

Republic of Guyana

Rural Enterprise and Agricultural
Development Project

PROJECT PERFORMANCE EVALUATION



Independent Office
of Evaluation



Republic of Guyana

Rural Enterprise and Agricultural Development Project

Project Performance Evaluation

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Photos of activities supported by the Rural Enterprise and Agricultural Development Project

Front cover: Pomeroon Women's Agro Processors Association, showing samples of the products they manufacture. Some products are sold in the New Guyana Marketing Corporation's Guyana Shop in Georgetown.

Back cover: A Shade House of members of Airy Hall Development Group in Region 2 (left); Member of Lima Sands Community Development Council, in her backyard garden that was cultivated using equipment provided by the project.

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Preface

This report presents the findings of the project performance evaluation of the Rural Enterprise and Agricultural Development Project (READ) in the Republic of Guyana, undertaken by the Independent Office of Evaluation of IFAD (IOE).

The project's goal was to improve the living conditions of small-scale producers and vulnerable groups by strengthening their human, social and financial assets. This was rightly premised on the fact that, although Guyana has at its disposal sufficient resources for agriculture, most of its poor rural people are smallholder farmers who operate at a subsistence level with limited technical capacity and infrastructure to successfully bring products to market and to convert farming activities into viable businesses. By introducing target beneficiaries to good agricultural practices, the project's interventions led to instances of improved household welfare. READ also invested in human and social capital – providing life-skills training to beneficiaries and creating social capital through social infrastructure outputs.

However, the ambition to reach more than half of all the regions in the country, to undertake numerous activities and to partner with a myriad of local partners, tested the relatively low implementation capacity of the project. Project management-related issues and staff turnover further added to the implementation woes. Importantly, the project missed out on the opportunity to leverage a value chain approach – the focus on supply-side capacity-building was not equally matched by a focus on market development.

The evaluation underscores the need for focusing on a few value chains and subsequently replicating the experience gained on technical, financial, marketing and organizational aspects to other chains. Further, when introducing beneficiaries to new tools of trade, the project design should make provision for delivering support that makes beneficiaries self-reliant.

This project performance evaluation was conducted by Hansdeep Khaira, Evaluation Officer, IOE, in collaboration with Ronald M. Gordon, IOE senior consultant. Internal peer reviews from IOE were conducted by Johanna Pennarz, Lead Evaluation Officer, and Fumiko Nakai, Senior Evaluation Officer. Fabrizio Felloni, IOE Deputy Director, provided very useful comments on the draft report. Laure Vidaud, IOE Evaluation Assistant, provided valuable administrative support.

IOE is grateful to IFAD's Latin America and the Caribbean Division and the Government of Guyana, in particular the Ministry of Agriculture, for their insightful inputs at various stages of the evaluation process and the support they provided to the mission. Thanks also go out to the former READ staff and Mr. Kelvin Craig, the IFAD liaison in Guyana, for their contributions and assistance.

I hope the results of this evaluation will enable IFAD's operations to better contribute to rural development in Guyana.



Oscar A. Garcia
Director
Independent Office of Evaluation of IFAD

Community Centre at Lima Sands, used for Group meetings and other Group activities.

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Currency equivalent, weights and measures

Currency equivalent

Monetary unit = Guyanese dollar (GYD)

US\$1.00 = GYD 206.5

Weights and measures

1 kilometre (km) = 0.62 miles

1 metre (m) = 1.09 yards

1 hectare (ha) = 10.000 m² (0.01km²)

1 hectare (ha) = 2.47 acres

1 acre (ac) = 0.405 hectares (ha)

1 kilogram (kg) = 2.204 pounds

Abbreviations and acronyms

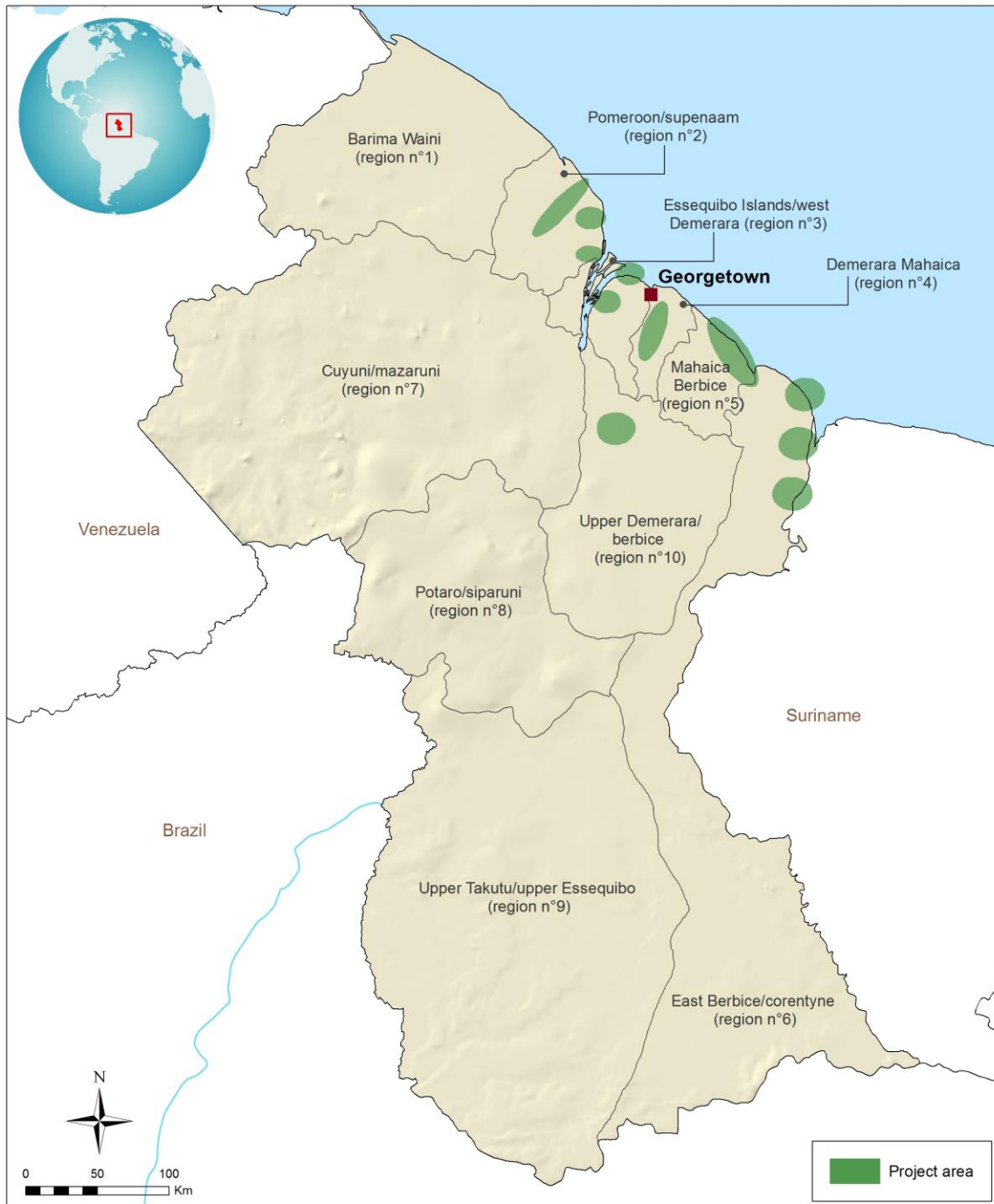
ASDU	Agriculture Sector Development Unit
AWPB	annual work plan and budget
BFC	business facilitation centre
CARICOM	Caribbean Community and Common Market
CBO	community-based organization
CIDA	Canadian International Development Agency
DFID	Department for International Development
EDF	Enterprise Development Fund
FAO	Food and Agriculture Organization of the United Nations
GSA	Guyana School of Agriculture
HESAD	Hinterland Environmentally Sustainable Agricultural Development Project
IDB	Inter-American Development Bank
IICA	International Institute for Cooperation on Agriculture
IPED	Institute for Private Enterprise Development
IOE	Independent Office of Evaluation of IFAD
LAC	Latin America and the Caribbean Division of IFAD
MFI	microfinance institution
MIS	market information system
M&E	monitoring and evaluation
MTR	mid-term review
NAREI	National Agriculture Research and Extension Institute
NGMC	New Guyana Marketing Corporation
PCR	project completion report
PCU	project coordination unit
PMT	project management team
PPE	project performance evaluation
PSIF	Productive and Social Investment Fund
READ	Rural Enterprise and Agricultural Development Project
USAID	United States Agency for International Development
WADNet	Women's Agro-processors Development Network

Map of the project area

Guyana

Rural Enterprise and Agricultural Development Project (READ)

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.

Map compiled by IFAD | 22-02-2018

Executive summary

Background

1. The Independent Office of Evaluation of IFAD (IOE) undertook a project performance evaluation (PPE) of the Rural Enterprise and Agricultural Development Project (READ) in the Republic of Guyana. The main objectives of the evaluation were to: (i) conduct an independent assessment of the results of the project; and (ii) generate findings and recommendations for the design and implementation of ongoing and future IFAD operations in the country.
2. In preparation for the PPE, IOE gathered preliminary findings from the desk review of the project completion report and other key project documents, and held interviews at IFAD headquarters. Following this, IOE undertook an evaluation mission where additional evidence and data were collected to verify the available preliminary information and to reach an independent assessment of the project's performance and results. The mission visited all six regions where the project had been active, and almost 25 per cent of all community-based organizations benefitting from the project were met. The methods deployed for data collection in the field comprised direct observations, key informant interviews with project stakeholders, former project staff, local and national government authorities, and group interviews with beneficiaries.

The project

3. The goal of the project was to improve the living conditions of poor rural households, especially small-scale producers and vulnerable groups, by strengthening their human, social and financial assets. Its specific objectives were to: (i) increase the market opportunities available to smallholder rural producers; (ii) increase rural people's capacity to produce and market non-traditional products; (iii) strengthen rural services; (iv) increase access to financial and other capital services; and (v) build human and social capacity.
4. The project was implemented in six regions based on criteria such as: (i) the proportion of the population residing in the region; (ii) the poverty gap; and (iii) the potential for non-traditional agricultural production. The target population consisted of poor or extremely poor men and women, non-traditional farmers devoted to smallholding agriculture, either of subsistence or market-oriented production, wage labourers and poor or extremely poor rural men and women entrepreneurs, particularly women-headed households, youth and Amerindian communities.
5. The project had two main components: (i) market and rural enterprise development; and (ii) human and social capital strengthening. Market development included activities to identify potential markets, building market information systems and assisting producers to sell their goods in different markets. Rural enterprise development activities were based on supply-side capacity development of rural agro-enterprises for sustainable rural transformation and development. The second component stressed developing human and social capacities for the empowerment of men and women. The two components were supported by the provision of matching grants and finance at subsidized rates for the working capital needs of beneficiaries. The total cost of the project at approval was US\$6.93 million. It was financed by IFAD through a loan and grant (50 per cent each) of US\$5.76 million, a contribution by the Government of US\$0.86 million through taxes paid or foregone, and by project beneficiaries contributing their labour in the form of activities they performed under some of the components.

Main evaluation findings

6. **Relevance.** The objectives of the project were in line with the agricultural strategy of the Government of Guyana. Linking economic development with human and social capital-building was rightly the design for both a sustainable impact and a

more inclusive approach for the vulnerable groups in Guyana. The project's emphasis on a participatory approach was noteworthy given the appreciation expressed by beneficiaries to the evaluation team. On the other hand, the design was ambitious for the national capacity available to undertake development projects, which ultimately led to several delays; one of the high points of the design was the dual-financing facility (credit and grants) but it did not account for the insufficient interest on the part of beneficiaries, and the strong influence of market intermediaries on prices received by farmers was not sufficiently accounted for in assuming the project's effect on incomes. The evaluation gives this criterion a rating of *moderately satisfactory* (4).

7. **Effectiveness.** READ achieved several of its stated objectives and outcomes. The trainings imparted and the grants provided to purchase farm equipment and construct structures (such as shade houses) led to increases in productivity for some beneficiaries. The focus on agro-processing helped form new groups and strengthen some of the existing ones, providing a means of livelihood to many. The capacity of national staff in the country was built through training-of-trainers activities; service providers who were essentially staff from extension offices and national institutes all benefited. There was a high degree of participatory involvement of beneficiaries and many felt empowered through their engagement with activities related to the Productive and Social Investment Fund, which also gave them a sense of ownership. The project helped form networks for some of the women's groups.
8. On the other hand, the focus of the project ended up more on the supply side and less on the marketing side. Creating marketing linkages was one of the aims of the project but this was not fully realized. New linkages were essentially created only for agro-processing groups and not for primary producer groups; the fact that the former constituted only 20 per cent of the total number of groups under the project demonstrates the limited effect. For better remuneration and to create more sustainable benefits for primary producers, export markets should have been considered, and the ancillary activities related to meeting export requirements undertaken, but this was not done. Another important element for the functioning of the agro-enterprises was microfinance, but this did not get the expected traction from beneficiaries even though interest rates were lower. The evaluation rates project effectiveness as *moderately satisfactory* (4).
9. **Efficiency.** READ's project coordination costs reflected a relatively large amount of the project's overall budget, approximately 23 per cent of IFAD's total project funding. However, it can be argued that given the geographic reach of the project, at least 25 sub-components and the demographic diversity of beneficiaries, the stated project management costs were necessary. However, implementation issues were the main factors that affected project performance in terms of efficiency – weak management and the absence of critical staff. The appointment of a new project coordinator helped revive implementation and get it back on track, albeit somewhat late into the project life cycle. Efficiency is rated as *moderately unsatisfactory* (3).
10. **Rural poverty impact.** READ's monitoring and evaluation system was a weak point which also limited the ability of this evaluation to conduct an empirical assessment of the project's poverty impact. A survey of beneficiary groups was undertaken by the Government at the end of the project but with limitations. The impact was assessed using the findings of the evaluation team and project documentation. Some income increases occurred, mainly a result of increased production brought about by the project's activities. Incomes of women-headed households rose less than those of male-headed households. No study was undertaken on the effects of the project on agricultural productivity and food security, but anecdotal information received by the evaluation team from farmers

showed some instances of increased production, although this was limited to a few farmers only, and some cases of improved food security.

