Targeting**. How effective was the project's targeting strategy? To what extent were the poorest and most vulnerable population groups included amongst project beneficiaries? Was there really a demand for rural financial services from the project target population? Did the project improve the conditions for the rural poor to access credit union financial services? Were the credit unions the most appropriate entities to provide financial services to meet the demand of the project target population? Could the rural poor meet the requirements to become credit union members and/or benefit from loans? To what extent were new products developed adapted to their needs and conditions? What were the reasons for the limited progress on developing savings products despite the high demand according to Financial Market Study conducted by the project? What were the loans taken up by poor/very poor beneficiaries facilitated by the project used for? What was the perception of beneficiaries belonging to the project target groups on: (i) changes in their access to rural finance services; and (ii) the impact these changes have had or could have had on their income and assets? What other conditions needed to improve for them to take the full benefit from increased access to financial services?
- **Institutional capacity building**. To what extent was the capacity of the BCUL enhanced in its key role as apex organisation to support its member credit unions? Did the location of the PMU inside the BCUL provide an incentive to reform the apex institution? To what extent was the performance of partner credit unions improved? How did the quality of their services towards the rural poor evolve? How did the project address the challenge of standardizing reporting systems across 6 different credit unions? Is there now a sustainable system in place allowing the BCUL and the government to monitor credit union performance? What improvements can be attributed to the complementary AIDB and IFAD/UNDP grants, and what improvements can be attributed to the BRFP?
- **Project implementation structure & partner performance.** How important was the role played by the POC and what was its performance? How well did the PMU perform within the BCUL? How effective was the M&E system at two levels (credit union level and project level) to enable a continuous improvement in terms of project management and project supervision, steering and evaluation? What was DFC's performance as the trustee for the RCF? How was the performance of consultants and other service providers in the institutional capacity development component, in particular the Irish League of Credit Unions Foundation for providing technical assistance to the BCUL? How critical was the role of the Field Officers hired within credit unions and is their role evolving in the right direction to ensure sustainability and upscaling of project results?
- **Efficiency**. How costly and risky is rural finance service provision in rural areas of Belize for the credit unions, in particular to the project target population groups? Do they manage to recover costs? How did the project management costs compare with similar interventions in the region? What measures were taken to reduce project management costs compared to the appraisal estimates?

D. Evaluation criteria

12. In line with the IOE's Evaluation Manual (2015), the key evaluation criteria applied in PPEs in principle include the following:

- **Rural poverty impact**, which 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 the development intervention. Four impact domains are employed to generate a composite indication of rural poverty impact: (i) household income and assets; (ii) human and social capital and empowerment; (iii) food security and agricultural productivity; and (iv) institutions and policies. A composite rating will be provided for the criterion of "rural poverty impact" but not for each of the impact domains.

- **Relevance,**[3] which is assessed both in terms of alignment of project objectives with country and IFAD policies for agriculture and rural development and the needs of the rural poor, as well as project design features geared to the achievement of project objectives.
- **Effectiveness,** which measures the extent to which the project's immediate objectives (i.e. outcomes) were achieved, or are expected to be achieved, taking into account their relative importance.
- **Efficiency,** which indicates how economically resources /inputs (e.g. funds, expertise, time, etc.) were converted into results.
- **Sustainability of benefits,** indicating the likely continuation of net benefits from the 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.
- **Gender equality and women's empowerment,** indicating the extent to which the intervention has 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-life balance; and impact on women's incomes, nutrition and livelihoods.
- **Innovation and scaling up,** assessing the extent to which the intervention: (i) has introduced innovative approaches to rural poverty reduction; and (ii) has been (or is likely to be) scaled up by government authorities, donor organizations, the private sector and other agencies. Separate ratings will be provided for innovation and scaling up.
- **Environment and natural resource management,** assessing the extent to which the project contributes to changes in the protection, rehabilitation or depletion of natural resource and the environment.
- **Adaptation to climate change,** assessing the contribution of the project to increase climate resilience and increase beneficiaries' capacity to manage short- and long-term climate risks.
- **Overall project achievement** provides an overarching assessment of the intervention, drawing upon the analysis and ratings of all above-mentioned criteria.
- **Performance of partners**, including the performance of IFAD and the Government, will be assessed on an individual basis, with a view to the partners' expected role and responsibility in the project life cycle. The performance of other key partners will also be assessed, given their important role in project financing and implementation (CABEI, the BCUL, DFC, ILCUF etc.).

13. Among the standard evaluation criteria indicated above, based on the preliminary review of the project documents and PCR, the criteria "environment and natural resource management" and "adaptation to climate change" may not be rated unless the PPE mission reveals any relevant programme effects (positive or negative) in these regards.

14. The evaluation framework presented in the annex provides the guiding evaluation questions according to the evaluation criteria described above, as well as possible information sources. The evaluation questions contained in the framework reflect

[3] An average of the ratings for relevance, effectiveness, efficiency and sustainability of benefits will be the project performance rating.

the guidance provided in the IOE Evaluation Manual as well as the key issues for evaluation identified above (paragraph 48).

15. **Rating system**. In line with the practice adopted in many other international financial institutions and UN organizations, IOE uses a six-point rating system, where 6 is the highest score (highly satisfactory) and 1 being the lowest score (highly unsatisfactory).

E. Evaluation methodology

16. The PPE will build on a desk review of PCR and other key project documents and available data, complemented and verified through resource person and stakeholder interviews at the IFAD headquarters. During the main PPE mission, additional evidence and data will be collected to verify available evidence and to reach an independent assessment of performance and results.

17. The PPE will use the project's **theory of change** for an examination of assumed causal linkages and whether there is sufficient evidence to support these linkages, while also examining to what extent key assumptions were realistic.

18. **Data collection**. Careful review, analysis, and triangulation of reported project achievements will be key. Validation of project results will be done through gathering and cross-checking information and evidence from multiple sources and stakeholder perspectives.

19. *Prior to the PPE mission*. In the preparatory stage, relevant documents and data will be gathered and reviewed to guide the evaluation design and planning and conduct of the PPE mission. Main project-related documents and data for a desk review include the following: (i) project design documents; (ii) project implementation manual; (iii) financing agreements, amendments and background documents; (iv) supervision and implementation support mission reports; (v) midterm review report; (vi) PCR; (vii) IFAD periodical project status reports with self-assessment ratings (annex of the supervision reports); (viii) IFAD and CABEI financial and disbursement data; and (ix) household survey reports conducted for IFAD's Results and Impact Management System (RIMS) if available.

20. The evaluation team will also review policy and strategy documentation for the Government, IFAD and CABEI, and other relevant country and institutional background information. Additional data, information, and documents will be collected as much as possible before the mission through email correspondence with the project stakeholders. These may include participatory monitoring and evaluation data and reports, training materials, and technical reports produced by the project.

21. Interviews will be conducted with IFAD staff, in-country stakeholders through audio or video conferences (with a limited number of people who were involved in the project management), and possibly also main consultants who were involved in supervision and implementation support. Interactions with stakeholders would help the PPE team identify additional relevant data and reports and key issues for attention before mission.

22. In addition to consulting the data and analysis presented in the RIMS reports, the PPE team will also seek to better understand the methodology, analysis, and findings presented. The available data and evidence will be reviewed to identify plausible causal links and assumptions in the theory of change and to identify possible inconsistencies and gaps in the data, to refine the tools and questions to guide the field work.

23. *Data collection during the mission*. The PPE mission will be conducted for two weeks, including visits to the project sites over six to seven days. During the in-country work, additional primary and secondary data will be collected. The methods deployed will consist of individual and group interviews, focus group

discussions with project stakeholders, beneficiaries and other key informants and resource persons, and direct observations.

24. Field visit site selection. The PPE mission will conduct field visits in all six districts, meeting with credit union management and staff and credit union clients belonging to the BRFP target groups. credit union clients will be selected on the basis of their main economic activities, ethnic group, gender, and poverty ranking. To save time, most credit union clients will be interviewed at the nearest credit union branch, but when and where possible, the PPE team will visit them at home. The PPE team will also explore the use of a telephone survey of credit union clients belonging to the project target groups, to gage their perception on whether their access to rural finance services has changed for the better, what use they have made of loans and savings, and what impact these have had or could have on their income and assets.

25. Key stakeholders to be met in Belize include the following: (i) Ministry of Economic Development, Ministry of Agriculture and Fisheries, the Ministry of Labour, Local Government and Rural Development, and the Ministry of Finance in Belmopan; (ii) Belize Credit Union League management in Belize City; (iii) participating credit unions' (administration staff, field officers and members of Board of Directors, Credit Committee, Supervisory Committee, etc.) located in different district capitals; (iv) former members of the BRFP Programme Management Unit in Belmopan or Belize City; (v) service providers to the project (consultants, Praxi5, Gbest, ILCUF – possibly through teleconference etc.); (vi) Inter-American Development Bank, Central American Bank for Economic Integration, European Union in Belmopan; and (vii) credit union clients belonging to BRFP target groups.

26. **Stakeholders' participation.** In compliance with the IOE Evaluation Policy, the main project stakeholders will be involved throughout the PPE. This will ensure that the key concerns of the stakeholders are taken into account, that the evaluators fully understand the context in which the programme was implemented, and that opportunities and constraints faced by the implementing institutions are identified. Regular interaction and communication will be established with the IFAD Regional Division for Latin America and the Caribbean (LAC) and with the Government. Formal and informal opportunities will be explored during the process for the purpose of discussing findings, lessons, and recommendations. At the end of the mission, a wrap-up meeting will be held in Belize City to summarize the preliminary findings and discuss key strategic and operational issues.

F. Evaluation process

27. The PPE will involve the following steps:

- **Desk review** of key documentation regarding project context, design, implementation and completion (see paragraphs 56-57).
- **Country work.** The PPE mission is scheduled from 23 July – 3 August 2018 (see paragraphs 60-62).
- **Report drafting and peer review.** After the field visit, a draft PPE report will be prepared and submitted to IOE internal peer review for quality assurance.
- **Case study**. The evaluation team will prepare a case study for the Evaluation Synthesis on inclusive financial services for the rural poor, focussing on the relevance and effectiveness of strengthening a network of credit unions through a second-tier institution (the BCUL), in turn supported by the charitable arm of the credit union movement in a high-income country (Irish Credit Union League Foundation).
- **Comments by LAC and the Government.** The draft PPE report will be shared simultaneously with LAC and the Government for review and comment. IOE will finalize the report following receipt of comments by LAC and the Government and prepare a response to comments (audit trail).

- **IFAD management response.** A written management response on the final PPE report will be prepared by the Programme Management Department of IFAD. This will be included in the PPE report, when published.
- **Communication and dissemination**. The final report will be disseminated to the key stakeholders in the country and in IFAD. It will also be posted on the website of IOE. IOE will also seek additional opportunities for knowledge sharing based on the findings and key lessons learned from the evaluation.

28. **Tentative timeline** for the PPE process is as follows:

Table 4
Tentative evaluation timeline

Date	*Activities*
June – July 2018	Desk review
23 July – 3 August 2018	Mission in Belize
August 2018	Preparation of draft report
September 2018	IOE Peer Review
October 2018	Draft PPE report sent to LAC and Government for comments
November 2018	Finalization of the report
December 2018	IFAD Management response
January 2019	Publication and dissemination

G. Evaluation team

29. The PPE will be led by IFAD's IOE, and will be conducted in close collaboration with the Evaluation Office of CABEI. Michael Carbon, Senior Evaluation Officer, IOE, has been designated as IFAD Lead Evaluator for this PPE. Mr José Deras, Director of CABEI's ODE and Ms Shirley Orellana, Evaluation Analyst, ODE will participate in the evaluation. The evaluation team will be assisted by a rural finance expert, senior consultant, and a junior consultant from Belize or the region. Ms Manuela Gallitto, IOE Evaluation Assistant, will provide administrative support throughout the evaluation process.

30. IOE will be responsible for drafting the evaluation approach paper and consultant TORs and communication with the Government, the project team and project stakeholders. The senior consultant (rural finance expert) will be jointly selected by IOE and ODE, and contracted by IFAD. (S)he will prepare the first draft of the evaluation report, with selected contributions by IOE and ODE. IOE and CABEI will have final authority over the contents of the final report.

31. The junior consultant from Belize will be responsible for preparing a desk review of project documents, collect data from the credit unions, conduct the telephone survey of credit union clients and support the organisation of the evaluation mission.

Approach paper annex - Evaluation framework

Criteria	*Evaluation questions*	*Data sources*
I. Project performance		
A. Relevance	• Were BRFP objectives realistic and consistent with national agriculture and rural development, economic development, poverty reduction and financial sector strategies and policies, and relevant IFAD policies (e.g. IFAD Strategic Framework, Rural Finance Policy)? • Were BRFP objectives and support relevant to the needs of the rural poor? Was the project's targeting strategy appropriate to reach the intended target groups? • Was the BRFP relevant with respect to other programmes and projects undertaken by the Government and other development partners? • Was the BRFP internally coherent in terms of complementarity and synergies between objectives, components, outputs and activities? • Was the BRFP design participatory in the sense that it took into consideration the inputs and needs of key stakeholders, including the Government, the BCUL, credit unions, and the expected beneficiaries and their grass-roots organizations? • Did the programme benefit from available knowledge (for example, the experience of other similar projects in the area or in the country) during its design and implementation? Were lessons learned from other interventions taken into account? • Did BRFP objectives remain relevant over the period of time required for implementation? In the event of significant changes in the programme context or in IFAD policies, has the design been retrofitted? • Was the programme design and implementation approach (including financial allocations, programme management and execution, supervision and implementation support, and M&E arrangements) appropriate for achieving the programme's objectives? • Was it the most appropriate strategy to concentrate project support on the micro level (credit unions, their products and their client base) and meso level (the BCUL as a second-tier institution), leaving the macro level aside? How did the macro level (i.e. the national policy, legislative, regulatory and supervisory framework) evolve during project lifetime? • Were performance targets realistic in view of time and resources available, and considering the intervention context (existing capacity of the BCUL and credit unions, demand for financial services)? • How realistic were the assumptions (external conditions required for achieving expected outcomes and impact) of the programme?	• Project design documents • Midterm review report • Supervision reports • Project completion report • Interviews with country authorities • Group discussion with beneficiaries • Client telephone survey

B.	Effectiveness	• To what extent have BRFP outcomes been attained (see reconstructed theory of change) in terms of quantity and quality? • To what extent was the capacity of the BCUL enhanced in its key role as apex organisation to support its member credit unions? To what extent was the performance of partner credit unions improved? How did the quality of their services towards the rural poor evolve? What was the quality and effectiveness of the more general versus the tailor-made capacity building efforts? • What changes can be attributed to the complementary AIDB and IFAD/UNDP grants, and what improvements can be attributed to the BRFP? • To what extent were new products developed adapted to the needs and conditions of the project's target groups? Were any of the financial products with performance-based incentives developed as foreseen in design? • What were the reasons for the limited progress on developing savings products (failure of savings incentives scheme) despite the high demand according to Financial Market Study conducted by the project? • How effective was the Rural Credit Fund to stimulate lending to the rural poor? Why was it less tapped into by the credit unions than expected? What were the lending conditions and could these be met by the rural poor? What was the reimbursement rate on loans from the RCF to credit unions, and on loans from the credit unions to their clients? • What factors in programme design and implementation account for these results? • What were the main reasons why the project did not achieve certain quantitative targets (Number of rural poor individuals with access to credit; Number of small farmers with improved/expanded agricultural activities through credit from the programme; Number of new credit union individual members; Number of credit union members trained)? • How effective was the project's targeting strategy? To what extent were the poorest and most vulnerable population groups included amongst project beneficiaries? Could they meet the requirements to become credit union members and/or benefit from loans?	• Project design documents • Midterm review report • Supervision reports • Project completion report • Individual interviews in the field and with country authorities • Group discussion with beneficiaries • credit union client telephone survey • Direct observation
C.	Efficiency	• What are the costs of investments to develop specific programme outputs compared with national standards? Is the cost ratio of inputs to outputs (including cost per beneficiary) comparable to local, national or regional benchmarks? What was the comparative cost of the more general versus the tailor-made capacity building efforts? • What were the administrative costs per beneficiary and how do they compare to other similar IFAD- or other donors-funded operations in the region? • How much time did it take for the loan to be effective, and how does it compare with other loans in the same country and region? • What was the estimated internal rate of return for the project, and how did it compare to the estimate at design? • Did the BRFP deliver expected results in a timely manner?	• Project design documents • Midterm review report • Supervision reports • Project completion report • Individual interviews in the field with beneficiaries and with country authorities (at central and local level) • Analysis of comparators • Government data (for bench marking)
D.	Sustainability of benefits	• Are BRFP benefits expected to continue following programme completion, and what factors are in favour of or against maintaining benefits? What is the likely resilience of economic activities to shocks? • Was a specific exit strategy or approach prepared and agreed upon by key partners to ensure post-programme sustainability? Was this effective? • Is there a clear indication of government commitment after the loan closing date, for example, in terms of provision of funds for selected activities, human resources availability, continuity of pro-poor policies and participatory development approaches, and institutional support? Did BRFP design anticipate that such support would be needed after loan closure? • Did programme activities benefit from the engagement, participation and ownership of local communities, grass-roots organizations, and the rural poor? • What were the effects of the country context (declining rural economy, evolution of the macroeconomic and political context; but also macro level policy, legislative, regulatory and supervisory framework for rural finance) on the sustainability of results?	• Project design documents • Midterm review report • Supervision reports • Project completion report • Group discussion with beneficiaries • Individual interviews in the field with beneficiaries and with authorities (at central and local level)