11. The skills training provided by the project to beneficiaries enhanced their knowledge. The increased social interaction fostered from the formation of groups contributed to communities' social capital, and institutional capacities were built through training. However, an important limitation is the lack of robust data on impact on household incomes, assets, food security and agricultural productivity. At the time of conducting the evaluation, several avenues of intended benefits had ceased: the equipment and structures provided to some beneficiaries were no longer in use and the lack of capital or inputs led to closing- or slowing-down of several agro-processing activities, implying that incomes from these sources were no longer being generated. In addition, several groups had disbanded either due to beneficiary attrition or negative group dynamics, leading to loss of intended benefits related to both economic and social capital. The evaluation gives a rating of *moderately unsatisfactory* (3) to this criterion.
12. **Sustainability of benefits.** The project's performance with regard to ensuring the sustainability of its benefits for beneficiaries was mixed. A number of training sessions to build skills were undertaken for both beneficiaries and institutions, with participants trained on a variety of topics. The equipment provided to beneficiaries for production should ensure a continuous stream of benefits. On the other hand, the achievements mentioned above were limited to some beneficiaries only; some groups have either completely stopped or have reduced the level of their operations. In addition, without adequate emphasis on the side of market access, it is difficult to envisage how production can be increased or even sustained. The lack of financial resources available to beneficiaries to finance their working capital needs, and the lack of sufficient capacity of human resources in the country to provide follow-up training, will impinge on the project's sustainability. The evaluation rates the sustainability criterion as *moderately unsatisfactory* (3).
13. **Innovation.** Some of the project's activities can be considered as innovative. By linking economic development with human and social development, READ introduced an innovative form of design in the context of IFAD-supported interventions in Guyana. The collaboration among several agencies, public and private, was also unique in Guyana. The participatory approach through which beneficiaries presented their proposals for grant funding for productive and social infrastructure was innovative in the national context. The dual financing modality – loans to finance working capital and grants to finance purchase of equipment and infrastructure – was innovative. However, while innovations were attempted by the project, not all fructified. The dual financing modality was partly successful – the credit facility did not yield the expected response from beneficiaries. The new marketing avenues created through participation in exhibitions and visits did not culminate in expected benefits in the form of increased clientele. The establishment of business facilitation centres was also an innovative concept to support the sustainability of rural advisory services, but the initiative did not see the light of the day because of issues related to its feasibility and sustainability. The rating for innovation is *moderately satisfactory* (4).
14. **Scaling up.** READ's focus on rural enterprise and agricultural development is seen as a contributor to the Government's goal of increasing rural incomes and livelihoods through rural economic diversification. The project has provided inputs to the Department for International Development's Guyana Agriculture Diversification Programme. The READ model is being adapted to the phasing-out of the use of mercury in the mining sector by the Ministry of Natural Resources – the approach is similar to that taken for READ's Enterprise Development Fund. The Small Business Bureau is also training producers in the development and use of business plans and also promoting farmers' access to the New Guyana Marketing Corporation's market information system. The Hinterland Employment Youth

Services, drawing on the READ model for programme delivery, is focused primarily on women and youth, providing training to equip them for employment, entrepreneurial opportunities and further education. In light of the fact that several aspects of the project, including its approach and activities, were replicated, the evaluation confers a rating of *satisfactory* (5).

15. **Gender equality and women's empowerment.** The project enhanced women's access to information, knowledge, experience and finance, and facilitated the creation and ownership of new businesses, and the generation of additional avenues of incomes. It delivered training to promote gender equity, which resulted in women being assigned more responsible roles within the groups. Women occupied leadership roles (e.g. chairperson, secretary, treasurer) in many instances. Further, tying the provision of grants to communities demonstrating affirmative action in their proposals was commendable. The project logframe contained specific indicators related to gender, and data were collected in a disaggregated manner. However, although gender equity was an important goal of the project and efforts were made in this direction, the project's efforts did not materialize into proportionate outcomes. One reason for this was the lopsided focus on primary production as opposed to agro-processing. While women benefitted from being part of groups which were mostly mixed, the tangible opportunity to provide employment and a more remunerative stream of income for women would have been achieved through agro-processing. Incomes of women beneficiaries increased but much less than those of men. The evaluation rates this criterion as *moderately satisfactory* (4).
16. **Environment and natural resources management.** The project trained farmers on good agricultural practices and imparted environmental education (such as soil testing) in the training programmes. The agro-processing activities were small-scale and often characterized by organic products and other activities that did not cause any obvious harm to the natural environment. Nevertheless, considering that environmental protection is one of the priorities identified by the Government of Guyana and given the weak legal and institutional framework and the generally limited capacity in Guyana to fully implement development programmes, an opportunity could have been taken to build the capacity of local institutions to ensure environmental sustainability of implemented activities beyond the life of project. The evaluation rates this criterion as *moderately satisfactory* (4).
17. **Adaptation to climate change.** Although adaptation to climate change was not explicitly included in the project design, some activities have contributed towards this end. For instance, given the noticeable change in climate warming, READ beneficiaries availed themselves of funding for shade houses. However, sustainability of shade houses was a problem – for reasons of unaffordable repair costs. The provision of water pumps to beneficiaries would help in adapting to vagaries of rainfall, while drainage facilities would assist in draining excess water caused by excessive flooding. The evaluation rates this criterion as *moderately satisfactory* (4).

Recommendations

18. The PPE offers the following four recommendations to IFAD and the Government of Guyana to consider in its ongoing and future operations.
19. **Recommendation 1: When operating in situations with serious constraints in institutional and human capacities, projects should provide for longer gestation periods.** This would entail taking a longer-term programmatic view and devising projects with a duration that provides sufficient time to raise capacities to meet the project's requirements. Similarly, IFAD should seek Government support, where possible, in ensuring that the process of recruiting key staff of the Project Management Team is initiated well in advance of project effectiveness.

20. **Recommendation 2: In order to optimize the benefits of a value chain, prioritize the selection of a few value chains based on market demand.** The priorities could be based on criteria such as the rate of return, the involvement of the beneficiaries in the production and/or processing, and the market demand for the products. During the project appraisal stage, a preliminary evaluation of competitiveness and market demand requirements for a limited number of commodities linked to the project's target group should be conducted to ensure that the project's economic and social goals can be realized.
21. **Recommendation 3: In promoting sustainable rural financing for value chain interventions, link financial credit and product-market credit.** One strategy for longer-term sustainability, especially related to value chain financing, is to link product-market credit with financial credit. Links facilitated by a project between financial and product-market actors offer a way to harness the advantages of each. Such arrangements can lower the selection and monitoring costs for the financial service providers, including the lending risk, and may reduce interest rates for beneficiaries, in addition to giving them a wider range of financial options.
22. **Recommendation 4: Make provision in project design for sufficient support to beneficiaries when introducing them to a new occupation.** In instances where IFAD-supported projects through their interventions promote vocations that are new to beneficiaries, allowing for sufficient time for them to stand on their feet or to receive technical assistance to facilitate their self-reliance is critical. Doing so can facilitate the sustainability of their skills and make the developmental changes being promoted by a project more effective. The absence of this provision becomes even more glaring in cases (such as READ) when delays in project implementation result in several activities being telescoped into completion towards the tail-end of the project.

IFAD Management's response¹

1. Management would like to thank IOE for the work done in the preparation of the project performance evaluation (PPE) for the Rural Enterprise and Agricultural Development Project (READ), whose findings and recommendations will allow to dialogue to continue with the Government of Guyana on the strategies and priorities of the country for the transformation of its rural sector. The learning, good practices, methods and instruments of work identified by this IOE evaluation will facilitate this dialogue and the success of new operations.
2. Specifically, issues such as the monitoring and evaluation function, the breadth of the project scope and the importance of the market side of a value chain are all relevant aspects to take into account for future IFAD interventions in the country.
3. Management expresses its agreement with the recommendations of the PPE. Comments on each recommendation are presented below.

Recommendation 1: When operating in situations with serious constraints of institutional and human capacities, projects should account for longer gestation periods.

Agreed: Longer gestation periods are advisable, as they will allow staff to be trained and overcome constraints regarding the capacities required for project implementation; however, the feasibility of these longer start-up periods may be hampered by the costs involved. Ensuring the overlap of relevant staff between one and the next operation would also help address the challenge of human capacities, as it will enable a new operation to make use of existing trained human resources.

With regard to security of tenure, we agree that this is a very important aspect for retaining staff. However, sometimes, as is the case in Guyana, national policy allows only for one-year contracts. For the new project – the Hinterland Environmentally Sustainable Agricultural Development Project (HESAD) – we will engage in discussion with the Ministry of Finance and the Ministry of Agriculture and analyse whether the recommendation can be put into practice.

Recommendation 2: In order to optimize the benefits of a value chain, prioritize the selection of a few value chains to start with.

Agreed: This recommendation has been put into practice for the new HESAD project. During appraisal, only a few value chains were selected based on Ministry of Agriculture-prioritized commodities that have both a national and global demand. In addition to this preliminary evaluation and selection of commodities, the new HESAD project will carry out a value chain study, which, during the implementation of the project, will be updated and new commodities may be added as the local and global market demands change and/or new opportunities arise.

Recommendation 3: In promoting sustainable rural financing for value chain interventions, link financial credit and product-market credit together.

Agreed: We fully agree that subsidized credit is unsustainable; however, in the case of READ this was non-negotiable for the Ministry of Agriculture, which insisted on lower interest rates. The proposed alternatives are very good and useful. Credit can be delivered by different actors in the value chain, such as input suppliers or buyers of produce. But this is not common practice in Guyana and would need to be promoted and built within the country. The new HESAD project could start promoting the tying of credit to the sale of produce for short chains where the distance between primary production and final buyer is little.

¹ The final Management response was sent from the Programme Management Department to the Independent Office of Evaluation of IFAD on 14 March 2018.

Recommendation 4: Make provision in project design for sufficient support to beneficiaries when introducing them to a new occupation.

Agreed: We agree that when new occupations are introduced, besides the training and apprenticeship, support for job placement and follow-up over a period of time are also needed, especially for the type of IFAD target group. As such, we agree that these kinds of activities need to start as soon as possible during project implementation in order to have sufficient time to consolidate these processes.

Republic of Guyana

Rural Enterprise and Agricultural Development Project

Project Performance Evaluation

I. Objectives, methodology and process

1. **Background.** The Independent Office of Evaluation of IFAD (IOE) undertakes ten project performance evaluations (PPEs) annually. The PPEs are selected against a number of criteria, such as: (i) synergies with forthcoming or ongoing IOE evaluations; (ii) novel approaches used in the project; (iii) major information gaps in project completion reports (PCRs); and (iv) geographic balance. Usually, but not necessarily, the PPEs build on project completion report validations, which involve a desk review of project documentation, including PCRs, undertaken by IOE, and an in-country mission by the lead evaluator of the PPE. In the case of the Rural Enterprise and Agricultural Development Project, since no project completion report validation was undertaken, the PPE mission conducted an extensive desk review of the PCR and other available documents, with the aim of providing additional evidence on project achievements and validating the conclusions of the PCR.
2. **Objectives.** The main objectives of this 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 the country; and (iii) identify issues of corporate, operational or strategic interest that merit further evaluative work. Another objective is to examine a number of key issues that were identified in the approach paper (see annex VI).
3. **Methodology.** The PPE assessed the project performance based on the evaluation criteria set out in the second edition of IOE's Evaluation Manual, as mentioned in the approach paper and annex II of this report.¹ In line with the practice adopted in many other international financial institutions and UN organizations, IOE has used a six-point rating system, where 6 is the highest score (highly satisfactory) and 1 is the lowest score (highly unsatisfactory).
4. This PPE did not undertake quantitative surveys or examine the full spectrum of project activities, achievements and drawbacks. It took into account the preliminary findings from the desk review of the PCR and other key project documents and interviews at IFAD headquarters. During the evaluation mission, additional evidence and data were collected to verify available information and reach an independent assessment of performance and results. The methods deployed consisted of direct observation and individual and group interviews with project stakeholders, beneficiaries, former project staff, and local and national government authorities.
5. In compliance with the IOE Evaluation Policy, the main project stakeholders were involved throughout the PPE to ensure that the key concerns of the stakeholders were taken into account, that the evaluators fully understood the context in which the project was implemented, and that opportunities and constraints faced by the implementing institutions were identified. Formal and informal opportunities were explored during the process to discuss findings, lessons and recommendations. The PPE was conducted two years after project completion. This time lag was helpful in observing the sustainability of some of the activities. On the other hand, the project unit was no longer in operation and hence seeking key persons was a challenge; however, this was circumvented through early planning and involving the assistance of the IFAD liaison contact in Georgetown, Mr. Kelvin Craig.

¹ Second edition of IOE evaluation manual: <https://www.ifad.org/documents/10180/bfec198c-62fd-46ff-abae-285d0e0709d6>

6. Finally, the PPE also made use of additional data available through the project's monitoring and evaluation (M&E) system. In addition, several key informant discussions were carried out with former project staff, administrative staff at village levels and Government officials. Triangulation was applied to verify findings emerging from different information sources.
7. **Process.** The PPE mission² was undertaken from 30 September to 14 October 2017. In Georgetown, the mission met with the Minister of Agriculture and held a focus group discussion with the available ex-project staff. In the following two days, individual meetings were held with Government officials, project staff including project coordinators and technical specialists, the private sector and staff from the Agricultural Support Development Unit (ASDU).
8. Over the course of seven days, the mission undertook field visits that covered a sizeable area of the country. The objective was to visit all six regions where the project had been active, and interviewing beneficiaries drawing upon a sample size of almost 25 per cent of all community-based organizations (CBOs) benefitting from the project. Focus group discussions were held with the recipients of both the Economic Development Funds (EDF), which benefited individual groups, and the Public and Social Investment Fund (PSIF), which focused on community infrastructure.
9. At the end of the mission, a wrap-up meeting was organized at the Ministry of Finance to share the mission's preliminary findings with project stakeholders. Following the mission, further analysis of the data and findings was conducted to prepare the draft PPE report.
10. **Limitations.** Given the limited time and resources, extensive household surveys are not conducted by PPEs. Instead, PPEs use data from the project's M&E system and conduct spot checks in the field. READ's M&E system was found to be weak and was lacking in outcome-level data in many cases. The baseline was conducted during the mid-term review. An impact study was conducted, but for assessing the impact of one activity only, namely, the EDF. Further, this study suffers from some inadequacies. For instance, no information on how the sample size was calculated is available and there is no control group; hence, the internal validity of the findings is questionable.
11. The original logframe was refined in 2012 (at project mid-term) to expand the original five outcomes (and 28 corresponding indicators) to eight outcomes (and 63 indicators). Although revision of the logframe after project commencement can be a normal occurrence, in this case increasing the number of indicators three-fold meant that there was no baseline information at the time of project start on most indicators (unless data were available retrospectively, which was not the case) and the time to achieve outcomes was considerably short. In order to overcome the data limitations, this evaluation also relied on its own data collection activities, based on a sample size of 25 per cent of all CBOs that were trained under the project. The IOE mission was also successful in obtaining a database on all microenterprise beneficiaries who were supported by the project; information contained is by sizes of loans, by type of activity supported and by frequency of borrowings, among others.

II. The project

A. Context

12. Guyana's population in 2016 stood at 773,303, having grown under 1 per cent in the past 10 years. The ratio of males to females was 1:1. In terms of demographics, the present population of Guyana is racially and ethnically

² The mission team consisted of Hansdeep Khaira (lead evaluator and IOE evaluation officer) and Ronald M. Gordon (senior consultant).

heterogeneous, with ethnic groups originating from India, Africa, Europe, and China, as well as indigenous or aboriginal peoples. The largest ethnic group is the Indo-Guyanese, the descendants of indentured labourers from India, who make up 39.8 per cent of the population, according to the 2012 census, followed by the Afro-Guyanese, who constitute 29.3 per cent. Guyanese of mixed heritage make up 19.9 per cent while the indigenous peoples (known locally as Amerindians) make up 10.5 per cent.