II. Rural poverty impact		
- Household income and net assets	• To what extent did the project contribute to: ○ Improved access for the rural poor to appropriate financial services? ○ Composition and level of household incomes (more income sources, more diversification and higher income)? ○ Changes in intra-household distribution of incomes and assets? ○ Households' endowment of productive assets and other household assets (housing, bicycles, radios, television sets, telephones, etc.)? ○ Changes in financial assets for poor households' (savings, debt or borrowing)? • What were the loans and savings facilitated by the project used for by poor/very poor beneficiaries? How did these uses contribute to increased income or assets? • What was the perception of beneficiaries belonging to the project target groups on whether their access to rural finance services had really changed, and on the impact this has had or could have on their income and assets? • What were the consequences of the limited credit union member training and the lack of enterprise development support to accompany financial services? Could the project or its implementation partners have done more, considering this aspect was not covered by the EU projects as anticipated?	• Midterm review report • Supervision reports • Project completion report • RIMS • Group discussion with beneficiaries • Individual interviews in the field with beneficiaries and with country authorities (at central and local level) • credit union client telephone survey • Direct observation
- Human and social capital and empowerment	• Did rural people's groups and grass-root institutions change? Are changes in the social cohesion, collective capacity and local self-help capacities of rural communities visible? • To what extent did the programme empower the rural poor vis-à-vis development actors and local and national public authorities? Do they play more effective roles in decision-making?	
- Food security and agricultural productivity	• Were there any improvements in land and labour productivity (for example through adoption of improved technologies) attributable to the project? • Did children's nutritional status change (e.g. stunting, wasting, underweight)? • Did household food security change? • To what extent did the rural poor improve their access to input and output markets (for example through credit) that could help them enhance their productivity and access to food? •	
- Institutions and policies	• Were there any changes by BRFP activities to facilitate access for the rural poor and rural enterprise to financial services? • Did the BCUL and the credit unions become more responsive to the financial needs of beneficiaries (e.g. developing new financial products, expanding outreach)? • What improvements were discernible in local level organizations? • Has the project indirectly contributed to changes at the macro level (i.e. the national policy, legislative, regulatory and supervisory framework for rural finance)?	
III. Other performance criteria		
Gender equality and women's empowerment	• What were the programme's achievements in terms of promoting gender equality and women's empowerment? • What percentage of total project resources was invested in activities to prompt gender equality and women's empowerment? • How does this percentage compare with other projects funded by IFAD in the region? • To what extent did the project define and monitor ex-disaggregated results to ensure gender equality and women's empowerment objectives were being met? • Was the project implementation structure adequate to support effective implementation of goals on gender equality and women's empowerment? • Was there a relationship between the use made of financial services, gender and women's empowerment?	• Project design documents • Midterm review report • Supervision reports • Project completion report • Group discussion with beneficiaries • Individual interviews in the field with beneficiaries and with country authorities (at central and local level) • Direct observation

Innovation	• What are the innovation(s) promoted by the BRFP? Are the innovations consistent with the IFAD definition of this concept? • How did the innovation originate (e.g. through the beneficiaries, Government, IFAD, NGOs, etc.) and was it adapted in any particular way during programme design? • Are the actions in question truly innovative or are they well-established elsewhere but new to the country or programme area? • Were successfully promoted innovations documented and shared? Were other specific activities (e.g. workshops, exchange visits, etc.) undertaken to disseminate the innovative experiences?	
Scaling up	• Have these innovations been replicated and scaled up and, if so, by whom? If not, what are the realistic prospects that they can and will be replicated and scaled up by the Government, other donors and/or other institutions?	
Environment and natural resource management	• Was there a relationship between the use made of financial services by credit union clients and the environment, natural resources management and/or climate change adaptation?	
IV. Performance of partners		
IFAD	• Was BRFP design conductive to good implementation and performance? Did IFAD mobilize adequate technical expertise during appraisal and formulation? • Was the design participatory (with national and local agencies, grass-roots organizations)? Did it promote ownership by the borrower? • Were specific efforts made to incorporate the lessons and recommendations from previous independent evaluations in programme design and implementation? • Did IFAD take the initiative to suitably modify programme design (if required) during implementation in response to any major changes in the context, especially through the MTR? • Did IFAD undertake the necessary follow-up and remedies to resolve implementation bottlenecks? • Has IFAD made efforts to be engaged in policy dialogue activities at different levels in order to ensure, inter alia, availability of counterpart funds and the scaling-up of successful innovations (if any)? • Has IFAD been active in creating and maintaining an effective coordination among key partners to ensure the achievement of programme objectives, including the replication and scaling up of pro-poor innovations? • Has IFAD, together with the Government, contributed to planning an exit strategy (or any other actions) to ensure sustainability of programme benefits?	• Project design documents • Midterm review report • Supervision reports • Project completion report • Interview with IFAD country programme management team for Belize • Individual interviews with government authorities (at central and local level)
Government	• Has the Government assumed ownership and responsibility for the programme during both design and implementation? • Judging by its actions and policies, was the Government fully supportive of programme goals? Have appropriate levels of counterpart funding been provided on time? Have the flow of funds and procurement procedures been suitable for ensuring timely implementation? • Did the Government provide for a conducive macro level environment for developing pro-poor rural finance services (incl. national policy, legislation, regulations and supervision)? • How important was the role played by the POC and what was its performance? • Has the Government provided guidance to programme management staff when required? • Have loan covenants and the spirit of the loan agreement been observed? Has auditing been undertaken in a timely manner and have reports been submitted as required? • Did the Government take the initiative to suitably modify programme design (if required) during implementation in response to any major changes in the context? • Were prompt actions taken to comply with recommendations from supervision and implementation support missions, including the MTR, so to enhance programme impact and sustainability? • Did the Government contribute to planning an exit strategy and/or ensured continuation of funding of programme activities?	• Project design documents • Midterm review report • Supervision reports • Project completion report • Interview with IFAD country programme management team for Belize • Individual interviews with government authorities (at central and local level)

Other key partners	• Was CABEI financing made available as expected? To what extent did CABEI participate in project design and supervision? • How well did the BCUL adhere to the project objectives, strategies and interventions? How well did the PMU perform within the BCUL? • How effective was the M&E system at two levels (credit union level and project level) to enable a continuous improvement in terms of project management and project supervision, steering and evaluation? How did the project address the challenge of standardizing reporting systems across 6 different credit unions? Is there now a sustainable system in place allowing the BCUL and the government to monitor credit union performance? • What was DFC's performance as the trustee for the RCF? • How was the performance of consultants and other service providers in the institutional capacity development component, in particular the Irish League of Credit Unions Foundation for providing technical assistance to the BCUL? • How well did the participating credit union adhere to the project objectives, strategies and interventions? How critical was the role of the field officers hired within credit unions and is their role evolving in the right direction to ensure sustainability and upscaling of project results?

List of key people met

Government

Economic Development Council of the Government of Belize
Ismael Lucien Quiros, Executive Director (ex IADB)

Ministry of Agriculture, Cooperatives, Belmopan
Gareth Murillo, Registrar of Cooperatives

Ministry of Economic Development, Belmopan
Yvonne Hyde, Chief Executive Officer

International and donor institutions

Belize Credit Union League
Corine Robinson Fuller, Executive Director

Central Bank of Belize, Belize City
Angela Reneau, Inspector of credit union
Sharette Yorke, Inspector of credit union

Development Finance Corporation, Belize City
Asad Julian Magaña, Assistant General Manager, Lending Operation
Rolando Thompson, Assistant Manager, Credit Delivery

Evangel Credit Union, Belize City
Audrey Castellano, General Manager

La Immaculada Credit Union, Orange Walk
Yadeli Urbina, General Manager
Jamid Teyul, Field Officer

St. Martin's Credit Union, San Ignacio
Raymond Tzul, General Manager
Sherrill Tzul, Field Officer

St. John' s Credit Union, Belize City
Daisy Dawson, General Manager

St. Francis Xavier Credit Union, Corozal
Elvis Canul, Manager
Wilmer Dominguez, Field Officer

Toledo Teachers Credit Union Ltd, Punta Gorda
Caremelo Chun, President
Olga Garcia, Vice-President
Ann Marie Aleman, Secretary
Armin Cal, Field Officer

Private sector

Belize Rural Finance Programme, Belize City
Loren Solis, ex BRFP Programme Manager

Beneficiaries

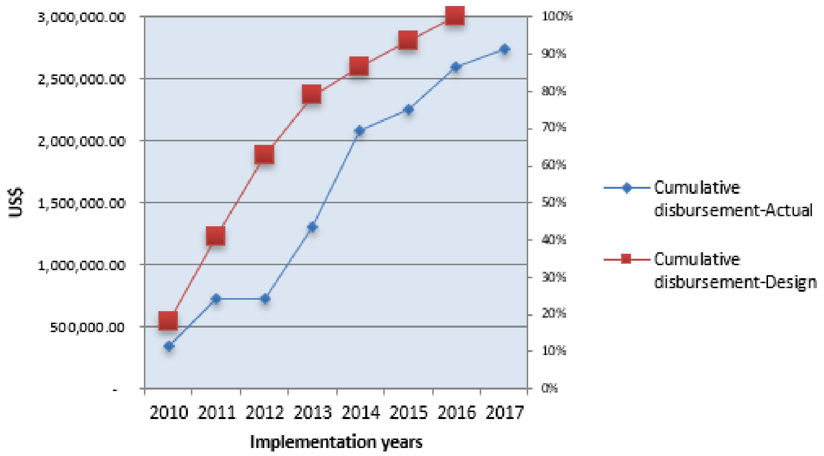
St. Francis Xavier Credit Union, Corozal
Focus Group (17 participants)
St. John' s Credit Union, Belize City
Focus Group (15 participants)
Toledo Teachers Credit Union Ltd, Punta Gorda
Focus Group (25 participants)
St. Martin's Credit Union, San Antonio and El Progresso
Beneficiary visits (6)

Other resource people

Praxis 5
    Shaun Finnety, Principle
    Miguel Usher

Financial performance

Comparison of target and actual disbursement



Source: IFAD Oracle Business Intelligence.

BRFP estimated and actual component costs (in US$ '000)

Component	*Estimated cost*				*Expenditure as of January 31, 2017*		*Disburse-ment %appraisal*	*Disburse-ment %revision*
	at appraisal		*after July 2015 revision*					
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*%*	*%*
1. Institutional and capacity-building	1,936	*32*	2,664	*44.1*	*3,228*	*57*	*166.8*	*121.2*
2. Rural credit fund	2,350	*38.9*	1,905	*31.5*	*1,375*	*24.3*	*58.5*	*72.2*
3. Rural shares and savings incentives	673	*11.1*	473	*7.8*	*189*	*3.3*	*28.1*	*40*
4. Programme management unit	1,082	*17.9*	997	*16.5*	*869*	*15.4*	*80.4*	*87.1*
Total	**6,041.60**	***100***	**6,041.70**	***100***	**5,662.34**	***100***	***93.7***	***93.7***

Source: PCR.

PPE survey questions

1. **Name (optional) ____**

2. **What village, town or city do you live in?**

3. **Male or Female** (circle choice)

4. **What year were you born?**

5. **I am a member of _______________________________ credit union**

6. **How long have you been a member of your credit union?**
   Less three years Three to five years More five years

7. **Did the credit union have a special offer when you joined savings matching your first deposit?**
   YES NO
   If YES: On a scale of 1 to 5, where 1 is not at all important, and 5 is very important,

   How important was the incentive you received in your decision to join the credit union? Please circle your choice.
   1 2 3 4 5

8. **How often do you use the credit union?**
   More than once monthly Once monthly Once every three months

9. **Do you use any of the following financial institutions?** Select as many as apply.
   Commercial Bank Insurance company Money lending services
   Family or friends Pawn shop Other, please name….

   What credit union services do you rely on? Circle as many as apply.
   Short term **Saving** - less than 1 year Medium term **Savings** – 1 to 2 years
   Long term **Savings** – over 2 years
   Short term **Loan** – less than 1 year Medium term **Loan** – 1 to 2 years
   Long term **Loan** – more than 2 years
   Other, please name….

10. **Do you save at the credit union in SAVINGS other than your members share savings?**
    (Do you just keep the minimum balance or do you deposit more for savings? -OR- Do any of your savings at the credit union pay interest every month or do you only get dividends once a year?)
    YES NO

11. **What do you like about the SAVINGS account?** Circle as many as apply.
    Interest rates are attractive credit union is conveniently located
12. I feel the credit union is safe Other reason, please name…

13. **Within the last 5 years, what have you used your savings for?** Circle as many as apply.
    Consumer purchase Business Family purpose
    Other, please name…

14. **How did using your savings impact the quality of your household quality of life?**
    1 – No impact 2-- Some Impact 3 – Neutral 4 – Impactful 5 - Very impactful

15. **How did using your savings impact the quality of your household's income?**
    1 – No impact 2-- Some Impact 3 – Neutral 4 – Impactful 5 - Very impactful

16. **How did using your savings impact the quality of your household's economic security?**
    1 – No impact 2-- Some Impact 3 – Neutral 4 – Impactful 5 - Very impactful

17. **How did using your savings impact the quality of your farm/enterprise /business income?**
1 – No impact 2-- Some Impact 3 – Neutral 4 – Impactful 5 - Very impactful

18. **How did using your savings impact the quality of your family health from saving?**
1 – No impact 2-- Some Impact 3 – Neutral 4 – Impactful 5 - Very impactful

19. **How did using your savings impact the quality of your access to education from saving?**
1 – No impact 2-- Some Impact 3 – Neutral 4 – Impactful 5 - Very impactful

20. **Within the last five years, have you taken a LOAN from your credit union?**
YES NO

21. **What was the purpose of your loan?** Circle as many as apply.
Consumer purchase Business Family purpose
Other, please name…

22. **How did using your loan impact the quality of your household's quality of life?**
1 – No impact 2-- Some Impact 3 – Neutral 4 – Impactful 5 - Very impactful

23. **How did using your loan impact the quality of your household's income?**
1 – No impact 2-- Some Impact 3 – Neutral 4 – Impactful 5 - Very impactful

24. **How did using your loan impact the quality of your household's economic security?**
1 – No impact 2-- Some Impact 3 – Neutral 4 – Impactful 5 - Very impactful

25. **How did using your loan impact the quality of your farm/enterprise /business income?**
1 – No impact 2-- Some Impact 3 – Neutral 4 – Impactful 5 - Very impactful

26. **How did using your loan impact the quality of your family health from saving?**
1 – No impact 2-- Some Impact 3 – Neutral 4 – Impactful 5 - Very impactful

27. **How did using your loan impact the quality of your access to education from saving?**
1 – No impact 2-- Some Impact 3 – Neutral 4 – Impactful 5 - Very impactful

28. **Please rate any training you received from the credit union on shares savings**
1 – No training 2-- Poor 3 – Basic 4 – Good 5 – Very Good

29. **Please rate any training you received from the credit union on loans.**
1 – No training 2-- Poor 3 – Basic 4 – Good 5 – Very Good

30. **Please rate any training you received from the credit union on planning /budgeting.**
1 – No training 2-- Poor 3 – Basic 4 – Good 5 – Very Good

31. **How much has the credit union helped you improve your household economy?**
1 – No impact 2-- Some Impact 3 – Neutral 4 – Impactful 5 - Very impactful

32. **Who makes most of financial and economic decisions in your household? You, someone else, or are the decisions shared?**
Me Shared Someone else

If Someone Else or Shared what is the relationship?
Spouse Parent Other

What is their gender
Male Female

33. **How many dependents do you have in the household?**
1 2 3 4 5 6 7 8 9 10+

34. **What is your household's monthly income?**
201 – 400 401 – 700 701 – 900 More than 900