13. The country's gross national income per capita in current US\$ terms increased from 2,730 in 2009 to 4,240 in 2016 (World Development Indicators, World Bank). At the time of project design, Guyana was assessed by the United Nations Development Programme as having 36.3 per cent of its population living in moderate poverty (on US\$2 daily) and 19.1 per cent living in extreme poverty. That the proportion of female-headed poor households was similar to that of non-poor households suggests that gender bias was not necessarily a cause of poverty.
14. At the time of design, agriculture was the most important productive sector for Guyana's economy, accounting for approximately 32 per cent of gross national product (GDP), 30 per cent of employment, and 40 per cent of export earnings (Guyana Annual Budget Speech, 2007). At 74 per cent, sugar and rice accounted for the lion's share of agricultural GDP (World Development Indicators, World Bank) and with huge reliance on World Trade Organization preferential sugar quotas to European markets. However, given challenges in the World Trade Organization to gradually phase out quotas, both products saw the prices for their exports decline considerably and it was recognized that sugar and rice farmers would be transitioning out of these sectors and into the non-traditional agriculture sector. This situation had placed the Government of Guyana and the nation's agricultural producers under pressure to diversify the economy and their production systems. This also meant emphasizing the non-traditional agricultural sector, food crops and livestock. Included in the definition of non-traditional crops are all fruits, vegetables and root crops and all cash or food crops (including coconuts) other than rice and sugar. In Guyana, these economic activities are dominated by small-scale and poor farmers, IFAD's main target group.
15. Guyana has a number of factors that are favourable to the development of its agriculture sector. It has sufficient land and human resources to grow the crops and livestock products for a region that has preferential access as a result of the Caribbean Community and Common Market (CARICOM). The Food and Agriculture Organization of the United Nations (FAO) (FAO, 2013) noted that the food import bill for the Caribbean region more than doubled, from US\$2.08 billion in 2000 to US\$4.25 billion in 2011, while only 12.7 per cent of food imports were sourced from within the region in 2010. The current marginal contribution of the agriculture sector to regional food consumption leaves the region extremely vulnerable to shocks from the global economic environment and/or climate occurrences. These circumstances also indicate a potential opportunity for agricultural producers of Guyana to expand their market. However, expansion to domestic or export markets is hampered by weak market linkages and the lack of adequate technical skills for the rural poor to enhance their operations from their current subsistence level. Nor do they have access to financing, market information systems and other related services that would be required to successfully manage a fledgling agricultural enterprise (READ appraisal report).

B. Project design and implementation arrangements

16. **Project goal and objectives.** The overarching goal of the READ project was to improve the living conditions of poor rural households, especially small-scale producers and vulnerable groups, by strengthening their human, social and financial assets. Its specific objectives were to: (i) increase the market opportunities available to smallholder rural producers (including women); (ii) increase rural people's capacity to produce and market non-traditional products

efficiently and effectively and to develop small-scale enterprises; (iii) strengthen rural services available to small producers; (iv) increase access to financial and other capital services; and (v) build human and social capacity at the community level.

17. **Project area.** The project was implemented in regions 2, 3, 4, 5, 6 and 10.³ The criteria for selecting the regions were as follows: (i) more than 5 per cent of the total population should reside in the region; (ii) the poverty gap⁴ should be at least 10 per cent; and (iii) the selected region should have potential for non-traditional agricultural production. An additional criterion was the presence of Amerindian communities in project areas.
18. **Target group.** The target population consisted of poor or extremely poor men and women, non-traditional farmers devoted to smallholding agriculture, either of subsistence or market-oriented production, wage labourers and poor or extremely poor rural men and women micro and small entrepreneurs, particularly women-headed households, youth and Amerindian communities. Thus, of the 28,000 households in the project area, a total of 5,200 households were targeted by the project; of these, 4,660 were men-headed households and 540 were women-headed households.
19. **Project components.** The project's developmental interventions were undertaken under two main components: (1) market and rural enterprise development; and (2) human and social capital strengthening. Project coordination was considered as the third component.
20. **Component 1: Market and rural enterprise development.** Market development included undertaking activities to identify potential markets, evaluating the market relative to alternative markets and producer capacities, building market information systems, and assisting producers to successfully and sustainably sell their goods in different markets. The information gathered from the identification and assessment process was to be combined with information from retail target markets, which were to be continuously monitored to form the basis of a marketing information system.
21. Rural enterprise development activities were based on supply-side capacity development of rural agro-enterprises for sustainable rural transformation and development. On the basis of analysis of both supply and demand factors, six clusters of products were identified as having the best opportunities for Guyana in the near future: (i) hot peppers; (ii) plantains and cassava; (iii) pumpkins and squash; (iv) pineapples; (v) sheep and goats and pigs; and (vi) beef. Under this component, training of farmers for improved production and through productivity technologies was to be undertaken for the identified products. In this respect, the strengthening of service providers and Government staff was an important dimension of this component and to the sustainability of the entire project.
22. The market and rural enterprise development component was supported through the EDF, which comprised a credit fund and Enterprise Development Grant Fund, both designed to facilitate the development of enterprises and successful marketing of products. The credit fund was provided through a Guyanese microfinance institution (MFI), the Institute for Private Enterprise Development (IPED), to finance working capital loans to beneficiaries' businesses and to create a Revolving Fund to be used after project completion. The Enterprise Development Grant Fund was created to provide matching grants to beneficiaries for investments in their rural enterprises

³ Guyana is divided into ten administrative regions, as follows: Region 1 - Barima Waini; Region 2 - Pomeroon-Supenaam; Region 3 - Essequibo Islands-West Demerara; Region 4 - Demerara- Mahaica; Region 5 Mahaica-Berbice; Region 6 - East Berbice – Corentyne; Region 7 - Cuyuni-Mazaruni, Region 8 - Potaro-Siparuni; Region 9 - Upper Takutu- Upper Essequibo; Region 10 - Upper Demerara-Upper Berbice.

⁴ The poverty gap is the average shortfall of the total population from the poverty line.

23. **Component 2: Human and social capital strengthening.** The human and social capital strengthening component was divided into two sub-components, both supporting the building of successful enterprises and sustainable development processes in the target communities, and especially among vulnerable groups. The first sub-component focused on organizational strengthening and stressed developing human and social capabilities for the empowerment of men and women members of selected rural organizations through, for example, provision of technical assistance. The second sub-component focused on equitable development and increased participation of the project target groups in decision-making and access to benefits, through activities such as gender sensitization.
24. The human and social capital strengthening component was supported by a financing facility, the PSIF. This was different from the Enterprise Development Grant Fund in that, here, grants were for productive or social initiatives that would potentially benefit *communities*, especially poor rural households and the vulnerable population, and increase their chances of being linked with market opportunities that provide improved and sustainable livelihoods.
25. **Project coordination.** This involved financial support to the project management unit for coordination-related expenditures of the project. The project was delivered by a team of specialists (enterprise development, marketing, organizational strengthening, social equity, and M&E) who comprised the project coordination unit (PCU) within the ASDU of the Ministry of Agriculture, which had overall administrative responsibilities for the project. The PCU was tasked with coordinating activities of the project, including working in close collaboration with external agencies as well as independent contractors as required, in the delivery of specialized technical inputs needed at the local and regional levels.

Table 1

List of interventions (activities) planned at the project design stage

<i>Component</i>	<i>Activity</i>
Market and rural enterprise development	Projects on infrastructure and equipment for productive uses (EDF)
	Demonstration farms established
	Credit to CBOs and to individual male farmers
	Business Facilitation Centres
	Strategic alliances (Women's Agricultural Development Network)
	Studies on market identification for agricultural products
	Competitiveness assessment for the supported six product clusters
	Market information system
	Expositions and exhibitions
	Scholarships to attend Guyana School of Agriculture and Carnegie School of Home Economics
	Service providers trained in components of the READ
	NAREI and extension officers trained
	Training on needs assessments conducted by project staff
	Training on business planning (for EDF)
	Training on speech-crafting for executives and youth
	Training courses on vocational skills in equipment repair and maintenance, hydroponics, growbox and certification in food-handling for women
Training centres for youth	
Training on product development (processed products)	

Human and social capital strengthening	Infrastructure grants for community projects (PSIF)
	Training on strategic planning conducted by project staff
	Training for preparation of community projects (for PSIF)
	Training on strengthening structure and gender aspects (Closing the Gap)
	Training for CBO members in organizational strengthening
	Training on proposal writing (for PSIF)

26. **Project theory of change.** The evaluation team constructed the underlying theory of change for the project (annex VII) using the stated objectives, the outputs emanating from the interventions and the expected outcomes in the short and medium-to-long term. This theory of change is reconstructed (i.e. it does not entirely reflect the project design document) in order to reflect the changes that occurred during project implementation. It also mirrors inputs derived from consultations with project stakeholders during the IOE-conducted visit to Guyana.
27. The project was expected to improve the economic and social conditions of beneficiaries through enhancement of their incomes and the strengthening of human and social capital. The former was to be achieved through increased production, product diversification and value-added production (processing) and to some extent through employment generation. The latter was to be attained through improved human skills gained by means of capacity-building and membership in economic and social organizations.
28. **Project costs and financing.** The total cost of the project at approval was US\$6.93 million. It was financed by IFAD through a loan and grant (50 per cent each) of US\$5.76 million, a contribution by the Government of US\$0.86 million through taxes paid or foregone, and by project beneficiaries, who would contribute an estimated US\$0.32 million. The contributions from beneficiaries were to be the cost of their labour in the form of activities performed by them under the PSIF. At completion, the project had disbursed 83 per cent of the costs envisaged at appraisal. Given that fewer PSIF proposals were funded than had been targeted, this aspect is reflected in the reduced contribution from beneficiaries. The first component was the highest-funded component and the only component whose actual cost exceeded its cost at appraisal (107 per cent); the second and third components utilized between 60 per cent and 70 per cent of the funds envisaged at appraisal.

Table 2

Summary of approved and actual project costs, by project component (in US\$ millions)

Project component	Appraisal				Actual (% of appraisal)			
	IFAD	Govt	Beneficiaries	Total	IFAD	Govt	Beneficiaries	Total
Market and rural enterprise development	2.39	0.30	0.20	2.90	3.0 (125%)	0.08 (27%)	0.02 (10%)	3.10 (107%)
Human and social capital strengthening	2.03	0.30	0.12	2.45	1.47 (72%)	0.12 (41%)	0.06 (50%)	1.65 (68%)
Project coordination	1.33	0.25	Not applicable	1.59	0.91 (68%)	0.09 (36%)	Not applicable	1.00 (63%)
Total	5.76	0.86	0.32	6.93	5.38 (93%)	0.30 (35%)	0.08 (25%)	5.76 (83%)

Note: (i) The figures in brackets denote actual costs expended as a percentage of appraisal costs; (ii) Figures are rounded to nearest million; (iii) The appraisal figures have been converted from Special Drawing Rights to US\$.

29. **Time frame.** The IFAD Executive Board approved the loan towards the project in December 2007 and the loan became effective in August 2008. The project came

into force in January 2009 and was completed in March 2015, running for a period of six years.

30. **Implementation arrangements.** The project was implemented by the ASDU in the Ministry of Agriculture, Guyana. An ASDU officer was selected as the Project Coordinator and was responsible for coordinating the day-to-day operations of the project. Each region had Regional Project Officers who were responsible for working with the Project Coordinator and the technical specialists to implement the project in the areas as defined by their regional responsibilities. During implementation, the project's most important partner was the New Guyana Marketing Corporation (NGMC), which provided guidance to the project's Regional Area and Local Area Technicians. The project also worked in partnerships with organizations such as the Inter-American Development Bank (IDB), the United States Agency for International Development (USAID), the Canadian International Development Agency (CIDA), the International Institute for Cooperation on Agriculture (IICA), IICA/Rural Women's Network, Women's Affairs Bureau, and Young Women's Christian Association and through business facilitation centres (BFCs) to promote group development among the rural community and foster business partnerships along the supply chain.
31. **Significant changes during project implementation.** The BFCs as originally envisioned were modified in that their functions were integrated into the National Agriculture Research and Extension Institute (NAREI) offices. This was done to increase the geographic spread of the project (NAREI offices were more widespread) and to ensure sustainability of services after project closure. In a few other cases, individual CBOs were trained by the project to impart the business facilitation function to other beneficiary groups (for instance, the Sheep & Goat Farmers Association and the Women's Agro-processing Development Group, both of which have national networks).

III. Main evaluation findings

A. Project performance and rural poverty impact

Relevance

32. **Project objectives.** The READ project was consistent and relevant in the context of Guyana's agricultural strategies and plans, in particular with the Agriculture Diversification Strategy of 2006 and the Food and Nutrition Security Strategy for Guyana (2010-2020) in 2010. Other related ongoing initiatives included Guyana's "Grow More" food campaign and strategy and Guyana's National Strategy for Agriculture (2013-2020), which was designed to maximize productivity, engender rural development, employment and entrepreneurship, promote youth and women's participation in agriculture, and increase technology adaptation.
33. The project was rightly premised on the fact that most of Guyana's poor rural people are smallholder farmers operating at a subsistence level with limited technical capacity, institutional backing and infrastructure to successfully bring products to market and convert farming activities into viable businesses. To increase their incomes, a wide variety of non-traditional products, including fruits, root crops, vegetables, spices and livestock, were determined to hold significant market potential, and the design of the project sought to capture this opportunity through objectives related to enterprise development, economic diversification and growth in selected non-traditional products.
34. READ's objectives to increase farm production and productivity and to strengthen the linkages between primary producers and the market were designed as a continuum that would utilize the good potential of the agriculture sector of Guyana while at the same time offering farming households opportunities to increase their income. Added to these was the strengthening of human and social capital; the

evaluation considers this as a sound basis to make economic development both sustainable and equitable.

35. **Project design.** The project design was new to Guyana, particularly where it engendered participation from members of the CBOs with respect to the selection and execution of activities. The project management team (PMT) worked with groups during the process of their selection. Some groups existed prior to READ while others were formed specifically for the project. Potential group benefits were highlighted in promoting the participatory approach. Beneficiaries interviewed by the evaluation team mentioned that they welcomed the opportunity to provide input regarding the nature and scope of the assistance being provided. The commodities of focus, for both the primary market as well as the value-added market, were chosen in collaboration with producers.
36. The project design took into account lessons learned from previous IFAD-supported projects in Guyana. For instance, the project undertook a careful assessment of the needs of the most vulnerable groups through the Social Community Assessment Tool and "Closing the Gap" method, which aimed to mainstream gender in the project activities. Capacity-building of beneficiary groups was made an important element of the project through a dedicated component. In addition, participatory approaches were imbibed in the project through, for instance, beneficiaries sourcing their own the materials for construction of infrastructure. On the other hand, the need to have a more sustainable source of finance for the beneficiaries' business requirements could not met as the design addressed only short-term needs.
37. However, the evaluation team considers the project's design (comprising 25 sub-components or activities that covered six out of ten regions and aimed to reach various demographic sections of society including Amerindian communities, women and youth) as overly ambitious in the context of inadequate institutional and human capacities in the country, and in term of implementation and, importantly, sustainability of benefits. Key informant interviews conducted by the evaluation team with project staff and officials, and the READ appraisal report also underscored this problem. The design did not foresee partnership with other international donors/agencies.
38. Further, some design assumptions are questionable. One such assumption was that farmers would receive remunerative prices due to the project's interventions. Interviews conducted by the evaluation team revealed that intermediaries, or vendors, exercise a stranglehold on the supply to the retail market. This deprived most farmers of receiving a higher price for their output. Some farmers received higher prices, for limited periods, from traders who sought to access the export market, but it was not evident in the project design that this alternative window was actively considered as an ongoing market outlet. No explicit emphasis was placed on developing or utilizing export markets and the collateral activities (e.g. meeting quality standards) associated with it.
39. Another design flaw was the assumption that complementary infrastructure would be available to support farmers' increased production that would emanate from the project's interventions. Some groups lamented to the evaluation team that water for irrigation was not always accessible; the derelict condition of roads in several places was another reason why farmers preferred to continue to sell to intermediaries with no improvement in prices.
40. The design also over-estimated the success of its credit financing. During the evaluation team's mission in Guyana, farmers expressed their reluctance to take loans to meet their short-term needs related to working capital for fear of defaulting on payment. Thus, even though the project facilitated concessionary rates (6 per cent) that were below the prevailing rates charged by MFIs (18 per cent), there were only 186 applicants out of a total of 1,093 direct beneficiaries of

the EDF. This is also the reason why the facility for revolving fund created in the design (to facilitate longer-term credit financing) did not find any traction with the beneficiaries.