Credit union data

Figure A
Credit union net institutional capital

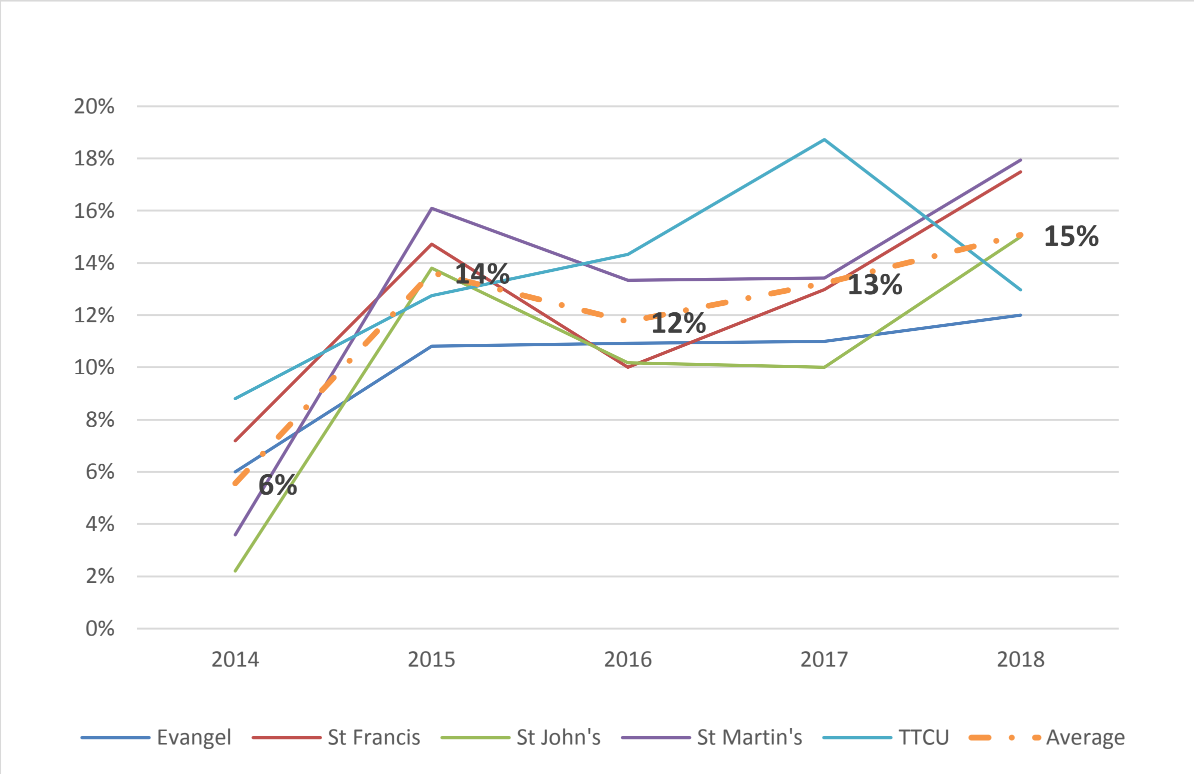


Figure B
Credit union membership growth

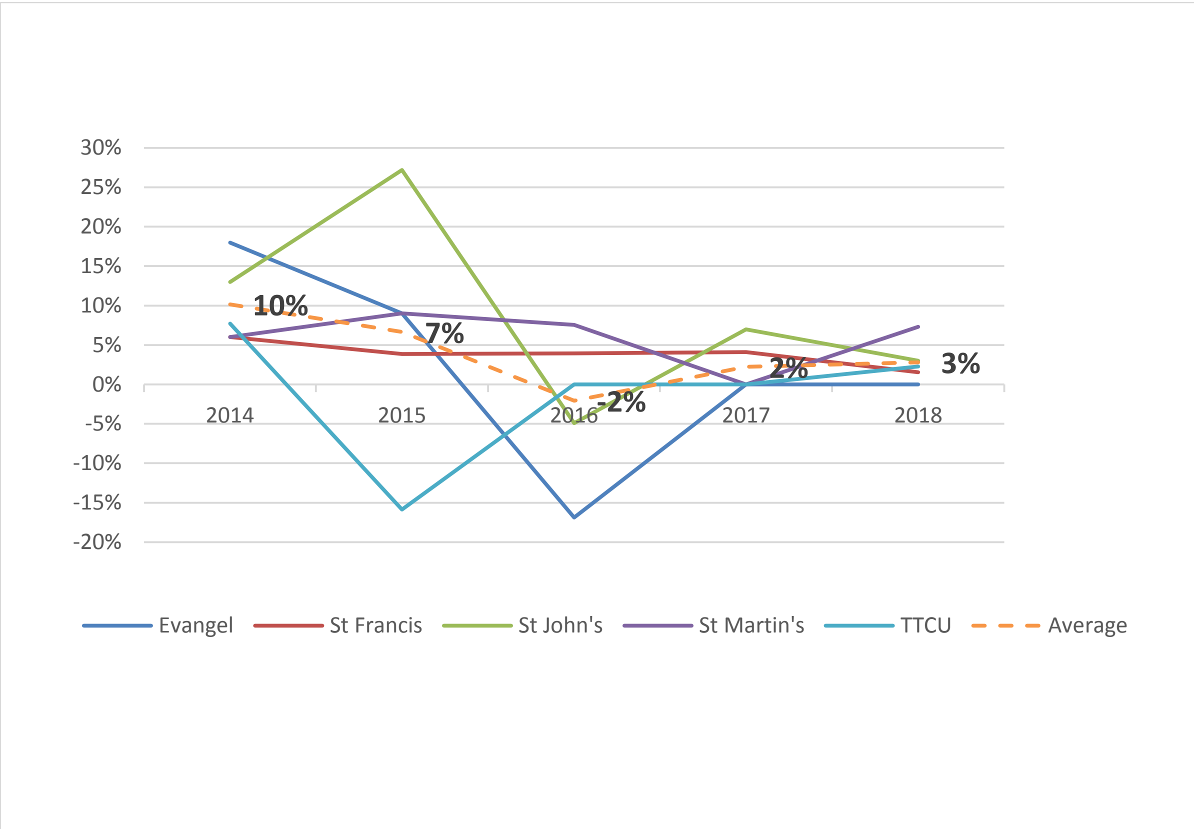


Figure C
Credit union net loans

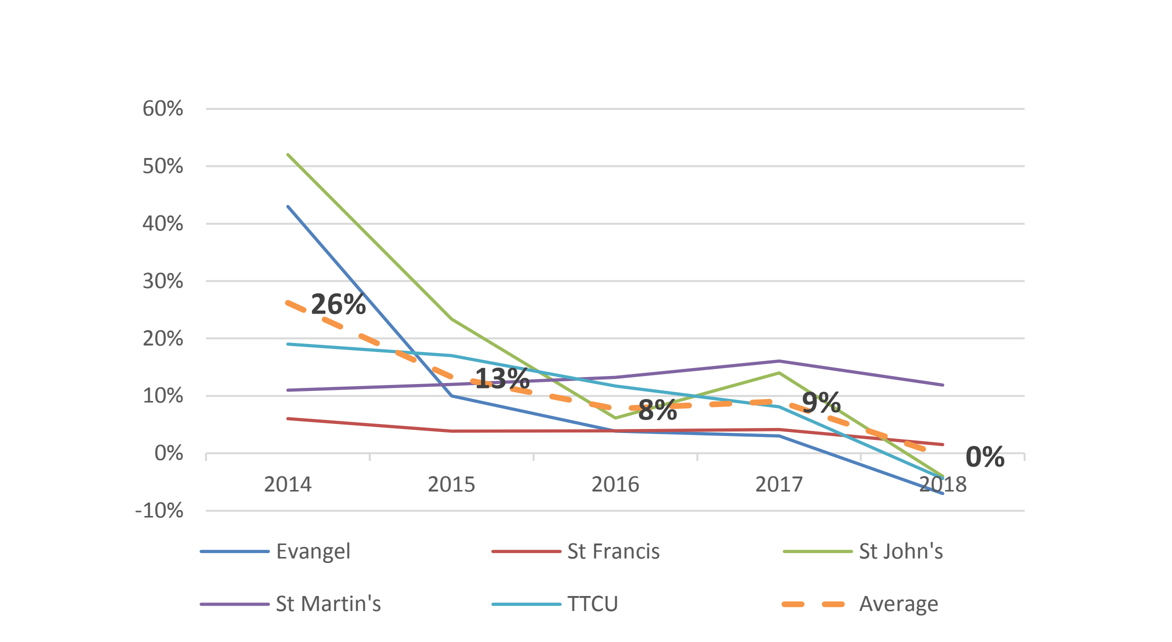


Figure D
Credit union loan delinquency

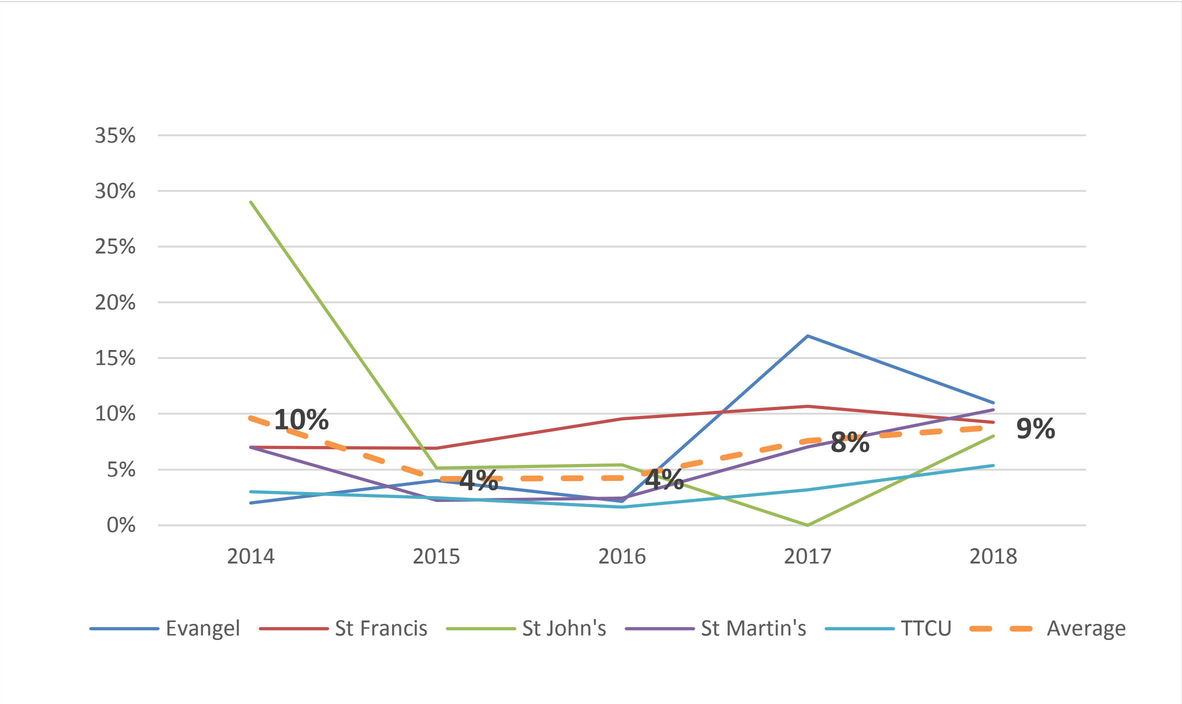


Figure E
Credit union savings growth

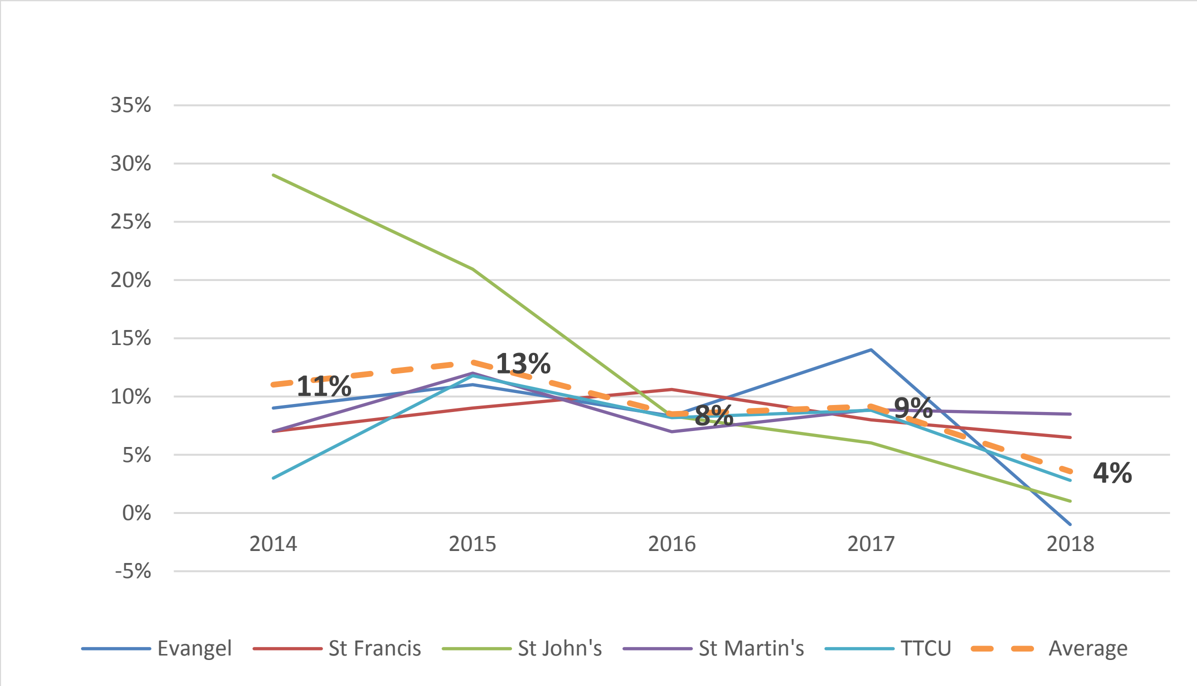


Figure F
Credit union operating expenses

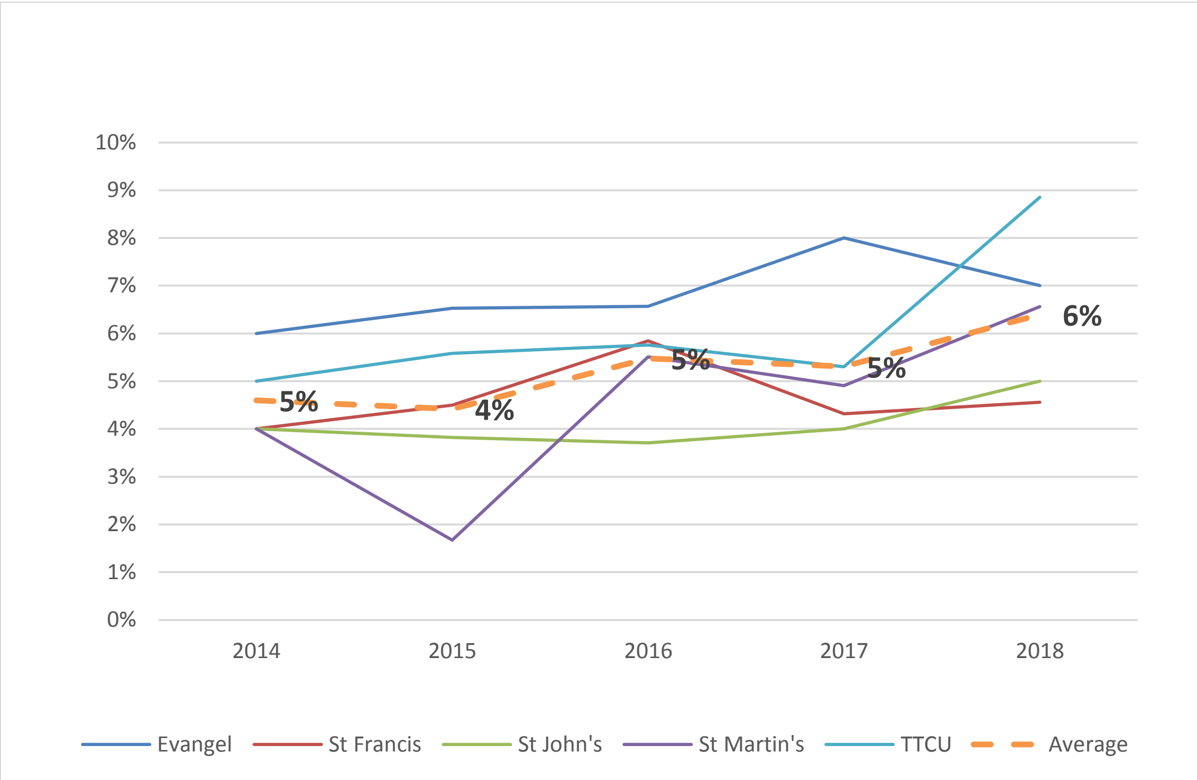


Figure G
Credit union returns on assets

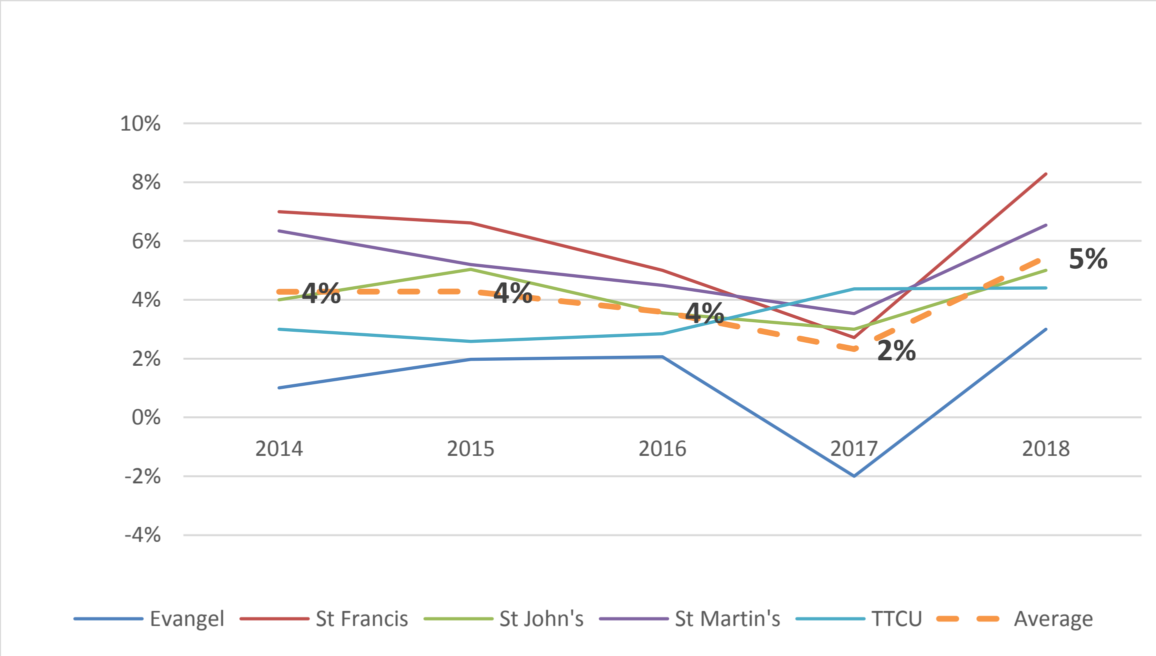


Figure H
Credit union liquidity

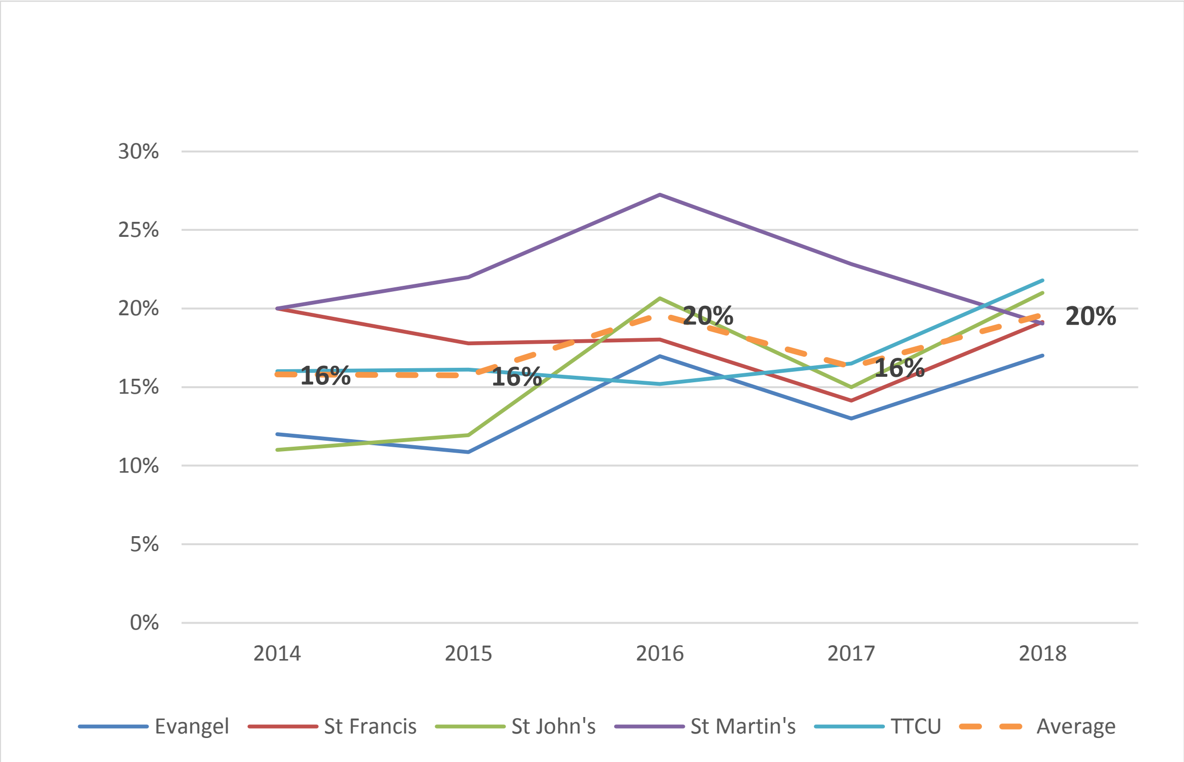
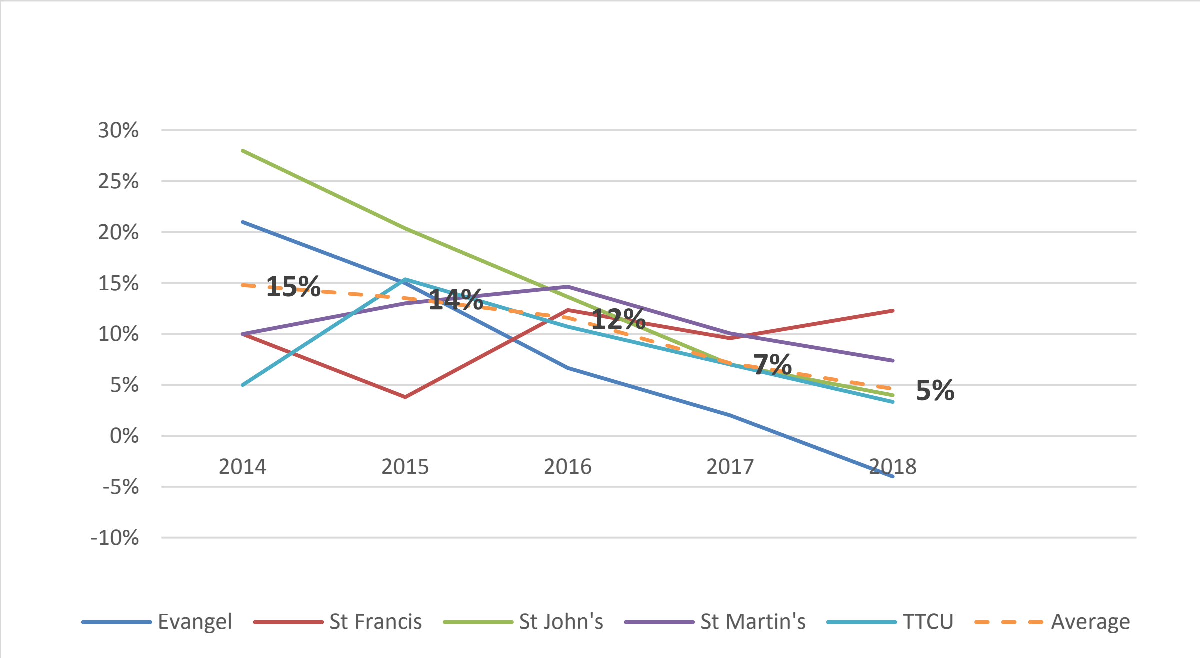


Figure I
Credit union assets growth



Case study – inclusive rural finance

Name:
Country:

1. Short description of the model

- What is the model?
- What type of provider and how many?
- What is new/different about this model?

2. Country and sector context

- Relevance and importance in sector, size (compared to other providers)
- Regulatory status, pending issues in regulation
- Meso level support for provider type
- Development partnerships

3. Support strategy by IFAD: design and implementation

- How were the objectives of the model/intervention defined?
- Was it aligned with IFAD's RF policy and strategies?
- Which aspects have been more relevant? In what ways were they relevant or not?
- Was this model part of a wider approach taken? What were the levels and support instruments used for the intervention?
- Where there any complementary activities at micro/meso/macro levels?
- What were the challenges encountered during implementation? What were the limitations?

3. Achievements

3.1. Appropriateness of approach: Were the models (and strategic approaches) chosen appropriate and in line with the needs of the country and the target groups? How relevant and appropriate was the choice of implementing partners?