41. With respect to the project logframe, there were several shortcomings. The original logframe was refined in 2012 (project mid-term) to expand the original five outcomes (and 28 corresponding indicators) to eight outcomes (and 63 indicators). Having such a high number of indicators places considerable pressure on the resources required to monitor them. Several indicators were of a repetitive nature. For instance, the number of service providers and the number of extension officers trained were overlapping. In addition, logframe assumptions were clearly not monitored (M&E final report).
42. **Targeting.** The project used a two-pronged targeting tool for identifying beneficiaries. The selection of geographic areas was done first, taking into account both the potential to produce non-traditional commodities and the poverty gap index in the areas (10 per cent or more). The next step entailed the identification of specific rural communities within the selected regions⁵ of the country. In this regard, the project focused on people based on demographics and socio-economic strata, defining rural poor and extremely poor Guyanese, inclusive of men, women, youth and Amerindian communities, who were involved in non-traditional farming.⁶
43. READ essentially worked with groups. All the groups except one already existed before project inception. However, only six were formally registered as such in accordance with existing regulations. READ therefore facilitated the registration of the remaining "informal" groups as "friendly societies" while also catalysing completely new groups. Targeting groups as opposed to individuals helped enhance community spirit and well-being, building on existing social and cultural norms. Many beneficiaries expressed their satisfaction to the evaluation team at the opportunity to participate in shaping elements of the activities that impacted their groups. However, working through groups made the project vulnerable to elite capture by people who took the initiative to form the groups. The team encountered at least two instances of groups with internal conflict due to leadership issues. Targeting existing groups meant that the project did not always reach out to poor and the vulnerable. This was especially true in the case of primary producer groups, which were mainly composed of adult male members.⁷
44. To summarize the analysis under this evaluation criterion, the objectives of the project were in line with the agricultural strategy of the Government of Guyana. Linking economic development with human and social capital building was rightly the design for both a sustainable impact and a more inclusive approach for the vulnerable groups in Guyana. The project's emphasis on a participatory approach was noteworthy given the appreciation expressed by beneficiaries to the evaluation team. On the other hand, the design was ambitious for the national capacity available to undertake development projects, which ultimately led to several delays; one of the high points of the design was the dual-financing facility (credit and grants) but it did not account for the insufficient interest on the part of beneficiaries, and the strong influence of market intermediaries on prices received by farmers was not sufficiently taken into account in assuming the project's effect on incomes. On balance, the evaluation gives this criterion a rating of *moderately satisfactory* (4).

Effectiveness

⁵ Regions 2,3,4,5,6 and 10.

⁶ It is also noteworthy that rural poverty is especially prevalent among women and indigenous peoples; roughly 70 per cent of the indigenous population is still classified as poor (PCR, page 29).

⁷ On the other hand, building new groups usually takes more time and managing group dynamics in new groups requires more effort than in existing groups.

45. Programme effectiveness is assessed by examining to what extent the intended project objectives were achieved by the time of the evaluation. One of the big challenges in evaluating achievement of objectives is the poor quality of data emanating from an M&E system that was weak for most of the project's life. The evaluation has therefore triangulated the results, relying on project documentation and the findings from the mission undertaken by the evaluation team.
46. **Objective 1: Increased market opportunities for small-scale rural producers.** The evaluation team's analysis shows that this objective had only limited success. The project aimed to improve market linkages for beneficiaries through the use of market information systems (MIS), which was to be facilitated through six BFCs established by the project within the different project priority areas.⁸ However, this objective was not achieved for issues related to lack of appropriate locations where the BFCs could be established. Another issue was the potential duplication of BFCs with existing extension offices (e.g. Ministry of Agriculture/NAREI) and the risk of confusion as to what services were provided by what offices. Information from interviews conducted by the team showed that the decision to integrate the BFC functions into NAREI offices proved effective in some cases, but in other cases the NAREI office was less committed to taking on additional responsibilities due to its own lack of staff and resources.
47. READ's approach to economic empowerment of the targeted population was through facilitating linking of producers to buyers and expecting the market to work efficiently and effectively. The project enabled the groups engaged in agro-processing activities to connect to markets through the use of NGMC's Guyana Shop, exhibitions and connection to networks. The NGMC facilitated the sale of processed products from some of the groups through the Guyana Shop that it operates. This is a unique way of selling directly to the market through a Government agency. Besides providing a ready-made market, it eliminates the need for intermediaries. However, this activity benefited very few groups, given that currently only one such shop exists and is located in the capital, making it difficult for groups far away from the capital to use this medium for sales.
48. The project also assisted the agro-processing groups to participate in exhibitions (for example, Sheep and Goat Fair, Essequibo Night, Berbice Expo and Guy-Expo) where they could meet and develop potential buyers for their processed products. Support was also provided for the production of pamphlets and posters to facilitate the promotional campaigns). In addition, the project facilitated the connection of some women's groups with networks, such as the Women's Agro-processors Development Network (WADNet).⁹ The evaluation team understood that this has helped them source cheaper inputs, exchange knowledge and more easily find markets.
49. In terms of primary producers, no strong attempt was made to create marketing linkages. By working through groups (forming new groups and/or strengthening already existing ones), the project had implicitly aimed to foster a spirit of collaboration between group members which would have spurred them to bulk their produce to supply to markets. However, evidence gathered by the evaluation indicates that farmers were still selling to intermediaries, even at lower-than-market prices. The widespread view expressed by groups for selling through intermediaries was the convenience (pick-up from farm gate), the lack of transportation facilities, the perishable nature of horticultural products and the favourable terms (credit) provided by intermediaries.

⁸ The MIS was intended to provide information on prices (inputs and outputs), regulations (standards and quality) and volumes required in specific markets. The information system was to be established in and maintained by NGMC and made accessible to all stakeholders through the internet and on computers in BFCs.

⁹ WADNet is a network of small-scale women's agro-processing groups based in rural and indigenous communities in Guyana. It is a registered Friendly Society in Guyana and is also a member of the Caribbean Network of Rural Women Producers. These women have formed their groups as a way of supporting local farmers by buying their primary products, as well as by helping their communities by providing employment for women.

50. The project's aim to create sustainable marketing linkages through, for instance, facilitating contracts between producers and producer groups (rural organizations or small-scale enterprises) and markets (firms, restaurants, supermarkets) did not work as anticipated. Only three of the original goal of 25 contractual agreements were created (this was likely influenced by a tradition of individualism among producers). Further, there is a strong climate of mistrust among farmers and market intermediaries. For instance, both groups seek to undermine the implicit contracts between them at the slightest opportunity of obtaining higher prices (in the case of farmers) or lower prices (in the case of traders).^{10 11} The need for building trusting long-term relationships between farmers and traders remains a challenge and should be part of IFAD's longer-term agricultural strategy in Guyana.
51. As briefly indicated above, an area that READ neglected to address was the tapping of export markets. Neighbouring CARICOM countries provide a large market for primary produce as well as processed products. These markets offer better prices for producers, although they are more demanding with respect to product quality, health and safety standards as well as timeliness of delivery. In this regard, the evaluation is mindful that the NGMC and Guyana National Bureau of Standards are two local institutions capable of offering technical assistance to producers/producer groups interested in supplying these export markets.
52. The evaluation team was informed by farmers that there is some experience in the servicing of export markets by traders. These traders compete successfully with intermediaries for supplies from farmers by offering better prices and credit for the purchase of inputs. Further, the evaluation observed that there was embryonic development of an export market of processed coconut products by one of the READ groups. This is to be commended, particularly since the group is constrained by weak access to packaging.
53. **Objective 2: Increased capacity of rural producers to efficiently and effectively produce and market non-traditional products and develop small-scale enterprises.** The evaluation of this objective found it to be relatively more successful. The objective recognized that unless there is supply-side capacity development – specifically a greater capacity for producers to plan, to increase the diversity and productivity of their operations, and to manage their operations as an enterprise – there will not be successful and sustainable rural transformation and development. The project aimed at increasing the capacity of beneficiaries through a number of activities.
54. The project's interventions targeted **increasing the productivity and value-added** in a number of crops and livestock products. The evaluation team visited sites where the capacity of beneficiaries to produce more effectively, i.e. productivity increases, was attempted through the construction of buildings, shade houses, production facilities, animal pens and bridges, and the purchase of breeding stock, equipment and tools to enable value-chain production of goods ranging from eddo powder¹² to high-quality packaged chicken and pork. The structures and equipment were in operation in some of the sites visited, and the groups interviewed reported some increase in production. On the other hand, where some structures and shade houses were not being used, it was clear that the beneficiaries had merely used the opportunity offered by the project without there being a perceived need. This also brings into some question the project's criteria for approving the proposals.

¹⁰ Project appraisal report, working paper 3, Market and Rural Enterprise Development.

¹¹ One exception to this is when primary producers are able to sell to traders who consistently offer them a better price on a "mini-contractual" basis. The evaluation team was advised that these traders purchase produce destined for export, enabling them to be price-competitive with respect to intermediaries.

¹² Eddo is a starchy root vegetable similar to taro or dasheen. Eddo powder is the dried pulverized root vegetable, which is traditionally used as a food for infants or as an ingredient in various local recipes.

55. With respect to value-addition in production, several groups were initiated into processing for the first time. Some of these groups were newly formed under the aegis of the project. Several groups that the evaluation team visited were in operation and the members expressed satisfaction to the team regarding the additional stream of income that his activity created for them. They had received satisfactory training related to packaging their produce for the market, and the equipment received had helped them to increase production. However, clearly, the thrust of the project was more towards developing the supply side as opposed to creating enduring marketing linkages. Thus, for instance only 27 per cent of the target was achieved on the indicator concerning households that had put into practice new agro-processing technologies linked to a specific market opportunity. Some of the groups visited by the team had problems of sourcing inputs at rates that they could afford, while others had problems regarding assured supply of inputs (given their very low volumes) as well as a reliable source of packaging materials.¹³ Collectively, these challenges limited their capacity to market the increased production.
56. Another activity aimed at improving the efficiency of the groups' operations was through support to prepare **business plans**. This was mainly done with the view to facilitating access to credit from IPED, the project's partner in microfinance provision. Some 65 out of 70 farmer organizations and small-scale enterprises served by the project had developed a business plan with help of the project. However, one issue related to this activity was the literacy and comprehension level of participants; the project had not envisaged this constraint when this intervention. Thus, some beneficiaries mentioned to the evaluation team that they did not always fully understand the business plans.¹⁴
57. **Objective 3: Strengthened rural services available to small-scale producers, especially those directed at increasing their productivity and reducing their vulnerability.** The evaluation considers this objective to have been achieved. One of the main activities under this objective was the **strengthening of extension services**. It was widely recognized that the number of extension officers and their level of training was inadequate, that extension services are constrained by lack of transportation and equipment, and that extension workers need to be integrated into working with the myriad of institutions impacting the livelihoods of rural residents (project appraisal report, page 9). READ contributed to overcoming these issues through the enhancement of the capacity of the extension services, enabling them to provide technical assistance for the successful implementation and sustainability of the income-earning opportunities of the members of the target groups. With respect to training, 20 extension officers were provided access to information through the Ministry of Agriculture central database, and 374 services providers and 200 extension staff were trained. All of these outputs exceeded targets.
58. The **strengthening of public service providers** was an important dimension of the project's activities.¹⁵ The service providers were first trained under the project (training of trainers). The training provided by these service providers to beneficiaries was generally satisfactory. This was confirmed by the beneficiaries'

¹³ In general, the manufacture of value-added products is in its embryonic stage in Guyana. There is little dedicated primary production for feed as raw material inputs to processing. Produce destined for the fresh market and diverted to processing is priced higher than would be desired by processors, and may be unavailable if the fresh market price is extremely competitive. All packaging material is imported and there is no local broker from whom suitable supplies can be readily obtained. Consequently, small-scale processors often rely on the use of recycled packaging from the beverage industry. However, this necessitates the addition of a special sterilization stage to the processing line.

¹⁴ From the logframe and M&E data, there is a certain repetitiveness related to the indicator on business plans – business plan preparation was listed as a sole indicator for numerous outputs. Moreover, the same indicator sometimes specified 60 business plans, and on another occasion specified 80 business plans.

¹⁵ One of the important lessons of past projects in Guyana was the shortage of skills generally, and especially in the areas related to READ. Thus, a dimension of this training was the project's perceived contribution to the pool of resources available to Guyana.

responses to the evaluation team and by perusing the training evaluation sheets. There were occasional concerns over the level of commitment delivered by some of these service providers, but this was most likely due to the limited financial and human resources. In some cases, this is also because of competing responsibilities and workloads (PCR, page 11). In addition, the project established the Central Demonstration Farm at NAREI, renovated plant nurseries and field school buildings in all the six regions, and upgraded the Guyana School of Agriculture (GSA) Food Processing Unit.

59. **Model farms** with low-cost (viable) technologies, including greenhouses for vegetable production, hydroponics, and post-harvest and agro-processing technologies, were brought as much as possible to points conveniently located to the rural communities, facilitating access, especially by women who are less mobile. For the selection of producers who had either demonstration plots and/or technology demonstrations, these models were distributed among young producers, women-headed households, and Amerindians.
60. **Objective 4: Increased access by small-scale rural men and women producers to financial and other capital services.** The analysis of achievements under this objective shows that it was less than successful. READ's aim was to increase the access by small-scale rural men and women producers to financial and other capital services by making affordable loans and credit available. Thus, working through IPED, loans were provided at a low-interest rate of 6 per cent, far lower than the rate of 18 per cent normally charged by rural MFIs in Guyana. This low rate was possible because some of the activities that are normally undertaken by MFIs, for instance, preparing a business proposal, were undertaken by the project. However, data collected from IPED show that despite the extensive outreach of READ, only 186 beneficiaries applied for loans. Of these, 114 sought repeat loans (average of three multiple loans per person). In addition, beneficiaries who had taken loans were in many instances people who had already taken such loans in the past. Thus, the activity brought fewer beneficiaries than expected into the ambit of microfinance.
61. One of the other reasons for low uptake of loans was that smaller farmers were wary of taking on loans for fear of non-repayment, given the unpredictable nature of agricultural incomes – all farmers interviewed were categorical in this particular response. This can be further surmised from the fact that more than 50 per cent of the loans taken consisted of very low amounts, less than US\$500. Interventions aiming for financial inclusion will need to first work at shifting attitudes towards microfinance in the mind-set of rural persons in Guyana. The other reason for low uptake has to do with compliance requirements. The beneficiaries interviewed lamented that IPED's financing criteria were too onerous, which discouraged them from applying.
62. **Objective 5: Strengthened human and social capacity at the community level to facilitate increased self-reliance in addressing challenges to sustainable development.** The READ project used a degree of local involvement in implementing project activities, especially the enterprise and community projects, and purchases stemming from the EDF facility. The groups took an active role in involving their members in most aspects, spanning from business plan preparation to preparing applications for funding, to eventual implementation/installation of the resulting activities, or purchasing equipment such as tillers, vehicles and other farming equipment. This involvement spawned an enhanced degree of project ownership among the beneficiaries, who readily absorbed new skills such as record keeping and proposal preparation. The capacity-building of human factors such as increased self-confidence and self-motivation was also another spinoff benefit. These aspects were confirmed in the interviews conducted by the evaluation team.

63. The groups also reported that the **training and technical assistance** they had received (for example in record keeping, business planning, public speaking, learning how to access finance, facilitating PSIF projects for their membership and communities, and fundraising events) had strengthened their organizations, enabling them to increase their membership numbers, and had helped catalyse greater cooperation, knowledge-sharing and self-empowerment.
64. With respect to gender sensitization, there was a 100 per cent achievement of target; all the rural organizations that sent proposals for PSIF had identified affirmative actions towards social and gender equity. Of the total of 46 PSIF projects, 7 projects were exclusively for women's groups directly benefiting at least 128 women. Women were also beneficiaries of the remaining (39) PSIF-funded projects, given that PSIF projects tended to be broader initiatives with community-wide benefit.
65. On the other hand, group attrition was a commonly observed phenomenon. In all of the 25 groups visited by the evaluation team, the original membership had not remained intact; in a few cases, the groups had disbanded altogether. In some other cases, the attrition had left a void, particularly where the functions performed by an exiting member for which he/she had received training from READ were not performed by any other. Some experiences of negative group dynamics were also reported to the team.¹⁶ These resulted in foregone opportunities for increased productivity and output.¹⁷
66. The training was spread over several sessions and days, leading to training fatigue in several instances. This was exhibited by a reduction in attendance at training sessions, suggesting that farmers were reluctant to be away from their work for too long.
67. The project also included the provision of **scholarships** for young women and men in formal and certified vocational and skills training directed to agriculture programmes. Of a total of 39 READ-funded scholarship students who graduated by the end of the project, 19 were women and 20 were men. As per the data available from the project, 68 per cent of the original target was met in terms of improvements in business or employment opportunities (better salary) by the scholarship recipients.
68. To summarize the effectiveness criteria, READ achieved several of its stated objectives and outcomes. The trainings offered and the grants provided to purchase farm equipment and construct structures (such as shade houses) led to increases in productivity for some beneficiaries. The focus on agro-processing helped form new groups and strengthen some of the existing ones, providing a means of livelihood to many. The capacity of national staff in the country was strengthened through the training-of-trainers activity; service providers who were essentially staff from extension offices and national institutes all benefited. There was a high degree of participatory involvement of beneficiaries and many felt empowered through their engagement with activities related to the PSIF, which also gave them a sense of ownership. The project helped some of the women's groups form networks.
69. On the other hand, the focus of the project ended up more on the supply side and less on the marketing side. Creating marketing linkages was one of the aims of the

¹⁶ In one instance of a PSIF-supported activity, the chairperson of a group commandeered some critical equipment and refused to allow other group members to use the equipment unless they paid a fee. Consequently, other members of that group were unable to adequately prepare and cultivate additional land.

¹⁷ A former READ PMT member expressed the opinion to the evaluation team that the initial concept of group numbers was unrealistic. The view was that in the beginning, groups were not properly organized and that group numbers should have been revised so that the earlier groups consisted of smaller groups. Subsequently the group numbers could be increased as experience was gained working with groups. It was recounted that it was hard to downsize group numbers, i.e. go from large groups to small groups.

project but this was not fully realized. New linkages were essentially created only for agro-processing groups and not for primary producer groups; the fact that the former constituted only 20 per cent of the total number of groups under the project demonstrates the limited effect. For better remuneration and to create more sustainable benefits for primary producers, export markets should have been considered, and the ancillary activities related to meeting export requirements undertaken. Another important element for the functioning of the agro-enterprises was microfinance, but this did not get the expected traction from beneficiaries even though at lower interest rates. The evaluation rates project effectiveness as *moderately satisfactory* (4).

Efficiency

70. The IFAD Executive Board approved the loan for the project in December 2007 and the loan became effective in August 2008. The project, however, entered into force in January 2009, the period from **loan approval to effectiveness** being 14 months. This period was about the same as the previous IFAD-supported project in Guyana, the Poor Rural Communities Support Services Project, which had taken 15 months for the same process.
71. Compared to many other development projects (where project coordination costs can be as low as 10 per cent of total project investment) (PCR, page 19), READ **project coordination costs** reflected a relatively large amount of the project's overall budget. IFAD's share of the budget for project coordination (US\$1.33 million) constituted approximately 23 per cent of IFAD's total project funding. However, it can be argued that given the geographic reach of the project (six out of the ten regions in Guyana), at least 25 sub-components and the demographic diversity of beneficiaries, the stated project management costs were necessary.
72. However, **implementation issues** were the main factors that affected project performance in terms of efficiency. Throughout project implementation the managerial efficiency was less than anticipated, as reflected in the non-achievement of targets in the annual work and plan budget (AWPB). Evidence of this was gleaned from various supervision mission reports. READ's initial years suffered from the absence of key specialists, a situation that was not completely rectified during the life of the project. For example, there were three Project Coordinators during the life of READ. In addition, the bulk of fund utilization occurred after project's mid-term.
73. Evidence of the weaknesses in project implementation was cited from the inception of READ. The first supervision mission of September 2009 reported that four of the six PMT positions were in place by July 2009, with plans in place to recruit the additional staff needed in the near future. Yet, more than one year after the commencement of READ, two specialist positions in the PMT were unfilled as well as two of the regional support positions.
74. At project mid-term, the implementation arrangements did not work as planned. This was attributed to, *inter alia*, weak performances of the functions of the Project Coordinator, the PMT and Project Steering Committee. The mid-term review (MTR) also reported that attempts to recruit international advisors were unsuccessful, but details on the extent of efforts to recruit international specialists were not offered.
75. Up until 2014, as per the ninth supervision mission, it was noted that "the project continues to show significant weaknesses in the area of procurement, which causes important delays in project execution." It was also noted that the M&E Specialist had failed to satisfactorily complete the development of a database for recording information on all groups and READ activities.
76. Working with service providers posed a challenge. For example, both NAREI and NGMC underperformed in the delivery of their contracts, and the recruitment of

alternate (private sector) service providers (local, regional or international), as recommended by the fourth and fifth supervision missions and the MTR, was not done. Additionally, in relation to the service providers, turnaround time negatively impacted project implementation. It was necessary to factor response times for each agency involved. Time was lost in effecting collaboration among the different agencies as well as between public sector and private sector actors.

77. In its initial years, the implementation of the project was disrupted by the structure of the ASDU and the management philosophy of its directorate. Interviewees informed the evaluation team that during the early years of READ, the ASDU directorate exercised considerable control over the activities and functioning of the team of professionals, as they interacted with the target groups. As a consequence, morale was low and overall project implementation was negatively impacted. This was exacerbated by an understaffed PMT. That the project steering committee was virtually non-functional, meeting only four times prior to the MTR,¹⁸ did not help in resolving many of these challenges.
78. Up until the MTR, supervision missions had repeatedly underscored the negative impact that weak project management had on the implementation of READ's activities and that resulted in low **disbursements**. For instance, until the end of December 2011 IFAD had disbursed around US\$1.64 million, which represented 29 per cent of the original loan/grant allocation, compared to the appraisal estimate of 61 per cent by the end of Year 3. At project completion, though, the project had disbursed almost 93 per cent of IFAD funds. Some of the difference was due to fluctuations in the exchange rate.
79. Until the penultimate year of the project, there were still significant gaps pertaining to, *inter alia*, support to the groups under the EDF, the functioning of the M&E system, and the AWPB and procurement plan for 2014-2015. Despite a financial achievement rate of 81 per cent, substantial improvements in recovering the huge implementation gaps caused by the slow start were not evident.
80. Computing cost per beneficiary is replete with difficulties. One of the main reasons has to do with the weak M&E system. Although data were reported on outreach through the Results and Impact Management System, the quality of the data cannot be confirmed. For instance, the President's Report mentions the total number of beneficiaries as 20,800 individuals or 5,200 families (4 persons per household) but the design report provides a different target (28,503 individuals), while the final outreach is given as 23,890 individuals or 5,248 families (4.5 persons per household). However, the PCR qualifies this final outreach of 23,890, stating that "this is an indexed incident analysis and recognizes that the numerical totals of beneficiaries do not represent the actual number of distinct beneficiaries given that in many cases the exact same individuals benefited from multiple activities (e.g. 'double counting')." Given these discrepancies and the strong likelihood of double-counting beneficiary numbers, the evaluation has refrained from computing the cost per beneficiary indicator. In terms of the internal rate of return, the PCR does not provide an estimate of this indicator.
81. To conclude the efficiency analysis, up to a large extent, efficiency in project implementation was impacted negatively by weak management and the absence of critical staff within the project delivery structure. Despite the project budget providing resources for the recruitment of international consultants to buttress any skill deficiencies, international consultants could not be recruited to bolster the PMT at any time over READ's life. However, after the appointment of the second project coordinator, efficiency improved although it was only two years prior to project completion. Efficiency is rated as *moderately unsatisfactory* (3).

Rural poverty impact

¹⁸ See the MTR, paragraph 22.

82. 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. These are assessed in four impact domains: (i) household income and net assets; (ii) human and social capital and empowerment; (iii) food security and agricultural productivity; and (iv) institutions and policies. As has been mentioned earlier, the project's M&E system was a weak point in its efforts to measure the true outcomes of its activities. A weak M&E system has also limited the ability of this evaluation to conduct an empirical assessment of READ's poverty impact. A survey of beneficiary groups was undertaken by the Government at the end of the project¹⁹ but this had some limitations: it focused on beneficiaries of the EDF component only; there is no comparison group and hence attribution cannot be deduced; and the data set has a good deal of missing information (for example, it did not cover all six regions). Where possible, the analysis in this section has relied on the findings of the evaluation team and on project documentation in order to shape the narrative.
83. **Household income and net assets.** There is some evidence of increased incomes, but there are no robust grounds to justify this. The goal of the project was to increase beneficiary household incomes by 30 per cent. The Government survey shows that incomes increased on an average by some 58 per cent. These increases were mostly attributed to tools and equipment provided by the project and indicate the role that this played in increasing production and hence income for farmers. Similarly, based on feedback received from beneficiaries by the evaluation team, primary producers experienced income increases of between 10 per cent and 50 per cent, influenced by improved agronomic practices leading to increased output. The increased income was used to enhance the welfare of the household by, for example, paying for the education of children, as beneficiaries explained to the team. On the other hand, the results of the Government survey also showed a drop in incomes of several farmers due to a reduction in prices they received for their crops.
84. Some 77 per cent of the respondents to the above survey stated having undertaken some diversification of production, by expanding the number of crops planted since project start, as a means to increase incomes and improve resilience. On the other hand, with regards to the market destination of the produce, the survey found that the major part of marketed crops, livestock and processed goods continued to be sold to market intermediaries at the farm gate with no improvement in prices received. This outcome tallies with the observations of the evaluation team. In the case of processed products, for groups newly formed under the project, some marketing linkages were created. This result too is in step with the team's findings. However, in the absence of robust data, it is difficult to offer generalizations in this regard.
85. **Human and social capital and empowerment.** Communities gained access to social infrastructure such as bridges and dams, which were essential to providing water, primarily for irrigation. Access to these structures was instrumental in facilitating increased productivity and output, as well as transportation to markets. It was observed that the structures are still in use. Some group members, who were pivotal in obtaining PSIF-funded grants for social infrastructure, thought that their social status had risen in their community as a result. The organizational capacity of groups was enhanced through a number of trainings. However, most beneficiaries interviewed by the team were not able to recollect the contents of the training, implying that the learning from the training was not being used.
86. The gender-sensitization activities ("Closing the Gap") led to improved understanding among communities of the role of women and the challenges they

¹⁹ Impact through Enterprise Development Fund, Rural Enterprise and Agriculture Development Project (READ), June 2015.

faced. Participation in regional and national exhibitions helped beneficiaries increase their social interactions and develop networks. The project invested in increasing human knowledge and providing vocational skills through providing scholarships to students. However, the impact of this intervention in terms of the number of recipients able to receive gainful employment was lower than expected.

87. **Food security and agricultural productivity.** The EDF and PSIF grant projects, along with technical assistance from service providers and trainings, yielded some productivity gains, primarily through: training (land preparation, soil testing, animal nutrition, crop production); provision of equipment (tractors, spray cans, pumps and farm implements); and construction of buildings, shade houses, production facilities, animal pens and bridges. Although some of the farmers interviewed by the evaluation team reported increases in production, there are no empirical data to support the notion of gains in productivity.
88. Improved food security is not mentioned as one of the goals of READ and, as such, no related indicator is present in the logframe. Questions posed by the team to beneficiaries related to food security did not reveal any significant change in the diet of beneficiaries as a result of the project's outcomes.
89. **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. READ's approach to implementation was based on working with a number of public institutes as service providers. The training of trainers helped build technical capacities of the staff of these institutes. NAREI was able to publish some of the learning its staff gained from the project and to disseminate it. The Guyana Shop run by NGMC was able to increase its product offerings based on the new agro-processing groups that had benefited from the project. However, this option was limited to just a few groups. The project also rehabilitated the facilities of some of these service providers. In addition, the project helped bring these institutes closer to the beneficiaries in terms of their interaction, but due to Government staff turnover, this had ceased in several places that the evaluation team visited.
90. With regard to the impact on IPED, this was limited. IPED staff were involved in developing business plans of the beneficiaries. These plans cascaded from the more comprehensive strategic plans prepared by beneficiaries, and to that extent, the process exposed the staff to a new methodology for preparing business plans for their own private clients. IPED's client base increased but to a very small extent (most beneficiaries who availed themselves of the credit had borrowed from it before). The activities of the project did not introduce new or improved financial products that would add to the portfolio of IPED.
91. **In sum, the evaluation finds the project's impact on rural poverty to be mixed.** Findings from the Government survey showed increases in incomes and, to some extent, this was also reflected in the interviews conducted by the evaluation team. These income increases were a result of increased production brought about by the project's activities (the evaluation team did not find definitive evidence of the production increasing in response to better prices or improved market linkages). Incomes of women-headed households rose less than those of male-headed households. No study was undertaken on the effects on agricultural productivity and food security, but anecdotal information received by the evaluation team from farmers showed some instances of increased production (although limited to a few farmers only) and some instances of increased food security.
92. The skills training provided by the project to beneficiaries enhanced their knowledge. The increased social interaction fostered from the formation of groups contributed to communities' social capital, and institutional capacities were built through training imparted to their staff. However, the lack of sufficient and robust

data which can empirically demonstrate project effects signifies that evaluation of several areas, such as incomes, assets, food security and agricultural productivity, cannot be justifiably undertaken. At the time of conducting the evaluation, the evaluation team noted that several avenues of intended benefits had ceased: the equipment and structures provided to some beneficiaries were no longer in use and the lack of capital or inputs led to the closing or slowing-down of several agro-processing activities, implying that incomes from these sources were no longer being received. In addition, several groups had disbanded either due to beneficiary attrition or negative group dynamics, leading to loss of intended benefits related to both economic and social capital. The evaluation gives a rating of *moderately unsatisfactory* (3) to this criterion.