3.2. Effectiveness of the strategy and models used:

- Was a measurable and wider range of IFS products and services achieved by project interventions?
- Inclusiveness in terms of access and use: Outreach to women, youth, remote/mountain areas, very poor people
- Significance of financial service for overall project results:
  - How important was the interventions for achieving rural poverty impact in relation to other project complements?
  - Evidence that access to financial services has strengthened agricultural production and marketing?
- To what extent did IFAD supported interventions contribute to changes at institutional /sector/policy levels?

3.3. Sustainability: How sustainable were the institutions supported by IFAD (macro, micro and meso level)? What were the factors enabling or hindering sustainability at the different levels?

3.4. Efficiency: Is there information about costs related to outputs? Would there have been other options for providing financial services?

3.5. Innovation and scaling up: what was innovative about this model (if any)? Any evidence of scaling up?

3.6. Main reasons for achievements or non-achievements

4. Summary of major lessons: regarding project design, implementation, achievements What could have been done differently?

Theory of change

Source: Evaluation team elaboration.

Beneficiary telephone survey results

Figure 1
Credit union membership by gender

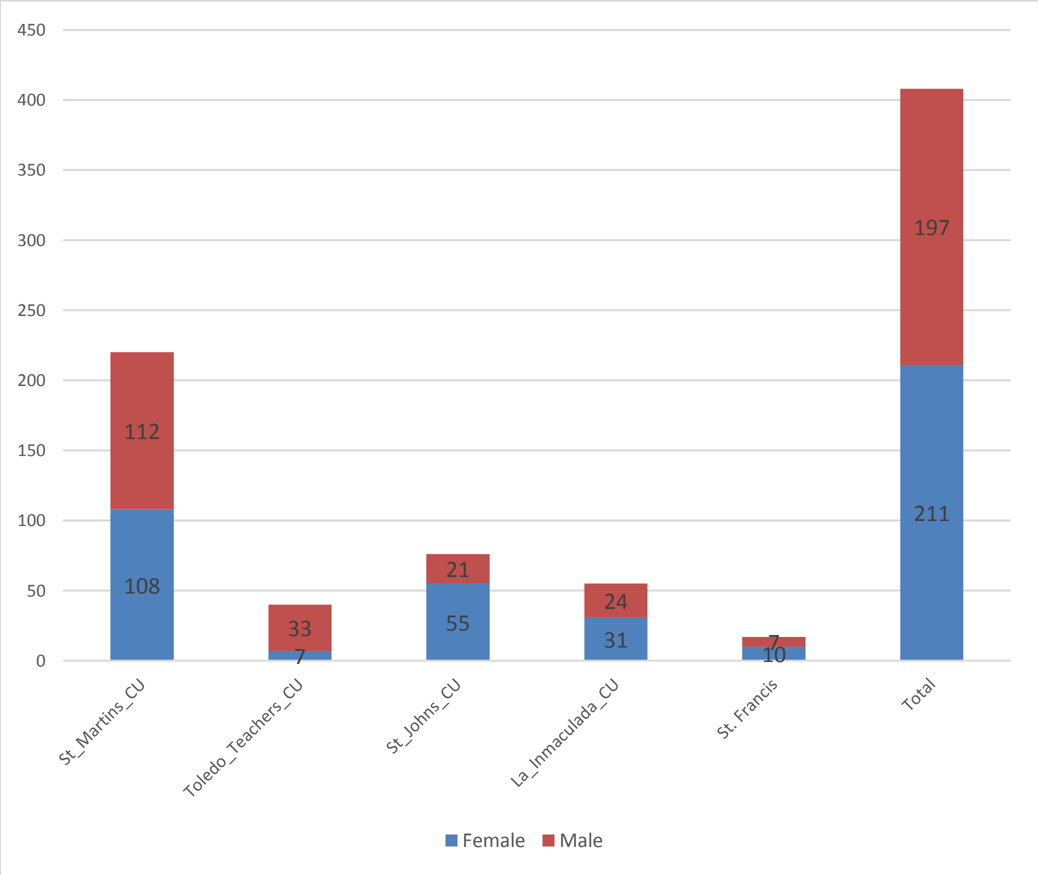


Figure 2
Youth membership

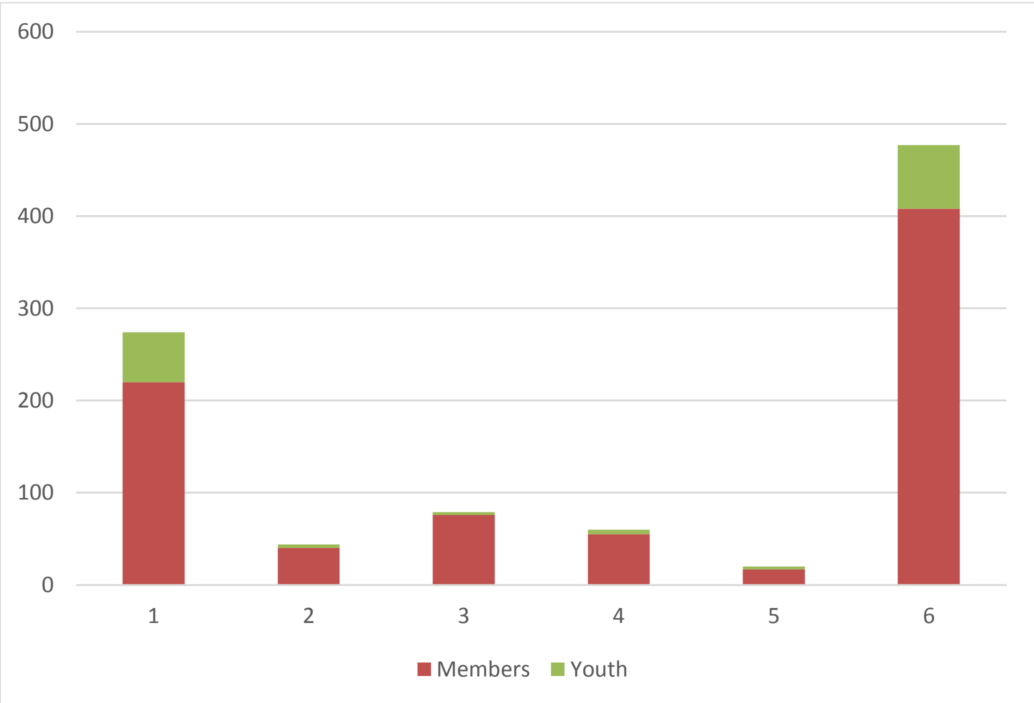


Figure 3
Length of credit union membership by credit union

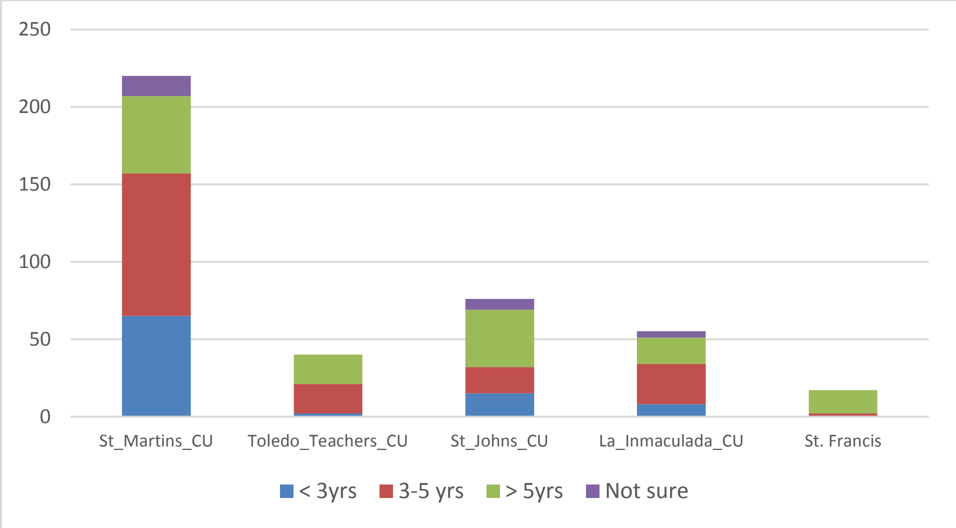


Figure 4
Length of credit union membership - percentage

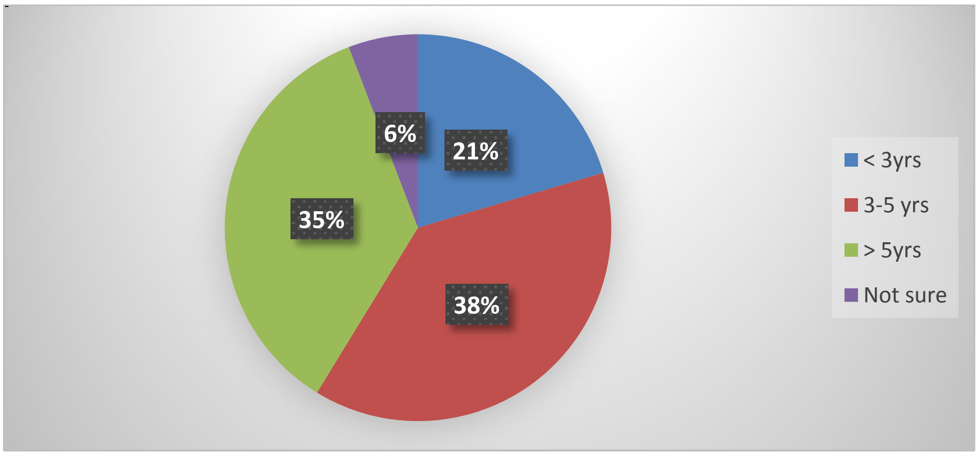


Figure 5
Beneficiaries receiving share incentives

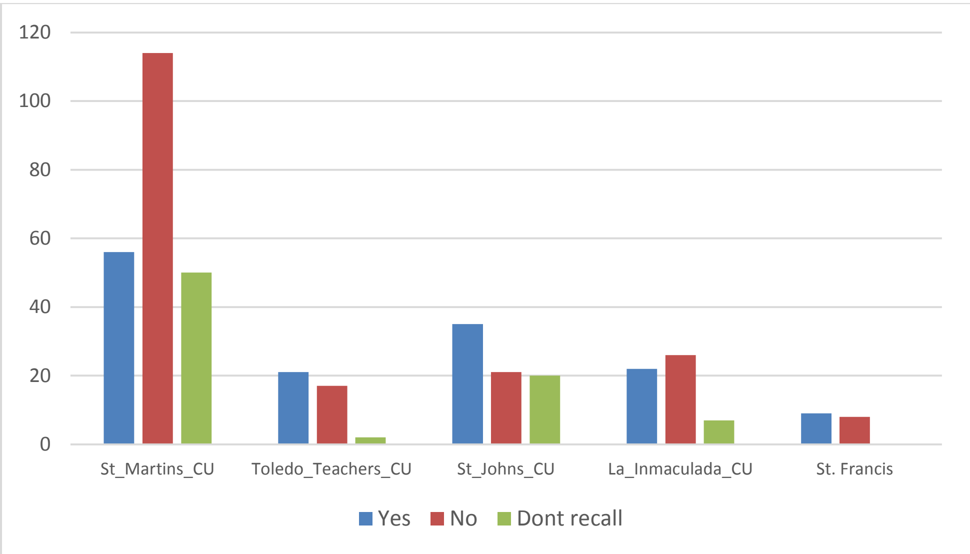


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Figure 6
Percentage of credit union members with incentives