Sustainability of benefits

93. At project start, it was emphasized that the project should plan for beneficiaries, rural organizations and service providers to be empowered and capable of continuing with the project activities. In order to promote sustainability, at the end of the project, strategies were required such that beneficiaries accepted ownership of their businesses and responsibility for the development of their communities.
94. **Market and enterprise development.** With respect to this component, the evaluation revealed that its sustainability was supported by crop husbandry training that was considered as useful, resulting in some increased productivity. Several beneficiaries have independently sought additional complementary training.
95. Groups that received the farm equipment, for increased productivity and the expansion of the areas being cultivated, established a system for sharing. In addition, they insisted on a financial contribution at each use from the group members, to facilitate repairs and maintenance of the equipment.
96. Some two years after the close of READ, limited agro-processing into value-added products is still being pursued by some groups,²⁰ to supply a local market or for own consumption within the household. Some agro-processing groups displayed a level of self-sufficiency with respect to the marketing of products and initiating market contacts, following initial training and exposure through fairs and exhibitions as well as through the Guyana Shop at NGMC. Some have been able to repeat the experience of exhibitions without direct support from READ. For instance, the West Demerara East Bank Essequibo Swine Producers Association had organized its own exhibition when the evaluation team visited. The value-added products sold in Guyana Shop at NGMC and in some supermarkets have been certified by the Food and Drugs Department.
97. The biggest challenge to sustainability of benefits accrued under the project is in terms of markets. The emphasis of the project was more on supply side – increasing productivity and value-added production through training and supply of equipment. However, without adequate and increased market access, the sustainability of these initiatives is seriously constrained.
98. The domestic market appears too small to support the sustainable development of non-traditional agricultural products. Evidence of this is that farmers elect to not harvest some of their crops because of the low price they will receive from vendors/intermediaries. Thus, without an avenue for exports, it is difficult to expect any traction in sales and therefore in incomes. Some primary producers expressed interest in supplying to export markets on a consistent basis, but they recognized that meeting the agricultural health and product standards would be challenging. In this regard, farmers are tested more by requirements to access markets and less by finance. Market access challenges include compliance with standards, food safety, traceability systems and the Hazard Analysis and Critical Control Points.

²⁰ The Pomeroun Women's Agro Processors Association is one such group.

Consequently, for long-term sustainability, attention will need to focus on tailoring production for export markets and providing support services such as compliance with safety standards.

99. Groups involved in agro-processing, most noticeably in regions 2, 5, and 10, are constrained by access to packaging materials. Many of these groups have resorted to the use of recycled bottles for packaging. Some of the agro-processors visited by the mission were not in operation throughout the year. Availability of suitable packaging materials will be a challenge for the future growth of their businesses.
100. The project did not make any provision for follow-up training to reinforce what had been taught earlier. In light of the introduction of new production systems, more could have been done to facilitate post-READ technical support follow-up. This was particularly important given that training fatigue was experienced by several participants interviewed by the evaluation team.
101. A big challenge to sustainability of project benefits is the access to financing working capital needs of beneficiaries. For one, the interest rate usually charged by MFIs (18 per cent) is not attractive to farmers, as disclosed to the evaluation team. However, even 6 per cent interest rates promoted by the project did not find many beneficiaries, as was alluded to earlier. Similarly, although the project had created a revolving fund to continue supporting credit after its completion, with interest rates between 8 to 12 per cent, interviews with IPED revealed that even at these lower rates, beneficiaries were reluctant to avail themselves of credit. This implies that in addition to interest rates, requirements such as insurance and collateral arrangements as well as the structuring, disbursement and servicing of loans, are major difficulties for farmers (Graham, 2012).
102. **Human and social capacity strengthening.** The group training had initiated continuing exchanges between and among farmers. The scholarships provided by project have yielded long-term benefits for beneficiary students through jobs. The mission met with a READ-sponsored two-year GSA diploma trainee who subsequently assumed a teaching position in agricultural science, while others are reported to be working as agricultural extension officers. Other trainees were productively placed in agencies such as the public sector (10); the private sector (3); and self-employment (1).²¹
103. In general, READ's human and social capacity strengthening was delivered through PSIF proposals. In this regard, some groups increased their capacity to prepare proposals and budgets and obtain quotations, pay workers and providers, write receipts, and maintain records, with timely advice as needed. The project gave beneficiaries a sense of empowerment and ownership. However, some of the groups the evaluation team spoke to were not maintaining farm records or keeping books.
104. Thus, the project's performance with regards to ensuring the sustainability of its benefits for beneficiaries was mixed. A number of training sessions to build skills were undertaken for both beneficiaries and institutions, with participants trained on a variety of topics. The equipment provided to beneficiaries for production should ensure a continuous stream of benefits. On the other hand, the achievements mentioned above have been limited to some beneficiaries only; some groups have either completely stopped or have reduced the level of their operations. In addition, without adequate emphasis on the side of market access, it is difficult to envisage how production can be increased or even sustained. The lack of financial resources available to beneficiaries to finance their working capital needs, and the lack of sufficient human resources capacity in the country to provide follow-up training, will impinge on the project's sustainability. The evaluation rates the sustainability criterion as *moderately unsatisfactory* (3).

²¹ See supervision mission no. 8, paragraph 26.

B. Other performance criteria

Innovation

105. This evaluation criterion assesses the extent to which the READ interventions were able to introduce innovative approaches to achieve the project's objectives. Some of the activities can be considered as innovative both in the context of IFAD-supported programmes in the country and the context of the programmes or activities of other donors or of the Government of Guyana. By linking economic development with human and social development, READ introduced an innovative form of design in the context of IFAD-supported interventions in Guyana. READ's implementation arrangement involving the collaboration among several agencies, public and private, was also unique for its operations in Guyana.
106. So too was the involvement of beneficiaries in the implementation arrangements, as took place with the PSIF segment of the human and social capital strengthening component. The participatory approach through which beneficiaries presented their proposals for grant funding for productive and social infrastructure, and purchased material for constructing the infrastructure, and even designing it in some cases, was innovative in the national context. The dual financing modality – loans to finance working capital and grants to finance purchase of equipment and infrastructure – was also innovative. The funding of the scholarship programme was new for the Ministry of Agriculture.
107. However, while innovations were attempted by the project, all did not fructify. The dual financing modality was partly successful – while grants were utilized by beneficiaries, the credit facility did not yield the expected response from beneficiaries. In effect, the dual facility, though well-intended, was counter-productive because while grants helped provide equipment, the day-to-day running of such equipment was hampered by the reluctance of farmers to take project-supported credit. Grants, unless used to target the very poor, can undermine credit. The new marketing avenues created through participation in exhibitions and visits did not culminate in expected benefits in the form of increased clientele. The establishment of BFCs was also an innovative concept intended to support and ensure the sustainability of rural advisory services, but the initiative did not see the light of the day because of issues related to its feasibility and sustainability. The rating for innovation is *moderately satisfactory* (4).

Scaling up

108. The definition adopted by IFAD for scaling up is: expanding, adapting and supporting successful policies, programmes and knowledge in order to leverage resources and partners to deliver larger, more sustainable results for a greater number of rural poor.²² In the case of READ, the evaluation of this criterion was based on anecdotal information gathered mainly through interviews; there was no documentation available for the same. It will be a good practice in the future for project teams to systematically document evidence of scaling up.
109. READ's focus on rural enterprise and agricultural development is seen as a contributor to the Government's efforts at rural economic diversification with the goal of increasing rural incomes and livelihoods. The project has provided inputs to the Department for International Development's (DFID) Guyana Agriculture Diversification Programme, which is providing some US\$400 million to support the Government's efforts at diversification.
110. The READ model is being adapted to the phasing-out of the use of mercury in the mining sector by the Ministry of Natural Resources. The approach is similar to that taken for READ's EDF. A revolving fund targeting some 6,000 miners will be established with one of the commercial banks to facilitate the purchase of the "mercury free" equipment, and miners will be invited to apply for loans, at a

²² IFAD, 2015: IFAD's Operational Framework for Scaling up Results.

gradually increasing concessionary rate, to purchase relevant mining equipment. They can qualify for loans up to 80 per cent of the cost of the equipment.²³

111. The Small Business Bureau is training producers in the development and use of business plans, having taken a leaf out of READ's book. The Bureau is also promoting farmers' access to NGMC's MIS via smartphones, although this did not prove advantageous to READ beneficiary farmers in their price negotiations with intermediaries.
112. The Hinterland Employment Youth Services, drawing on the READ model for programme delivery, is focused primarily on women and youth, providing training to equip them for employment, entrepreneurial opportunities and further education.
113. In light of the fact that several aspects of the project, including its approach and activities, were replicated, the evaluation confers a rating of *satisfactory* (5).

Gender equality and women's empowerment

114. The project made a conscious effort to mainstream women in project design by recognizing their needs and undertaking activities that were more suited to them (agro-processing, for instance). As it related to the outcomes, the project enhanced women's access to information, knowledge, experience and finance, and facilitated the creation and ownership of new businesses, and the generation of additional avenues of incomes.
115. With inputs from a social equity specialist, READ delivered training to promote gender equity utilising the "Closing the Gap" methodology. This activity resulted in women being assigned more responsible roles within the groups. For instance, the training of women to be their own facilitators in the training process was conducted with a view that they take their development into their own hands and in the process strengthen their self-esteem.
116. Gender mainstreaming was undertaken by supporting women-only groups. The evaluation team met with a few groups that consisted entirely or predominantly of women, and are still active (table 3). In others, the percentage of female members was reported to be between 30 per cent and 40 per cent. Women occupied leadership roles in many instances (e.g. chairperson, secretary, treasurer). Some groups reported that through gender sensitization efforts of the project, there was a better understanding of women's roles in groups; they also reported joint (male/female) decision-making at the household level. In some instances, male partners collaborated to facilitate their spouse's involvement in the group activity.

²³ All the commercial banks (and IPED) have been invited to submit proposals which are currently being evaluated, while field work to test the appropriate equipment is being undertaken. The project is expected to be launched during the second quarter of 2018.

Table 3

Women-centred community-based organizations that received grants

<i>Community based organization</i>	<i>Project</i>
Pomeroon Women's Agro-Processors Association	Extension/renovation of building and purchase of equipment Community bus shed for public
Lilydale Women's Group	Purchase industrial mill and other processing equipment; repairs to mill Empoldering of farmland
Young Women's Christian Association.	Extension/renovation of building and procurement of equipment Completion of training facility
Pomona Women and Youth Reaching Out Organization	Plant nursery for training youth in agriculture
Alliki Women's Handicraft and Development Association	Construction of recreation pavilion
West Berbice Women & Youth in Development	Outdoor shed and fencing of skills training centre
No 64 Women Empowerment Group	Establishment of training centre

117. The project facilitated workshops in which both men and women identified the possible gender and/or social inequities that might exist in their organization as well as the possible solutions, i.e. affirmative actions. Further, tying the provision of grants to communities demonstrating affirmative action in their proposals was commendable. The project logframe contained specific indicators related to gender, and data were collected in a disaggregated manner.
118. However, while efforts to focus on gender are worthy of note, these efforts did not materialize into proportionate outcomes. One reason for this was the lopsided focus on primary production as opposed to agro-processing. While women benefitted from being part of groups which were mostly mixed – men and women – the tangible opportunity to provide employment and a more remunerative stream of income for women would have been achieved through agro-processing. This was particularly important given the lower share of females (26 per cent) than males (40 per cent) employed in agriculture in Guyana.²⁴
119. The above is evident in the results of the Government survey alluded to in the section on rural poverty impact. The results consistently found that incomes of women beneficiaries increased, but much less than those of men. Although gender equity was an important goal of the project and efforts were made in this direction, the results have not matched those efforts.
120. In summary, the project made elaborate efforts to target gender in its activities. This was through explicit activities in the project design – such as needs assessment, "Closing the Gap" methodology, and linking funding proposals to affirmative actions. But a failure to create strong and sustainable marketing linkages and to focus on agro-processing meant that actions could not be translated into outcomes in terms of empowerment and incomes as much as was expected. The evaluation rates this criterion as *moderately satisfactory* (4).

Environment and natural resources management

121. The environmental concerns raised during project appraisal included: (i) vulnerability to flooding; (ii) lack of waste management; (iii) mismanagement of agro-chemicals; (iv) unsustainable mining and forest exploitation practices; and

²⁴ Males/females employed in agriculture as a share of total males/females employed in the country.

(v) lack of environmental awareness. In order to overcome these, the project trained farmers on good agricultural practices and imparted environmental education (e.g. soil testing) in the training programmes. The agro-processing activities were small-scale, and often characterized by specific niche products such as organic products and other activities that did not cause any obvious harm to the natural environment. Furthermore, some villagers in regions 2 and 6 were provided with productive alternatives to palm heart exploitation and logging operations. These were positive steps towards ensuring environmental due diligence.

122. Nevertheless, considering that environmental protection is one of the seven pillars identified by the Government of Guyana in its Poverty Reduction Strategy Paper, and given the weak legal and institutional framework and the generally limited capacity in Guyana to fully implement development programmes (see project appraisal report), an opportunity for building capacity of local institutions to ensure environmental sustainability of implemented activities beyond the life of project could have been undertaken. The evaluation rates this criterion as *moderately satisfactory* (4).

Adaptation to climate change

123. Adaptation to climate change was not part of the project design. However, this criterion is assessed for two reasons: climate change is a threat for a country like Guyana that is heavily agriculture-based, and where parts of the country are below sea level; and some of the project's activities could have helped in climate change adaptation.²⁵ The interviews of the evaluation team with farmers pointed to certain production challenges that can be attributed to climate change. For instance, most interviewees were of the opinion that there was a perceptible increase in warming in the past few years. This is one reason why there was increased priority given by several beneficiary groups for requesting funding for shade houses, which was then proffered by READ. However, it must be pointed out that sustainability of shade houses was noticed as a problem: several shade houses were not being used once they required repairs or replacements. Therefore, this turned out to be a temporary mitigation measure.
124. The provision of water pumps to beneficiaries would help in adapting to vagaries of rainfall, while drainage facilities (such as cleaning and restoring) would assist in removing excess water caused by flooding. One aspect that the project could have considered is the provision of advice on adaptation to climate change impacts through the project-trained extension staff.
125. Although adaptation to climate change was not explicitly included in the project design, and hence the evaluation has no firm basis to assess performance against stated aims or targets, some activities have contributed towards this end. The evaluation rates this criterion as *moderately satisfactory* (4).

C. Performance of partners

Government of Guyana

126. The analysis of the performance of the Government can be divided into two periods because of the contrasting results of coordination and implementation – until early 2013 and thereafter. In the initial years of READ, the Steering Committee was unwieldy in size and met only four times during the project's first three years.²⁶ As a consequence, READ was deprived of critical oversight and guidance. These circumstances contributed to the weak management systems and environment that prevailed and ultimately resulted in significant delays in the implementation of activities. The Project Coordinator and the PMT had not been fully empowered, in

²⁵ Also, as part of IFAD management and IOE Harmonisation Agreement, all IOE evaluation criteria are to be assessed whether or not they were part of a project's objectives.

²⁶ MTR 2012.

practice, and in line with the Project Financing Agreement, to implement project activities, leading to many delays in decision-making and approvals.²⁷

127. Staff tenure was not synchronized with the project cycle. Many key staff were engaged through one-year contracts, rather than for the entire duration of READ. These contractual circumstances prompted some staff to seek more secure tenure elsewhere, and resulted in delays and implementation gaps in the AWPB.
128. A perusal of the supervision mission reports, and discussions during the evaluation mission, indicated that the Government lapsed in the recruiting of project staff at the inception of the project. For instance, reports of the earlier missions, beginning with the second one in May 2010, recorded that many critical PMT positions were unfilled during the first three years of READ, inclusive of when the MTR was undertaken in May 2012. These PMT staff vacancies resulted in the protracted delay in the implementation of the respective AWPBs through the life of READ. These circumstances might have been avoided altogether if the agreed conditions for the disbursement of funds had included the filling of core staff positions prior to the start of implementation.²⁸ Besides the staffing of the PMT, the filling of other support positions was a challenge.²⁹
129. The establishment of the M&E function was considerably delayed, primarily owing to the non-recruitment of the M&E specialist. As of the fifth supervision mission (February 2012), the absence of an M&E system had not been completely rectified. A further hurdle was that M&E was being introduced in a culture where it did not previously exist. This deficiency negatively impacted the effectiveness of READ.
130. On the other hand, the PCU team that was put in place during the last three years of the project can be given credit for several achievements that the project achieved in the end. The evaluation team's interactions with beneficiaries revealed that the PCU during the last years of the project had taken an exceptionally hands-on approach to delivering outputs, addressing beneficiary concerns, and solving problems. Importantly, the end result – in addition to delivering the project on time and fully disbursed – was the establishment of a certain level of credibility for the READ project and, by extension, the Government of Guyana as well as IFAD. Given the protracted delays, it is noteworthy that the project ended with a high rate of disbursement (93 per cent of IFAD funds in US\$).
131. Thus, there were several shortcomings in the design and, importantly, in the execution of the project from the outset. As a result, the project was slow to disburse and achieve its targets. However, the Government's commitment to the project was demonstrated when it put in place a new PCU that helped achieve a turnaround in stated activities and disbursements. The Project Coordinator was given considerable latitude in implementing the project's activities. On balance, the evaluation rates Government performance as *moderately satisfactory* (4).

IFAD

132. IFAD demonstrated substantial technical support to READ through the nine supervision missions that were conducted throughout the life of the project. The aide memoires prepared at the end of each mission provided constructive advice on the performance of the PMT, as well as the project's achievements and plans for the upcoming period. The reports of the supervision missions included succinct tabulations of recommendations for future actions within an associated timeframe.
133. Early in the life of READ, IFAD arranged for a "productivity enhancement mission" in September 2010, in addition to a supervision mission, to advise the READ PMT on planning and executing the delivery of the two project components in an

²⁷ Ibid.

²⁸ It took six months to recruit a Project Manager for READ.

²⁹ At the time of the second supervision mission, more than one year after the commencement of READ, two specialist positions in the PMT had not yet been filled as well as two of the regional support positions.

integrated manner. This was in response to delays in implementation that were being experienced. The result of the productivity enhancement mission was that, despite continuing gaps in READ's staffing, an improvement in the working atmosphere of READ and the ASDU was observed. The PMT staff indicated that these improvements were directly attributable to the productivity enhancement mission.

134. IFAD recognized that PMT staff vacancies and instability plagued the implementation of READ. In the aide memoire pursuant to the second mission, a number of recommendations were advanced to mitigate the overall negative impact of these circumstances, which collectively resulted in delays in project implementation and the execution of the AWPB. IFAD provided noteworthy recommendations to alleviate the impacts of the PMT's staff deficiency – for instance, engaging a panel of pre-qualified consultants under “standing contracts” so that they can be used as required for short-term assignments without undertaking burdensome procurement and contracting procedures. This was a useful recommendation by IFAD which effectively addressed staffing issues and the limited capacity of the ASDU.
135. On the other hand, the view was expressed by the project staff that IFAD did not demonstrate flexibility with respect to the movement of funds from one project line to another until late in the project. This movement was needed because some activities such as BFCs were modified along the way. Flexibility was thus deemed important in maintaining the ability to respond to emerging situations. Former members of the PMT indicated that on occasions IFAD supervision missions were perceived to be inflexible about accepting the assessment of the PMT concerning the circumstances on the ground.
136. As alluded to in the section on relevance, there was a lack of assessment regarding some of the design assumptions. Although the design is a shared activity between IFAD and the Government, IFAD should have brought its experience to bear regarding the importance of assumptions made during appraisal to the successful performance of a project. Further, no concrete solutions were suggested in the appraisal document on how to overcome the risks and assumptions. Similarly, while several lessons learned from past IFAD experiences in Guyana were considered in the design of READ, several others, including a failure to fully address the institutional weaknesses and the lack of qualified people, were not fully taken into account.
137. Similarly, IFAD could have provided better guidance and support on the M&E system during implementation. Given that project M&E was very weak, having an already high number of indicators for progress monitoring increased at MTR, was clearly not feasible; this should have been flagged by IFAD. Thus, on the one hand, IFAD's efforts to improve the performance of a project besieged by implementation delays is well acknowledged by the evaluation. On the other, IFAD did not fully consider some of the lessons learned by its past projects, and did not do enough to rectify the M&E-related situation. A rating of *moderately satisfactory* (4) is given for IFAD's performance.

D. Overall project achievement

138. READ was a good concept that introduced target beneficiaries to agricultural practices that led to some instances of improved household welfare. In addition to training in business practices and principles, READ provided “life skills” training to many beneficiaries. Social capital was created through the small-scale social infrastructure outputs. Many of the groups visited by the evaluation team expressed great appreciation for this segment of READ, among others. The staff of service providers (Government-run institutes) who were trained under the project appeared highly motivated. Further, satisfaction with overall project achievement has resulted in IFAD introducing the next project in Guyana.

139. On the other hand, the project complexity (at least 25 subcomponents), its wide geographic scope (six regions) and the demographic diversity of its target group (poor men, women, Amerindian, youth, children) tested the relatively low implementation capacity at project onset (including unfamiliarity with IFAD frameworks and processes). Other challenges such as high turnover (including of Project Coordinators) and weak project governance (e.g. the Project Steering Committee met infrequently and took a passive role in oversight) impacted its performance negatively.
140. Some of the shortcomings of the project were a result of the low uptake of loans by beneficiaries, which is a reflection of the general risk-averse nature of the farming community in Guyana that was interviewed by the evaluation team. Similarly, it can be deduced that farmers sell to the intermediaries even at lower prices because of the convenience (farm gate pick-up) and the relationships forged with them, on the one hand, and on the other, due to the existence of cartels of the intermediaries. In the case of primary producers, there is a clear case of tapping more forcefully into export markets. The evaluation rates overall project achievement as *moderately satisfactory* (4).

E. Assessment of the quality of the project completion report

141. **Scope.** The report was mainly compliant with IFAD's PCR guidelines (2006). It mostly followed the required structure and provided almost all of the tables and annexes set forth in the guidelines. However, annex VI (financial and economic analysis) was not properly developed. The lack of a financial and economic analysis also obstructed the compliance of other areas of the report, such as the assessment of efficiency, since crucial information on the Internal Rate of Return and Cost/Benefit Analysis was missing. Additionally, the report did not include necessary information on the completion review process, team composition and methodology, as well as an annex with a list of people met during the completion mission and an environmental assessment. This evaluation rates the PCR's scope as *moderately satisfactory* (4).
142. **Quality.** The PCR provided an extensive qualitative analysis throughout the report. The main sections of the report offered comprehensive information on some of the key opportunities and results of project implementation. The PCR provided anecdotal information based on experiences in the field to support some of the main achievements of the project. On the other hand, some sections missed in-depth analysis of different limitations experienced by the project (for example the relevance assessment).
143. In addition, there could have been more critical examination of the relationship between some qualitative data and the quality of quantitative data used, in particular on outcomes and impact. There are multiple references made to the weak M&E systems and the lack of reliable data collected by the project. This challenges some of the ratings provided to different criteria and their justifications. Sections such as effectiveness are based mainly on anecdotal evidence and value judgement rather than substantial data.
144. Even though the project conducted a survey of beneficiary groups, it only focuses on groups benefited by the EDF component. There were some contradictions found in the assessment of household income. While the effectiveness section stated that there was an inability to qualitatively prove the increase in household income, the impact section stated that there was an increase in household income of 48.7 per cent. This evaluation rates the PCR's quality as *moderately unsatisfactory* (3).
145. **Lessons.** The PCR presented a fair number of lessons learned and covered the main issues and topics that can be strengthened in future projects in the country. Some of the most important ones are: project implementation, monitoring and evaluation; value chains; rural financing facility; market linkages; climate change;

and training. Some of these lessons could have been strengthened with more details on activities and their positive and negative impacts. In addition, some lessons learned should have been drawn in relation to the complexity of project design and the wide coverage of the geographic area of the project; and alternative strategies that could have been introduced. This evaluation rates the PCR's lessons as *moderately satisfactory* (4).

146. **Candour.** The PCR is candid in most of its sections. Nonetheless, as previously mentioned under the quality assessment of the PCR, some of the arguments were not strong enough to support certain ratings that seemed too optimistic. This evaluation rates the PCR candour as *moderately satisfactory* (4).

IV. Conclusions and recommendations

A. Conclusions

147. **The project's focus on linking human and social development with economic advancement was noteworthy, given the context of agriculture in the country.** Rural organizations and institutions are generally weak in Guyana, and there is an absence of human and social capital, especially among the vulnerable communities. In this scenario, sustainable economic advancement can be better realized if, on the one hand, linkages among the rural people are strengthened and, on the other, strategic alliances between rural organizations and the private sector are created. The project intended to do exactly that. Its emphasis on the interrelated nature of market-led enterprise development, organization and human capacity-strengthening, and affirmative action to ensure the equitable participation of vulnerable groups in the project activities, was intended to serve as both a means to development and an end in itself.
148. **The project did not use the opportunity to leverage a value-chain approach, and consequently the true potential of the project to raise incomes and to reach out to vulnerable people could not be fully realized.** Moving small-scale producers along the commodity chain to greater levels of value addition as a means to increase incomes was considered an important objective at the time of project design. However, the majority of groups that were recipients of the EDF were primary producers; only one in five EDF beneficiaries was an agro-processing enterprise. A concerted value-addition focus would have brought more women and youth into the project's fold, given that agro-processing is generally more appealing and lucrative for these vulnerable segments of the society. Although the project made efforts to mainstream gender into its activities, the small number of groups which were largely composed of women was not reflective of these efforts.
149. **At the time of project design, the gap between the (limited) human skills base in Guyana and the implementation capacity required by the project was not sufficiently assessed.** The failure to recruit qualified professionals for the PMT, during the initial phase of READ, was a major factor in the early delays experienced with project implementation. Had there been a more insightful (or careful) evaluation of the available skills base, during the project appraisal phase of READ, it is likely that there would have been fewer vacancies in the PMT during the early stages of READ. This deficiency could have been catered to in project design had it been identified at inception. The late start of the project affected its efficiency, led to time gaps between training of beneficiaries and their receiving benefits, and the focus shifted from follow-up action to disbursements. The absence of critical staff and the frequent change of stage during the initial project years had an irreversible impact of the implementation of the AWPB. The previous IFAD-supported project, the Poor Rural Communities Support Services Project, had also faced implementation delays and had four different managers. In the case of READ, the limited capacity of national service providers was also a stumbling block. The gaps created by these deficiencies were long-lasting, especially on account of

the inability to recruit international specialists as provided for in the financing agreement.

150. **The scope of the project was very wide, comprising several commodity value chains, many subcomponents and wide geographic coverage.** More effective outcomes could have been achieved with a simpler design that concentrated on fewer activities with an intensive focus, or that focused on fewer geographic areas. In addition, targeting a number of commodity value chains meant that a diverse range of project technical capacities were needed in a country with limited human capacity.
151. **The project's strong focus on supply-side capacity building was not equally matched by a focus on the market side.** One of the most critical constraints facing the agriculture sector in Guyana is the lack of markets. For the domestic market, saturation levels of supply are easily reached, leading to a drop in the price paid to farmers by intermediaries, who exert a stranglehold on the supplies to the market. This situation could have been mitigated if farmers had been encouraged to produce for the export market, and if support activities such as facilitating linkages with exporters and training on adhering to standards had been provided. Similarly, for the value-added production, support services required for foraying into export markets, such as good-quality packaging and compliance with food safety standards could have been provided.
152. **The project's approach to provision of credit was narrow.** Rural populations in Guyana, especially the farming community, are wary of taking credit. Thus, despite provision of credit with highly subsidized interest rates, the numbers of beneficiary loan-takers were few and far between. Several of those who took loans stopped doing so once this benefit ended after project completion and the interest rates charged by IPED increased (to 10-12 per cent). Making credit more palatable for beneficiaries and taking the interests of MFIs on board would have been more successful for the long term.
153. **The M&E function was virtually non-operational throughout READ's life.** The project was thus deprived of opportunities to assess the impact of its activities on an ongoing basis and, consequently, the chance to make adjustments along the way. Further, given the weak capacity of the project M&E, it was counter-productive to increase by three-fold the number of indicators to be monitored, as was done half-way into project implementation. Finally, while vulnerable groups such as Amerindians were an important target group of the project, no data on their outreach were collected.