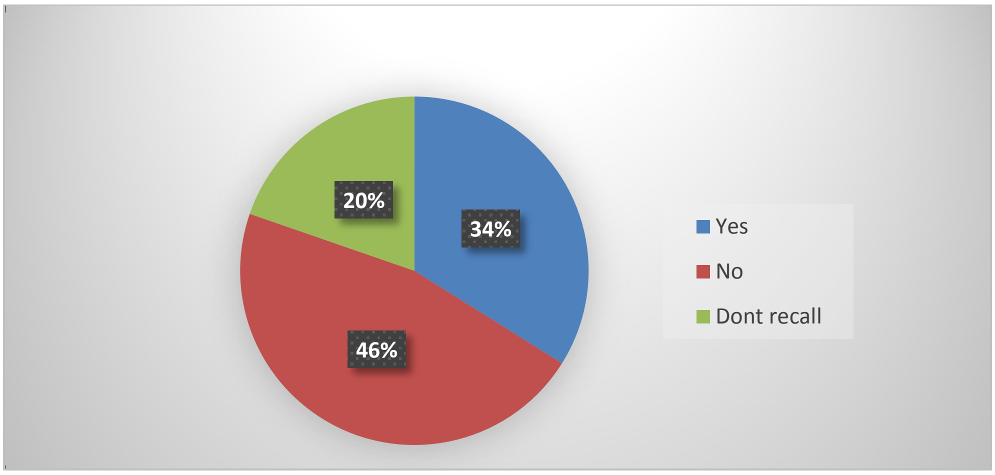

Figure 7
Frequency of credit union use

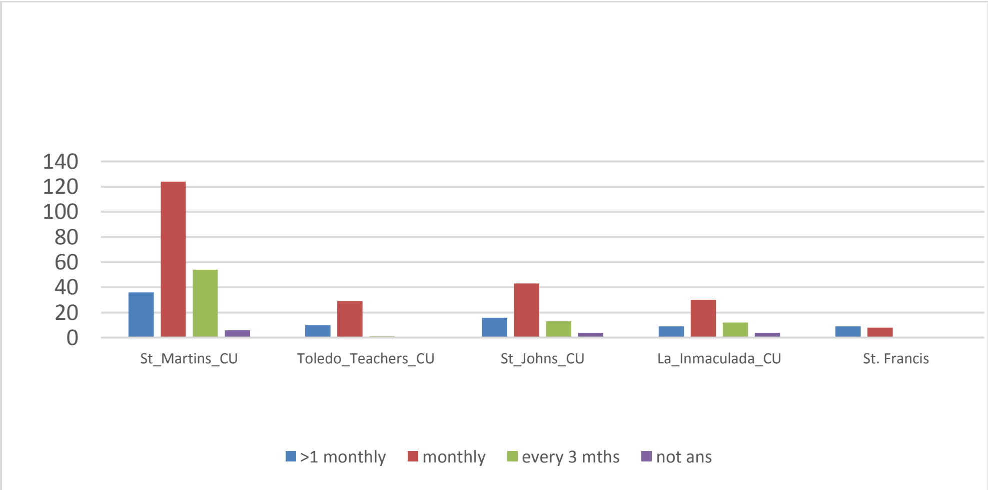

Figure 8
Frequency of credit union use - percentage

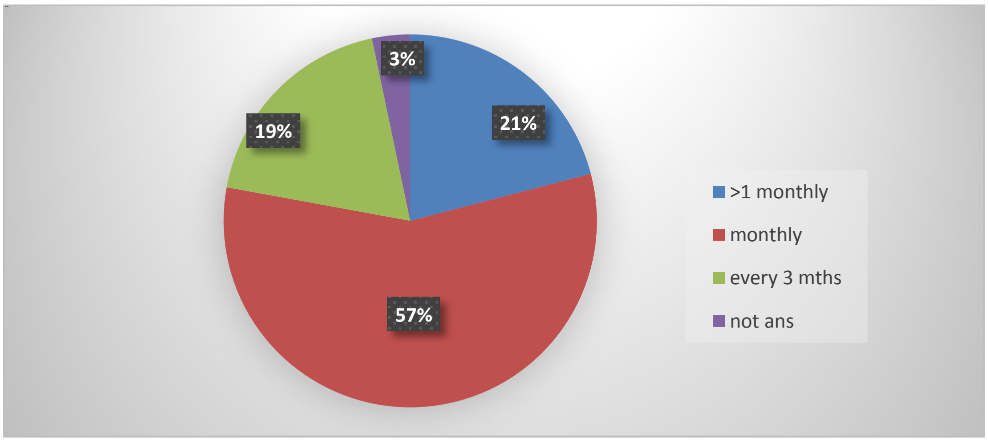

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Figure 9
Beneficiary use of other financial institutions

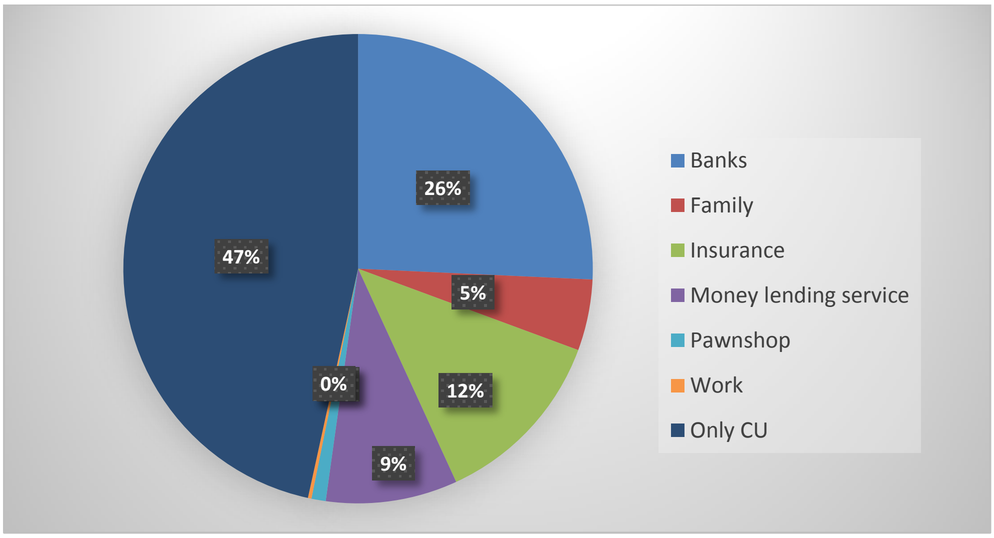

Figure 10
Credit union services relied on

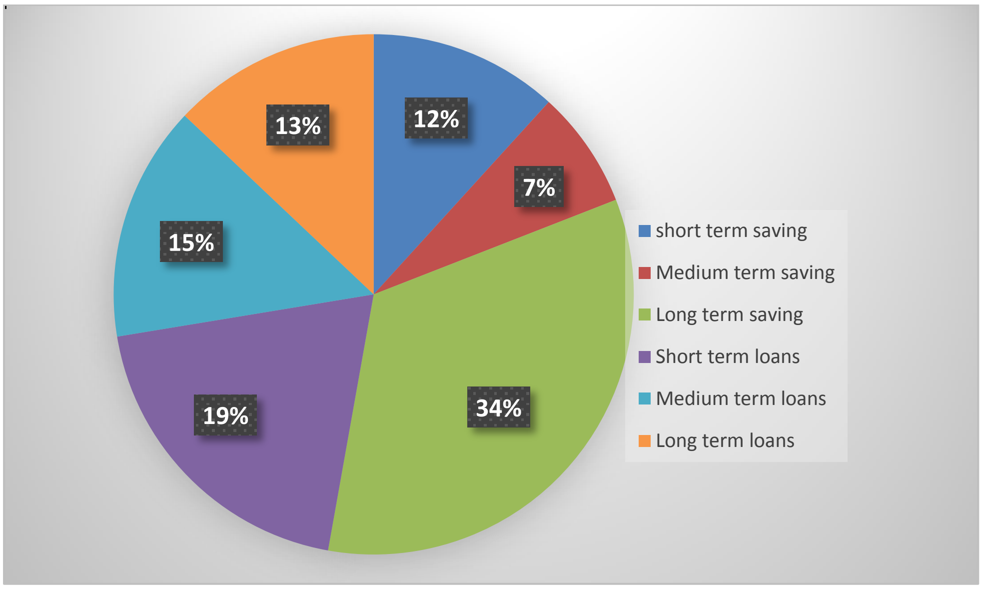

Figure 11
What credit union members liked about saving account

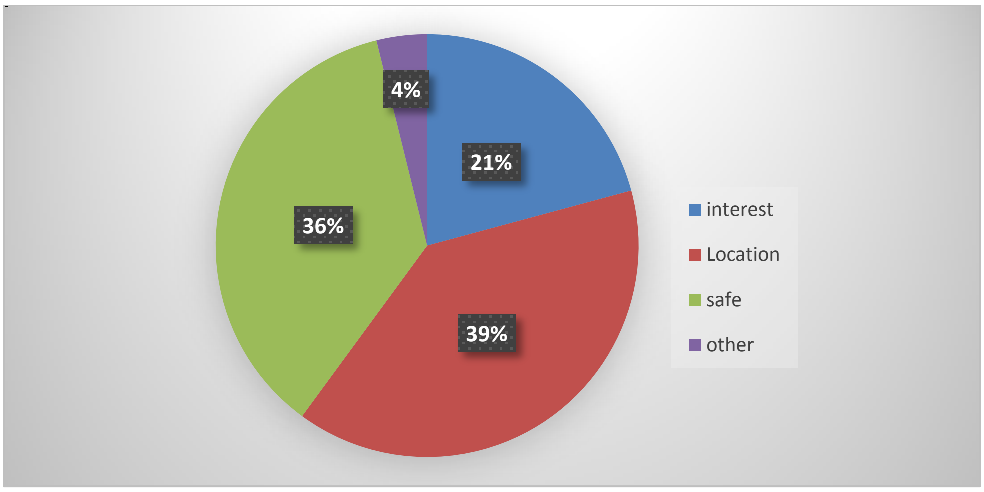

Figure 12
Purpose of savings

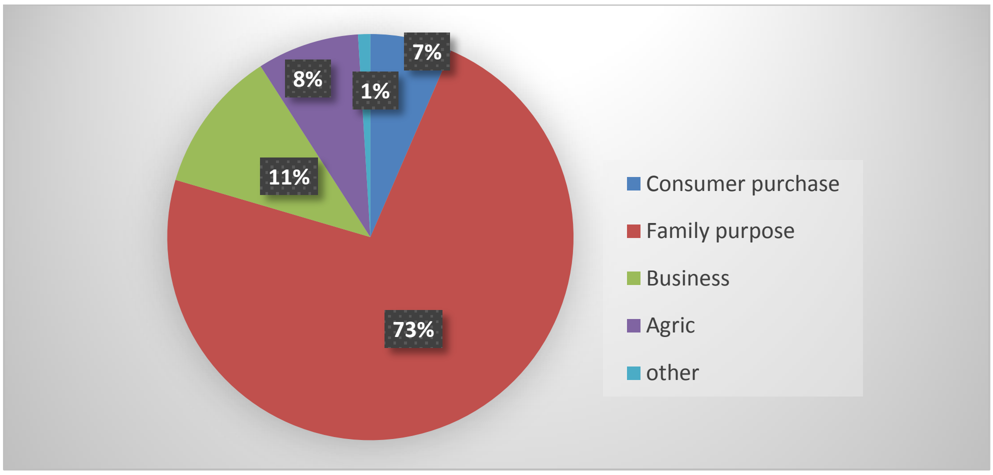

Figure 13
Credit union member loans – gender disaggregated

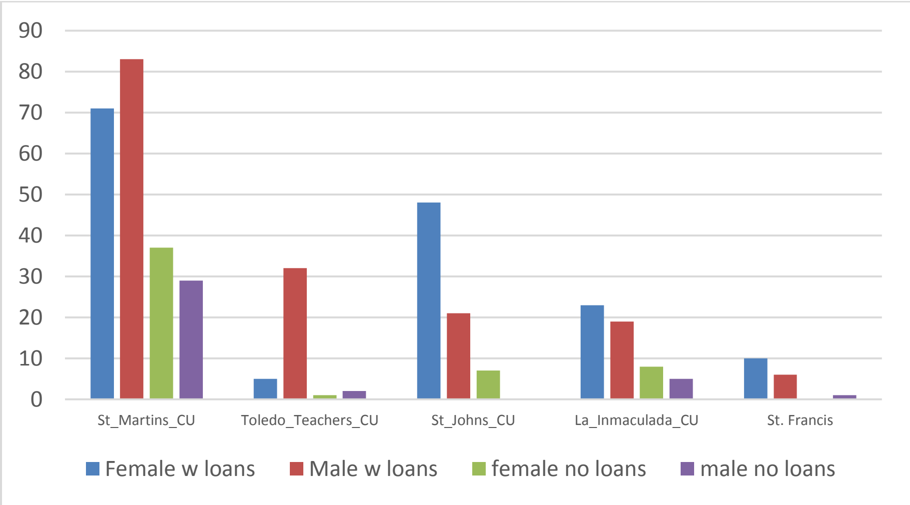

Figure 14
Loans by gender - percentage

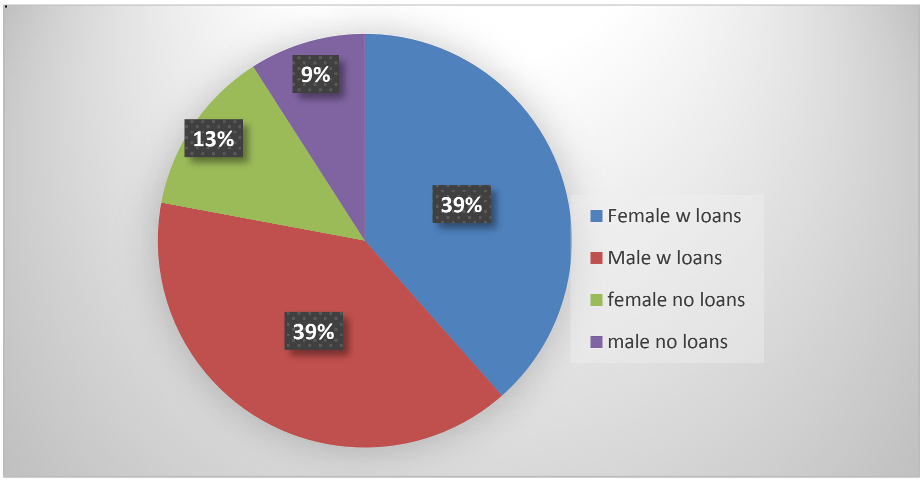

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Figure 15
Purpose of loans

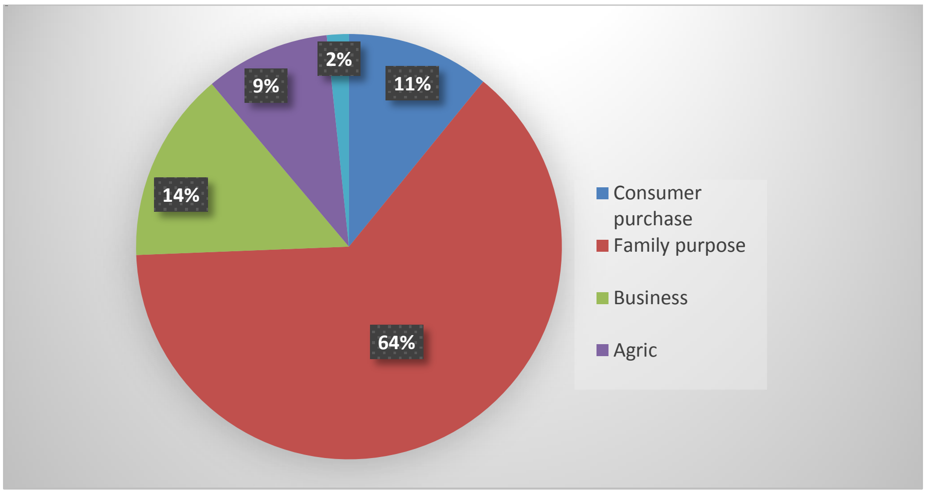

Figure 16
Impact on quality of life

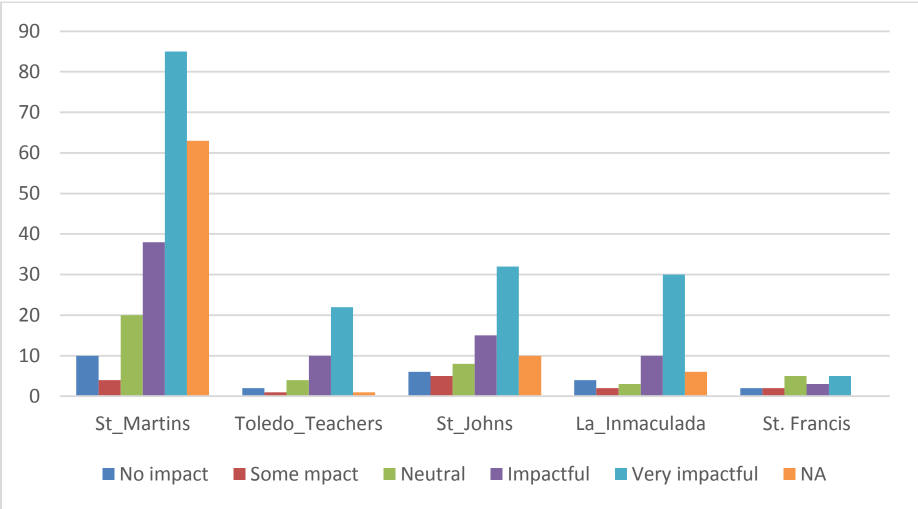

Figure 17
Impact on quality of life - percentage

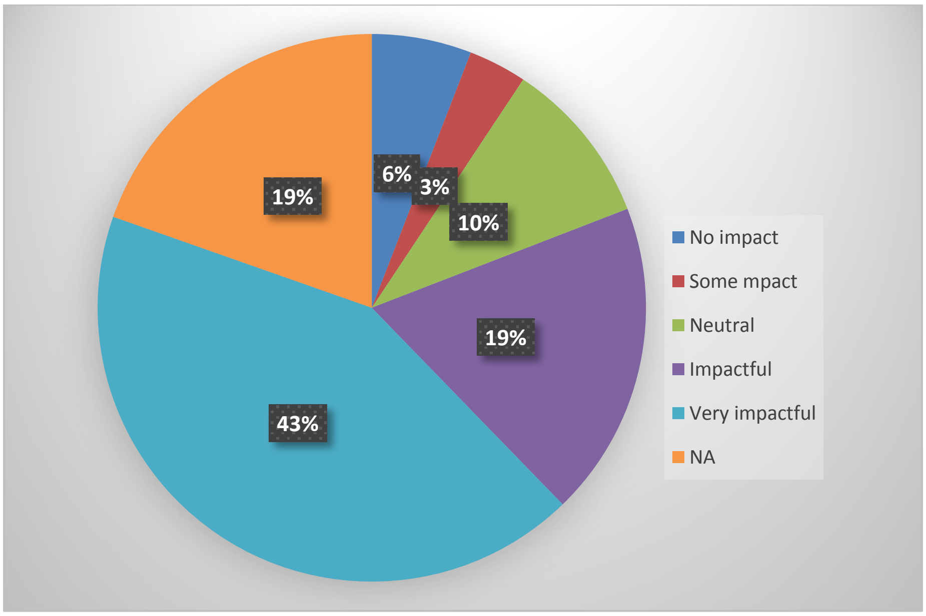

Figure 18
Impact on household income

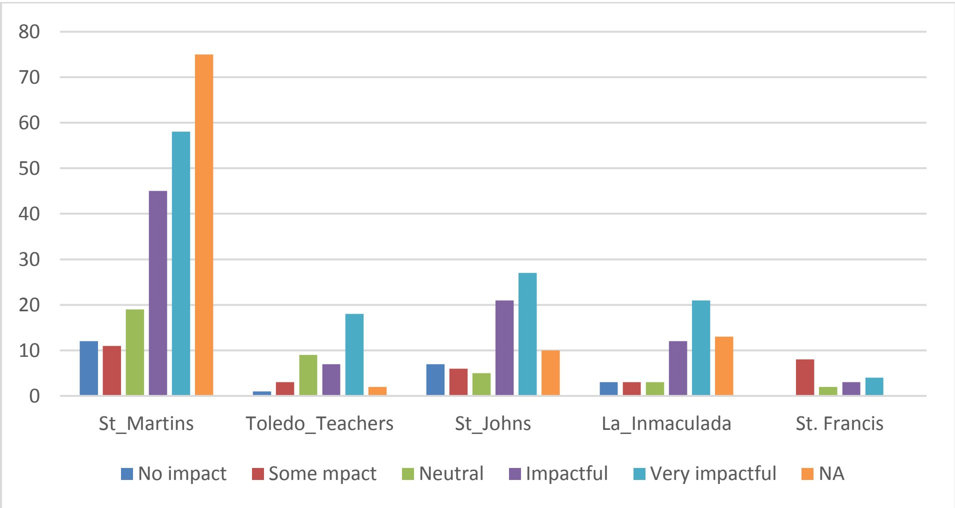

Figure 19
Impact on household income - percentage

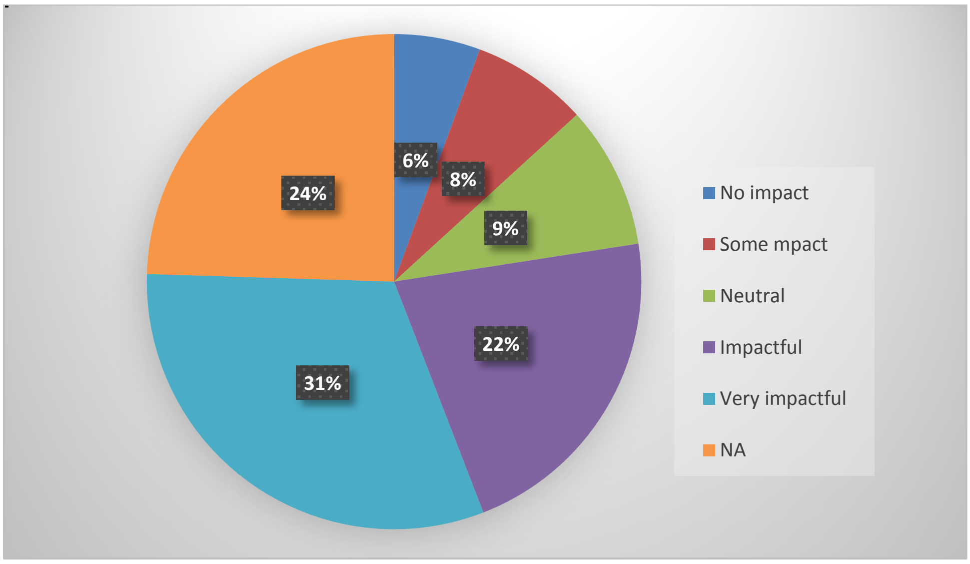

Figure 20
Impact on household income by gender

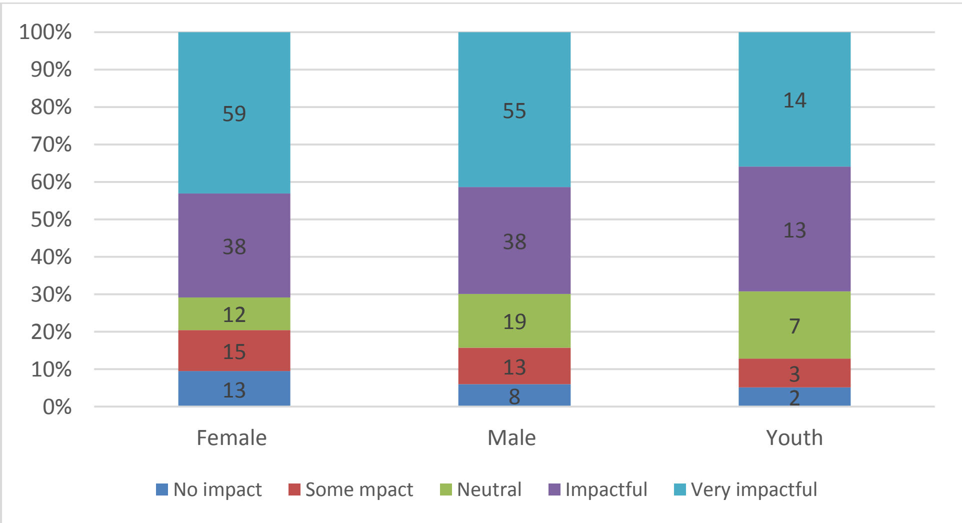

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Figure 21
Impact on household economic security

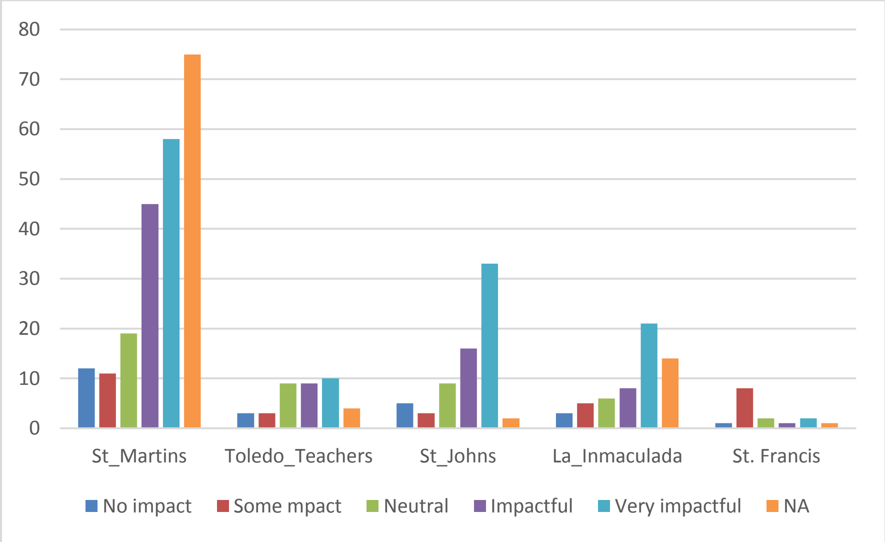

Figure 22
Impact on household economic security - percentage

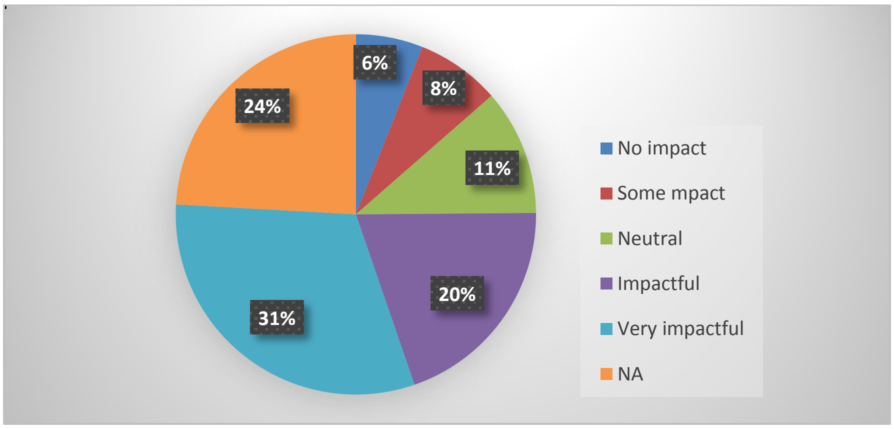

Figure 23
Impact on household economic security by gender

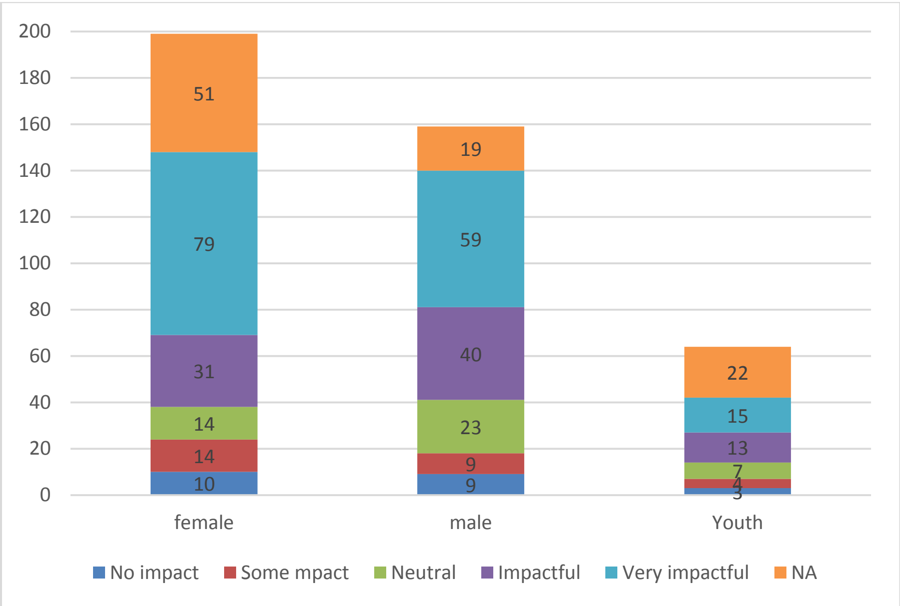

Figure 24
Impact on household enterprise

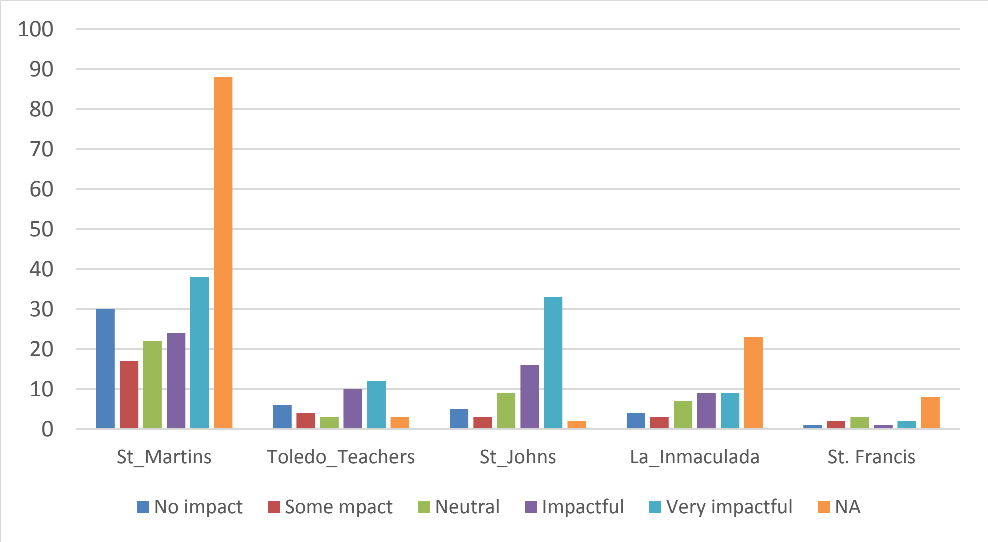

Figure 25
Impact on household health

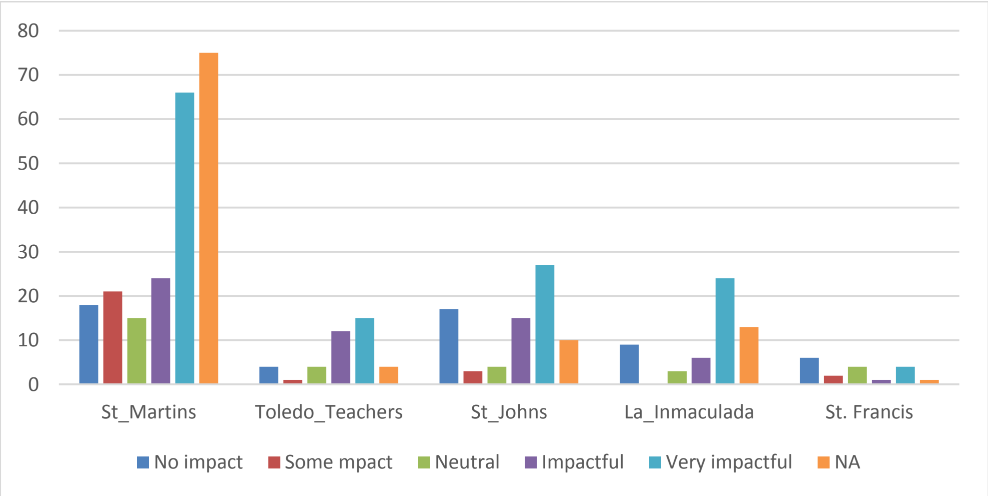

Figure 26
Impact on household health – percentage

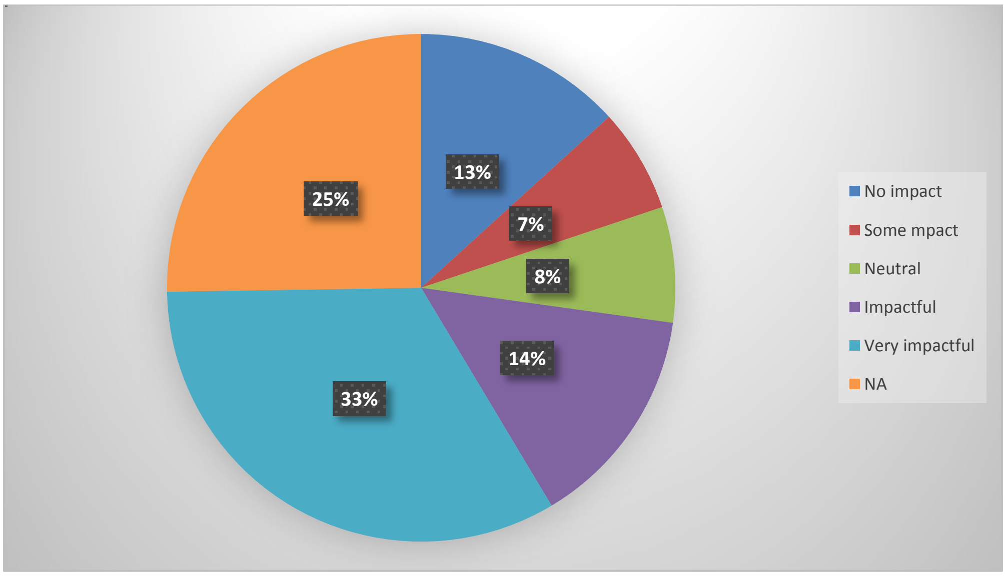

Figure 27
Impact on household health by gender

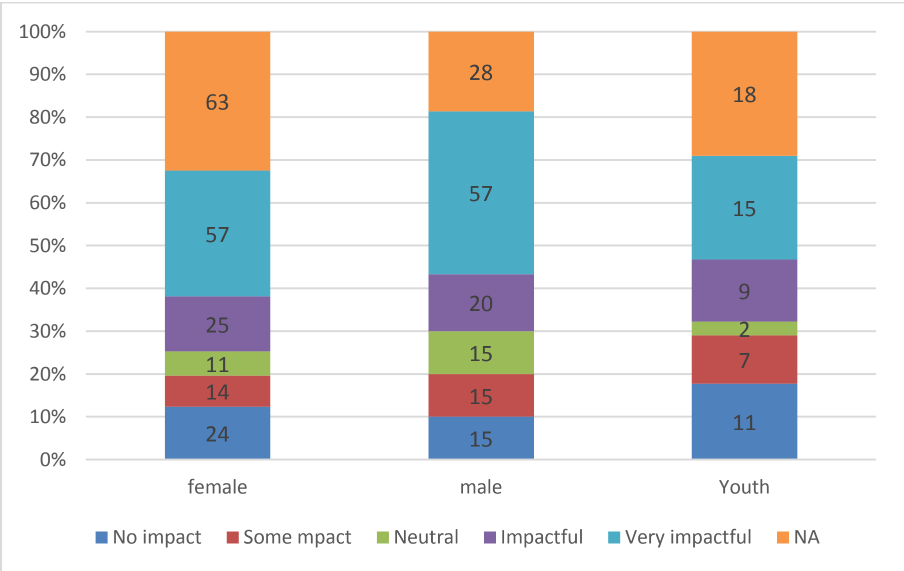

Figure 28
Impact on household education

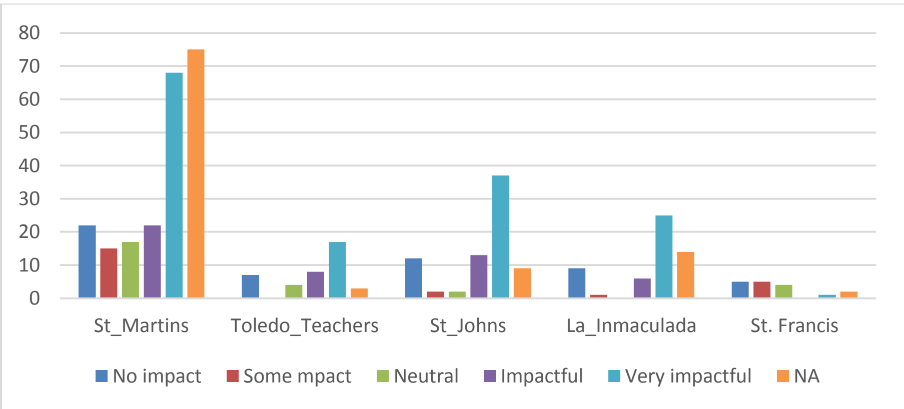

Figure 29
Impact on household education - percentage

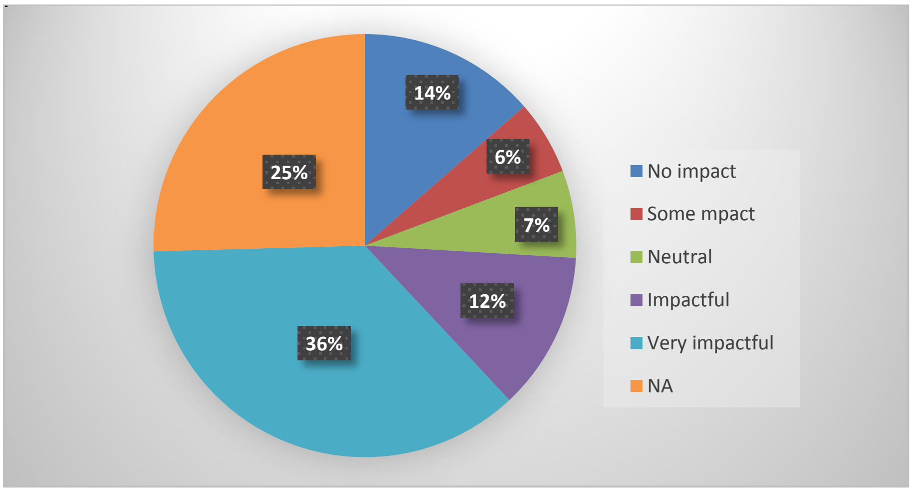

Figure 30
Training on household savings

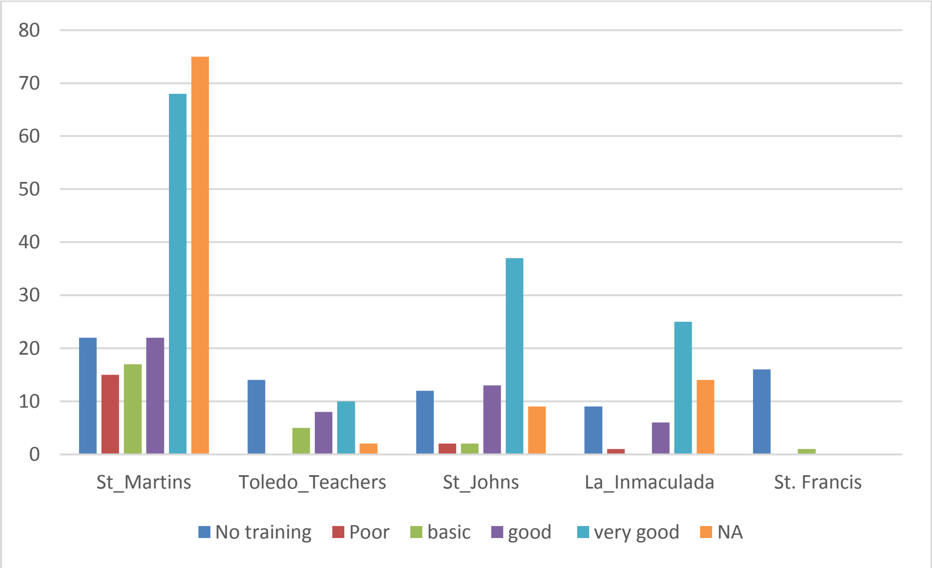

Figure 31
Training on household savings - percentage

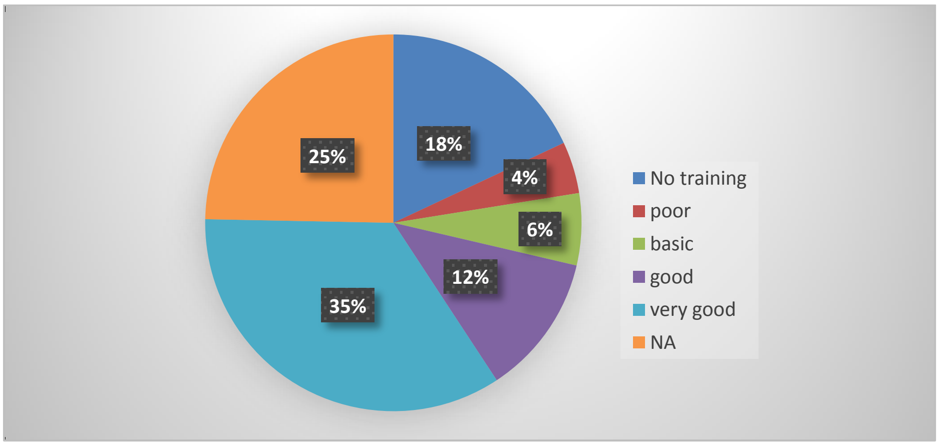

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Figure 32
Training on household savings by gender

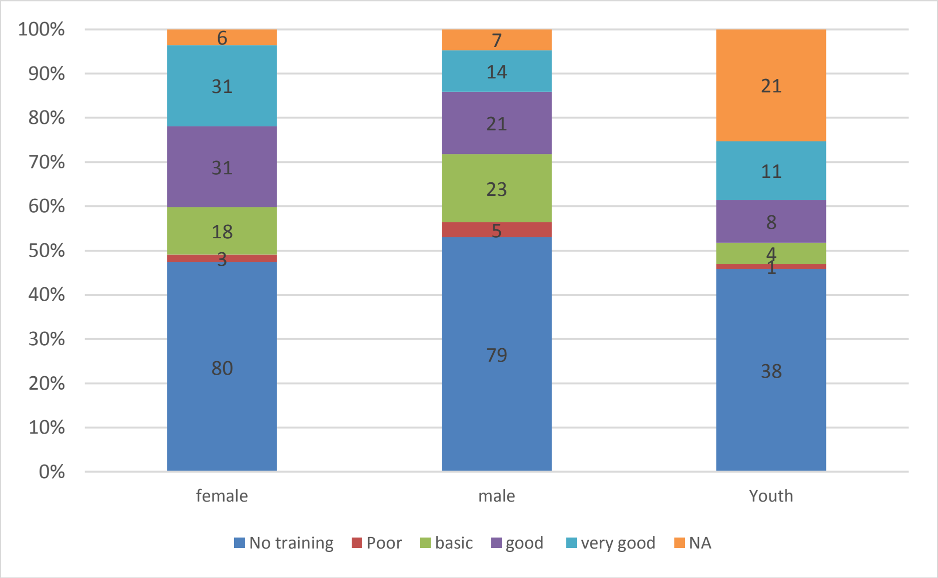


Figure 33
Household training on loans

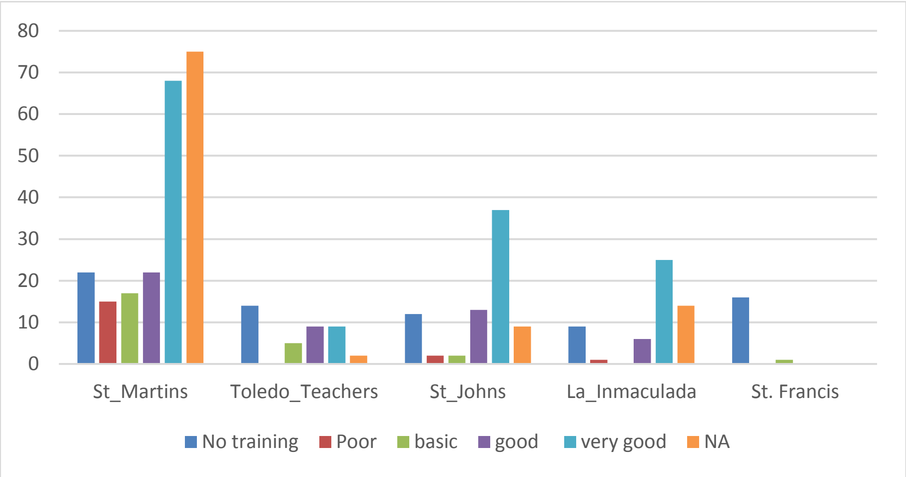


Figure 34
Household training on loans - percentage

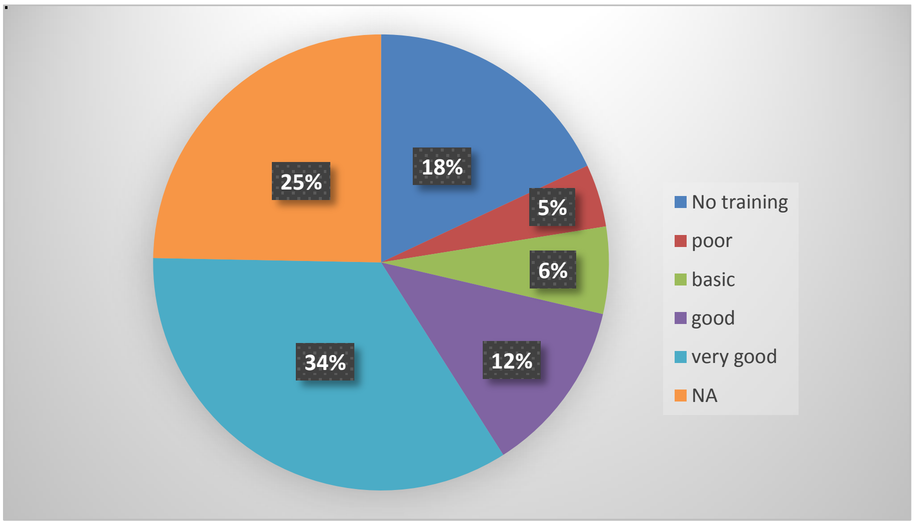


Figure 35
Household training on budgeting

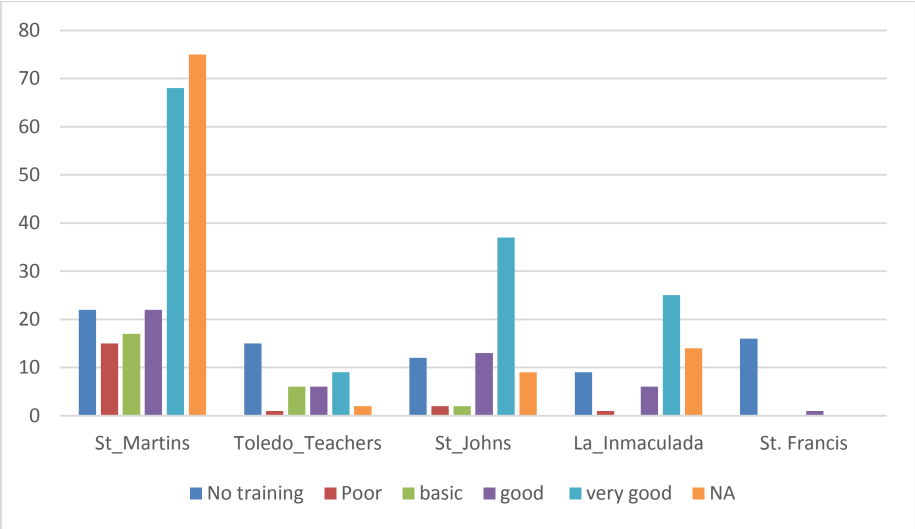


Figure 36
Household training on budgeting - percentage

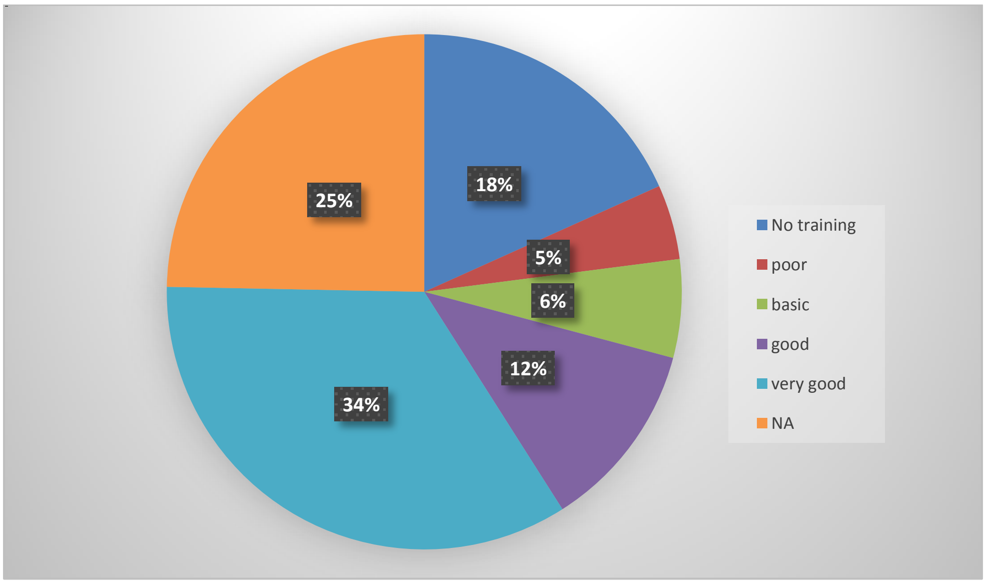


Figure 37
Household decision making

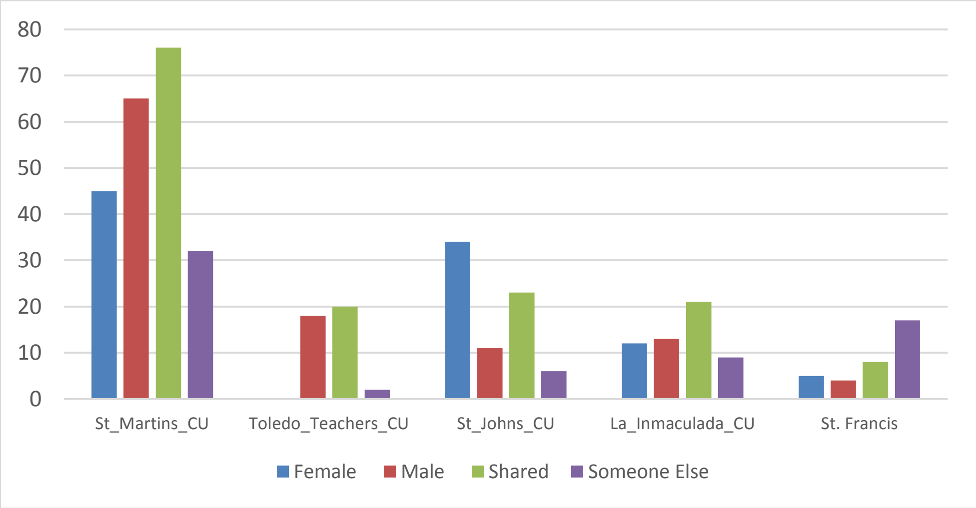


Figure 38
Household decision making - percentage

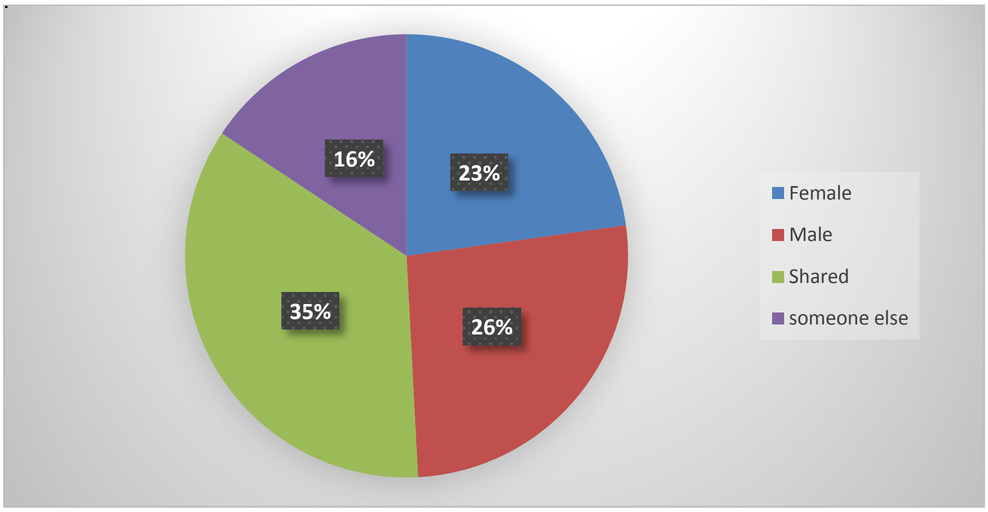


Figure 39
Household decision makers and economic security

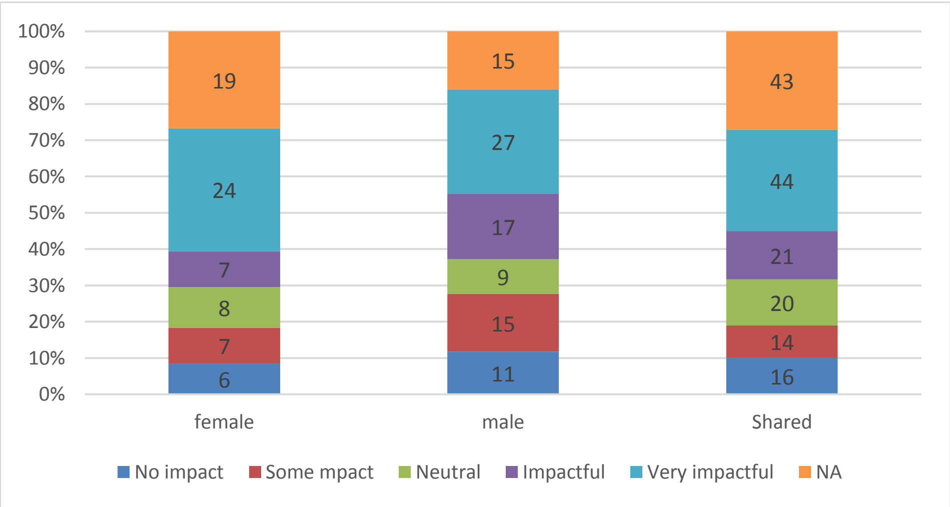


Figure 40
Dependents per household by gender (average dependents per member 3.1)

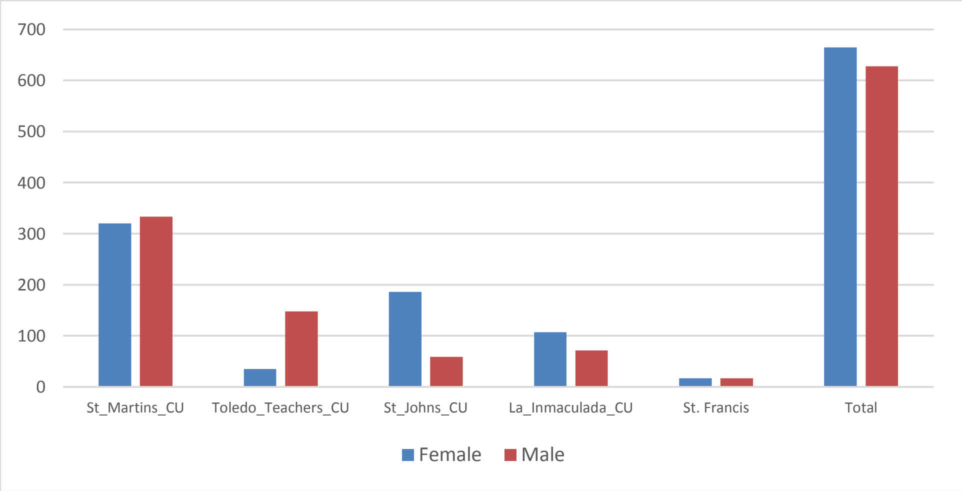


Figure 41
Household monthly income

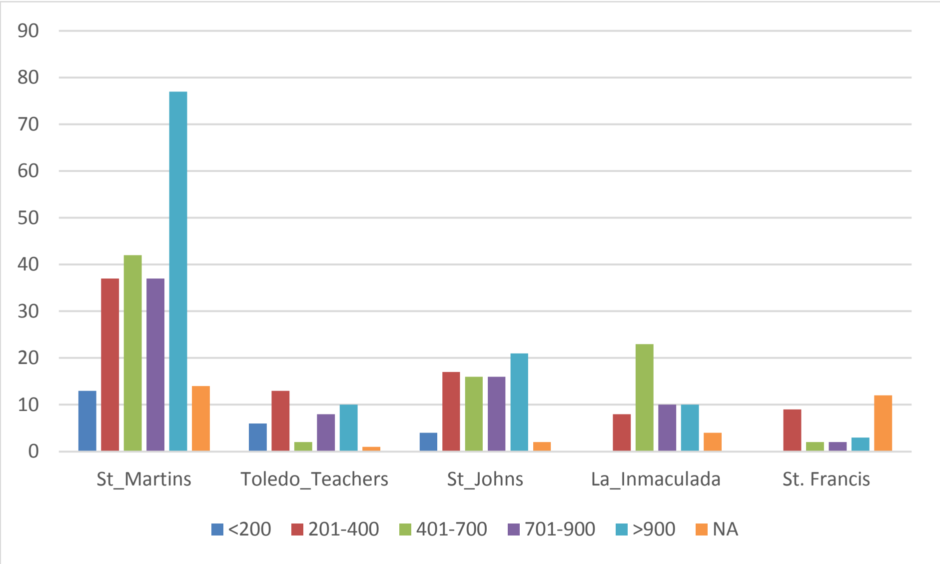


Figure 42
Household monthly income - percentage (BZD)

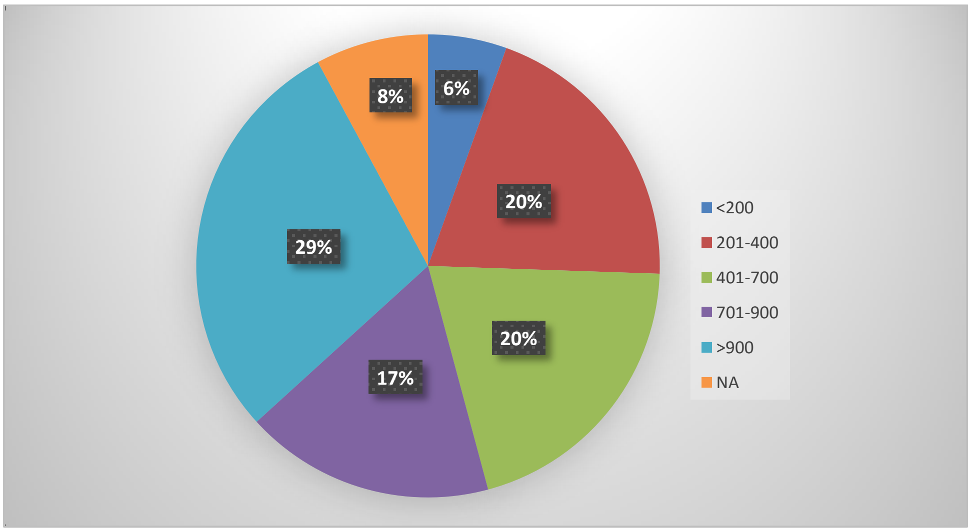


Figure 43
Female-headed household monthly income (BZD)

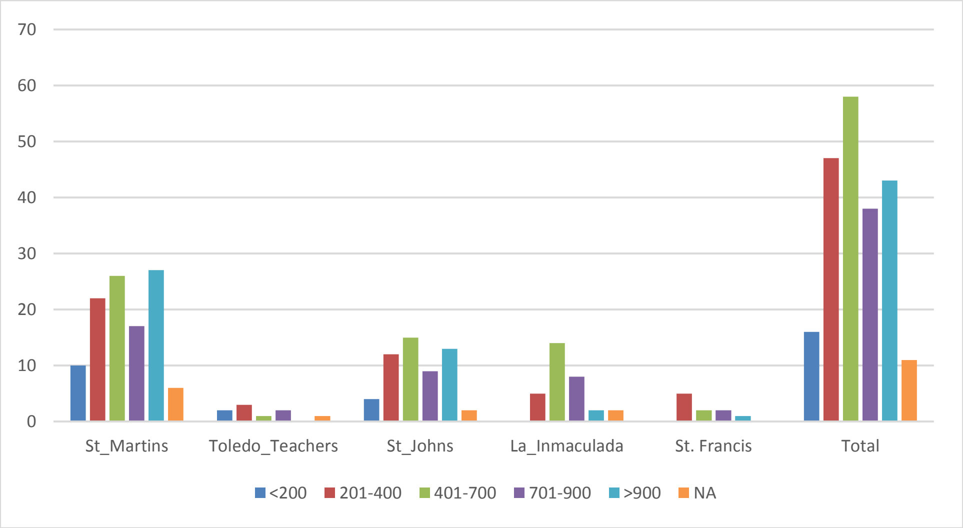


Figure 44
Female monthly income (BZD)

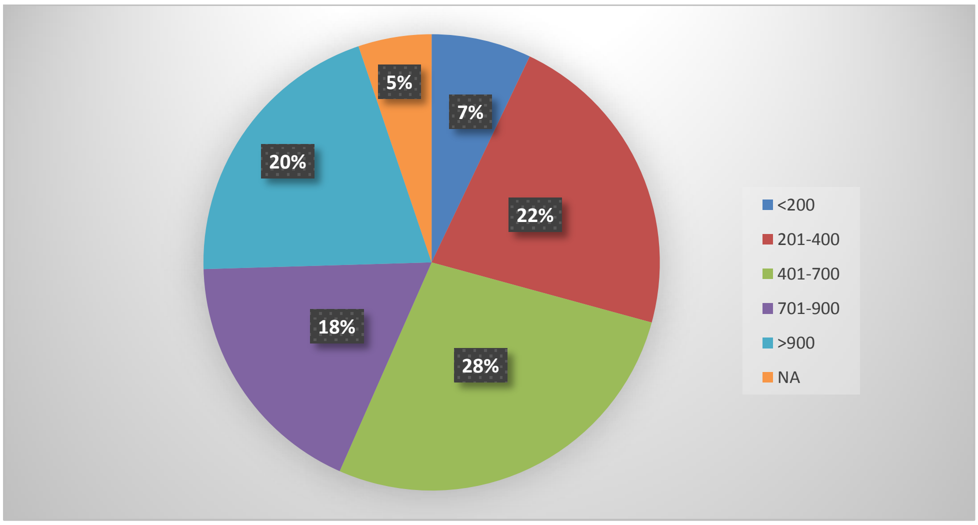


Figure 45
Male monthly income (BZD)

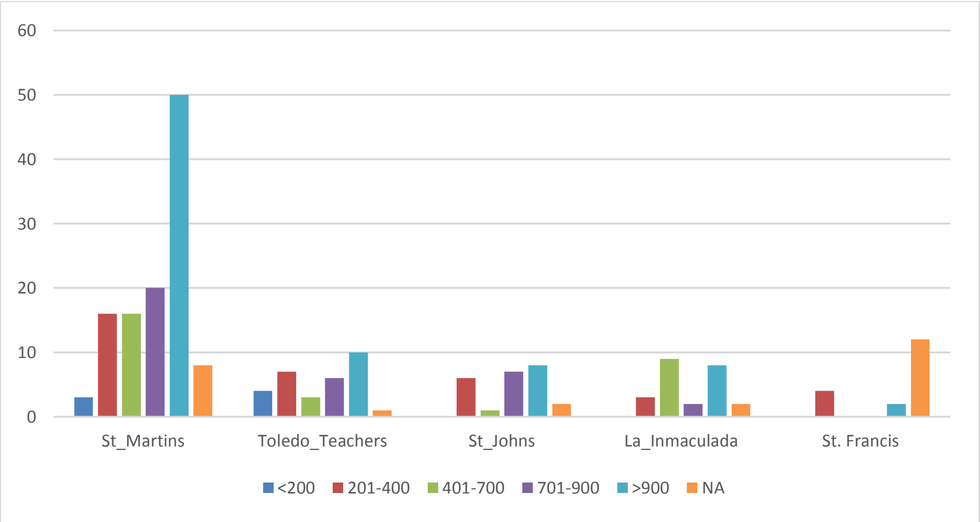
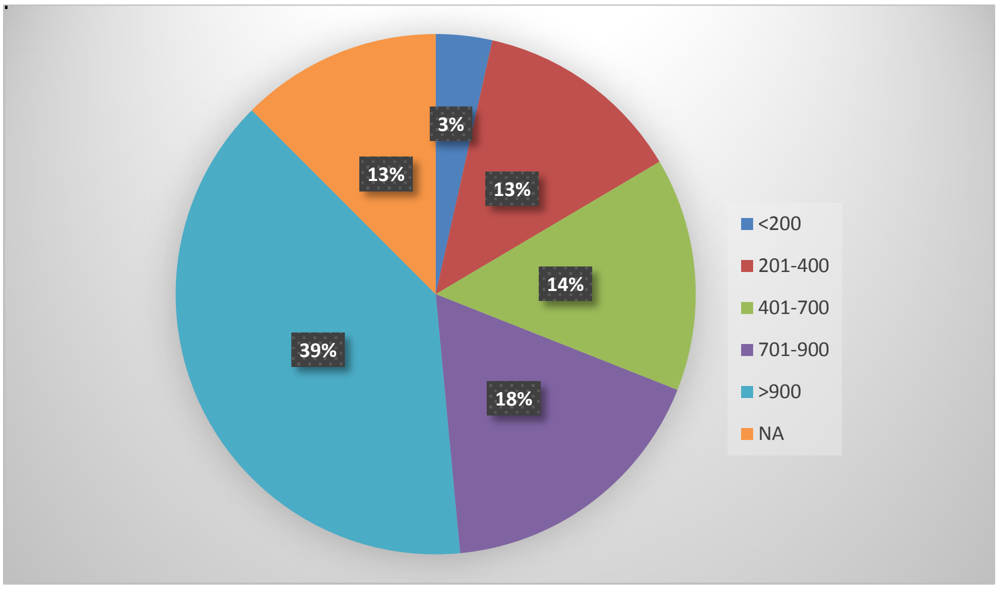


Figure 46
Male monthly income - percentage (BZD)



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