B. Recommendations

154. **Recommendation 1: When operating in situations with serious constraints in institutional and human capacities, programmes should account for longer gestation periods.** This would entail taking a longer-term programmatic view and devising projects with a duration that provides sufficient time to raise capacities to meet the project's requirements. This is especially so in cases where training of trainers (locals) is one of the activities of the project. IFAD should seek Government support, where possible, in ensuring that the process of recruiting key staff of the Project Management Team is started well in advance. In addition, to ensure that key staff are retained, their contracts could be synchronized with the duration of the project cycle, thus providing them with security of tenure.
155. **Recommendation 2: In order to optimize the benefits of a value chain, prioritize the selection of a few value chains based on market demand.** The priorities could be based on criteria such as the rate of return, the involvement of the project's intended beneficiaries in the production and/or processing, and the market demand for the products. This would give useful experience and expertise on technical, financial, marketing and organizational constraints before replicating the methodology to other chains. Since the domestic market in Guyana is small,

the project should have focused on commodities that have a growing global demand and for which marketing channels exist and are clearly defined. During the project appraisal stage, a preliminary evaluation of competitiveness and market demand requirements for a limited number of commodities linked to the project's target group should be conducted to ensure realization of the project's economic and social goals.

156. **Recommendation 3: In promoting sustainable rural financing for value chain interventions, link financial credit and product-market credit.** In most instances, lower (subsidized) interest rates provided to beneficiaries on their loans/credit by development projects are untenable for the financial service providers. The rates return to their previous non-subsidized levels once the project is completed, thus jeopardizing the sustainability of the intervention. One strategy for longer-term sustainability, especially related to value chain financing, is to link product-market credit with financial credit. In the case of the former, traders, processors, input suppliers and exporters provide credit to farmers as part of input supply and product purchase transactions, tying the credit to subsequent sale of produce. Links facilitated by a project between financial and product-market actors offer a way to harness the respective advantages of both. Such arrangements can lower the selection and monitoring costs for the financial service providers, including the lending risk, and may reduce interest rates for beneficiaries, in addition to giving them a wider range of financial options.
157. **Recommendation 4: Make provision in project design for sufficient support to beneficiaries when introducing them to a new occupation.** In instances where IFAD-supported projects through their interventions promote vocations that are new to beneficiaries, allowing for sufficient time for them to stand on their feet or to receive technical assistance to facilitate their self-reliance is critical. Doing so can facilitate the sustainability of their skills and make the developmental changes being promoted by a project more effective. The absence of this provision becomes even more glaring in cases (such as READ) when delays in project implementation result in several activities being telescoped into completion towards the tail-end of the project.

Basic project data

			<i>Approval (US\$ m)</i>		<i>Actual (US\$ m)</i>	
Region	LAC	Total project costs	6.92		5.75	
Country	Guyana	IFAD loan and percentage of total	5.75	83.1 %	5.37	93.3 %
Loan number	742	Borrower	0.85	12.3 %	0.31	5.4 %
Financing type	Loan	Cofinancier 1	-	-	-	-
Date of loan signature	24/07/2008	Beneficiaries	0.32	4.6%	0.07	1.2 %
Date of effectiveness	15/01/2009	Other sources:	-	-	-	-
Loan amendments	1	Number of beneficiaries: (if appropriate, specify if direct or indirect)	Direct: 28,503		Direct: 23,890	
Loan closure extensions	0	Loan closing date	30/09/2015		30/09/2015	
Country programme managers	Ladislao Rubio (Current)	Mid-term review	18-03-2012		18-03-2012	
Regional director(s)	Josefina Stubbs (Previous)	IFAD loan disbursement at project completion (%)			93.3 %	
	Joaquin Lozano (Current)					
		Date of project completion report	31/03/2015		31/03/2015	

Source: GRIPS, IFAD Flexcube system, PCR.

Definition and rating of the evaluation criteria used by IOE

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

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

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

Rating comparison^a

<i>Criteria</i>	<i>Programme Management Department (PMD) rating</i>	<i>Project Performance Evaluation rating</i>	<i>Rating disconnect</i>
Rural poverty impact	3	3	0
Project performance			
Relevance	5	4	-1
Effectiveness	4	4	0
Efficiency	4	3	-1
Sustainability of benefits	3	3	0
Project performance^b	4	3.5	-0.5
Other performance criteria			
Gender equality and women's empowerment	4	4	0
Innovation	4	4	0
Scaling up	4	5	1
Environment and natural resources management	n.a.	4	-
Adaptation to climate change	n.a.	4	-
Overall project achievement^c	4	4	0
Performance of partners^d			
IFAD	4	4	0
Government	4	4	0
Average net disconnect			-1/10 = -0.1

^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 and scaling up, environment and natural resources management, and adaptation to climate change.

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

Ratings of the Project Completion Report quality

	<i>PMD rating</i>	<i>IOE rating</i>	<i>Net disconnect</i>
Scope	n.a.	4	n.a.
Quality (methods, data, participatory process)	n.a.	3	n.a.
Lessons	n.a.	4	n.a.
Candour	n.a.	4	n.a.

Overall rating of the Project Completion Report

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

Monitoring and evaluation data

Indicators	Unit	Cumulative	Appraisal	%
		Actual	Target	
Component 1 - Market and Rural Enterprise Development:				
Number of NAREI, Extension Staff, and other service providers trained	Persons	374	200	187
	Men	213	100	213
	Women	161	100	161
Training manuals prepared for each topic	Manuals	10	10	100
Number of Feasibility and market studies carried out	Studies	4	6	67
Number of small scale agro processing industries that received technical assistance	Industries	41	40	102
Number of producers, buyers and the project will be assisted by New Guyana Marketing Corporation to identify products and benchmark qualities to target.	Persons	95	25	380
	Men	50	13	385
	Women	45	12	375
Number of producers who received assistance by the Guyana School of Agriculture in production of value added - processed and packaged products. (GSA)	Persons	570	120	475
	Men	300	60	500
	Women	270	60	450
Number of computers provided to the Regional Extension Offices and the appropriate data base is developed to link these offices to the central office at the Ministry of Agriculture.	Computers	6	20	30
Number of BFCs where the MIS computer database installed with necessary information.	BFCs	6	6	100
Number of project personnel trained in the use of the MIS.(Present Staff)	Persons	16	9	178
	Men	12	6	200
	Women	4	3	133
Number of management teams / systems established for monitoring of the MIS and gathering of feedback for improvement.	Mgt. Teams	1	1	100
Number of men and women (from male or female headed household) working in small-scale industries supported by the project.	Persons	2 830	3 000	94
	Men	1 609	1 600	101
	Women	1 221	1 400	87
Number producers now being able to satisfy market requirements. (domestic markets gather at local trade fairs and personal initiatives)	Persons	347	1 000	35
	Men	182	500	36
	Women	165	500	33
Number of trading arrangements made for targeted products.	Arrangements/ contracts	34	25	136
Number of producers that have secured contracts with buyers for targeted products.	Persons	110	90	122
	Men	57	45	126
	Women	63	45	140
Number of producers' and buyers trained in art of negotiation, market building, organizing and production of selected and targeted crops to supply the established agro-processing ventures in Guyana and/or overseas.	Persons	250	90	278
	Men	140	50	280
	Women	112	40	280
Number of producers that are now networking with each other, and with technical and credit personnel and buyers.	Persons	152	120	127
	Men	67	70	96
	Women	85	50	170
Number of fairs for buyers and producers to interface organized.	Events	20	20	100
Number of producers whose income has increased due to greater	Persons	3 105	2 500	124

Indicators	Unit	Cumulative	Appraisal	%
		Actual	Target	
production and sales to new and existing markets.	Men	1 685	1 500	112
	Women	1 420	1 000	142
Number of BFCs buildings completed.	BFCs	6	6	100
Number of BFCs fully staffed and operational.	BFCs	6	5	83
Number of youth trained to manage the BFCs.	Persons	33	4	825
	Men	19	2	950
	Women	14	2	700
Number of extension staff and NAREI staff (by sex and by project Priority area) trained	Persons	374	200	176
	Men	190	100	179
	Women	184	100	173
Business plan model for awarding of the EDF grants and loans developed with the Financial Institution administering the EDF.	Business plans	1	1	100
Pre-screening committee established to review business plans submitted by CBOs and to make suggestions for corrections and improvements.	Committee	1	1	100
Number of beneficiaries trained to develop business plans in accordance with the requirements of the Financial Institution administering the EDF.	Persons	1 518	1 333	114
	Men	784	800	98
	Women	734	533	138
Number of rural organisations that have prepared business plans with support from the project.	CBOs	65	65	100
Number of finalized business plans submitted to Financial Institution for approval	Business plans	44	65	68
Number of successful applicants that have received grants and loans.	Persons	656	200	328
	Men	360	120	300
	Women	296	80	370
Number of small scale agro processing industries have increased their production with technical support by the project.	Industries	35	40	88
Number of Credit Officers of the FI trained in understanding the special conditions of the most vulnerable groups.	Persons	11	12	92
	Men	11	6	183
	Women	-	6	-
Number of beneficiaries' whose knowledge and capacity has been enhanced to produce their products in a more efficient manner by exposing them to new technologies and farming practices.	Persons	3 102	3 000	103
	Men	1 843	1 500	122
	Women	1 259	1 500	84
Number of demonstration farms developed.	Demo farms	17	20	85
Number of beneficiaries who have visited the model facilities and learned new technologies and farming practices.	Persons	2 937	3 000	98
	Men	1 731	1 500	116
	Women	1 206	1 500	80
Number of linkages established between CBOs / beneficiaries and facilities visited for continual sharing of information.	Linkages	162	120	135
Component 2 - Human and Social Capital Strengthening:				
Total number CBOs phased-in.	CBO	62	65	95
Total number CBOs phased-out.	CBO	62	65	95
Number of CBOs that have carried out needs assessment.	CBO	120	80	150
Number of CBOs where score sheet was applied and that were short-listed for intervention.	CBO	65	80	81
*Number of CBOs where Social Capital Assessment Tool to assess community profile was applied.	CBO	65	80	81

Indicators	Unit	Cumulative	Appraisal	%
		Actual	Target	
Organisational Strengthening Manual developed.	Manual	1	1	100
Number of rural organizations that participated in the organisational strengthening training programme.	CBO	65	80	81
Number of beneficiaries that participate in the organisational strengthening training programme.	Persons	1 384	2 000	69
	Men	615	1 770	35
	Women	769	780	99
Number of CBOs whose structure, support, networks, relationships, attitudes, and values were strengthened.	CBO	62	65	95
Database of CBOs set-up.	Database	1	1	100
Number of key service providers trained in rural organisational strengthening.	Institutions	13	7	157
Number of staff from service providers trained in rural organisational strengthening.	Persons	86	78	107
	Men	38	47	79
	Women	48	31	152
Number of service provider entities whose staff was trained in gender equity.	Institutions	13	7	186
Number of staff from service providers trained in gender equity.	Persons	59	89	66
	Men	18	18	100
	Women	57	71	80
Number of beneficiaries that have increased satisfaction with interventions of service providers.	Persons	577	1 922	30
	Men	352	1 064	33
	Women	225	855	26
Report on evaluation of training implemented by NAREI on business plans.	Document	52	65	80
Training plan developed to address the primary issues of market access and development of strong enterprises	Document	12	10	120
Number of CBOs/enterprises trained in understanding the role of credit, investment, marketing, business skills and management, production and opportunity costs, expenses, profits and loss.	CBO	42	65	22
Number of beneficiaries trained in business and **entrepreneurship.	Persons	406	1 300	31
	Men	197	780	25
	Women	219	550	40
Number of arrangements made with training institutions for scholarship programme.	Arrangements / contracts	2	2	100
Number of youth benefitted from technical skills and vocational training.	Persons	50	40	125
	Men	25	20	125
	Women	25	20	125
Number of youth completing scholarship programme that are gainfully employed.	Men	9	20	45
	Women	4	20	20
Number of youth completing scholarship programme that have started up a business.	Persons	1	40	5
	Men	-	20	0
	Women	1	20	5
Number CBOs participated in life skills development training.	CBO	59	65	42
Number beneficiaries trained in life skills development.	Persons	969	1 300	75
	Men	344	780	44
	Women	625	520	120
Report on systematization of life skills training implemented by GRDB.	Document	3	1	300

Indicators	Unit	Cumulative	Appraisal	%
		Actual	Target	
Second contract with GRDB for training in the identified social issues to CBOs identified for intervention in 2011.	Contract	1	1	100
Number of CBOs identified that are interested in [farm record] literacy training.	CBO	56	65	86
Collaboration Contract with institution - Guyana Women's Leadership Institute for providing services to CBOs in functional [farm record] literacy signed.	Contract	1	1	100
Number of beneficiaries benefitted from [farm record] literacy training.	Persons	891	1 300	69
	Men	535	780	69
	Women	356	520	68
Report on evaluation of [farm record] literacy training.	Document	3	3	100
Number of CBO with 5 year ***Strategic Plans developed.	CBO	63	65	95
Number of beneficiaries that participated in the development of their Strategic Plan.	Persons	1 103	1 300	85
	Men	453	780	58
	Women	531	520	102
Number of CBOs where the Empowerment tool was facilitated.	CBO	50	65	77
Number of beneficiaries that participated in the workshop on empowerment tool.	Persons	728	1 300	56
	Men	525	780	67
	Women	203	520	39
Number of CBOs where the Closing the Gap tool was facilitated.	CBO	44	65	57
Number of beneficiaries that participated in the workshop on Closing the Gap.	Persons	1 186	1 300	91
	Men	522	780	67
	Women	664	520	128
Number of CBOs that have included gender affirmative actions in their Strategic Plans.	CBO	47	65	72
Number of CBOs that implement gender affirmative actions and are becoming more gender equitable.	CBO	40	65	62
Number alliances among CBOs for the sharing of information and experiences created.	Alliances	12	65	18
Number of new linkages between CBOs and rural service providers created.	Alliances	9	65	14
Number of CBOs that have participated in exchange visits.	CBO	62	65	95
Number of beneficiaries that have participated in exchange visits.	Persons	744	975	76
	Men	410	585	70
	Women	334	390	86
MOU signed with WADNet	No	-	1	0
Numbers of Rural Women's Network /WADNET staff that has participated in READ training	Persons	18	14	32
	Men	-	-	0
	Women	18	14	32
MOU signed with Women's Affairs Bureau or Guyana Women's Leadership Institute .		-	1	0
Numbers of Women's Affairs Bureau staff or Guyana Women's Leadership Institute that has participated in READ training	Persons	8	25	32
	Men	-	-	0
	Women	8	25	32
Operations Manual for the Productive and Social Investment Fund (PSIF) developed and approved.	Document	1	1	100

Annex IV

Indicators	Unit	Cumulative	Appraisal	%
		Actual	Target	
Selection Committee to evaluate PSIF proposals set-up.	Committee	1	1	100
Number of linkages between CBOs and NGOs / Development Agents for PSIF proposal planning and implementation created.	Alliances	35	46	76
Number of beneficiaries participated in Proposal writing workshops.	Persons	425	644	66
Number of CBOs that have submitted Concept Notes to PSIF.	CBOs	51	65	78
Number of PSIF full proposals to PSIF approved.	CBOs	46	46	100

List of key people met

Government

Ministry of Agriculture

Hon. Noel Holder, Minister of Agriculture
Ms. Joylyn Nestor-Burrowes, Permanent Secretary
Mr. George Jervis, Coordinator of ASDU
Ms. Nadira Edwards-Lee, Personal Assistant to the Minister and former READ Project Manager and READ Gender Specialist
Ms. Natasha Beerjit, Head Monitoring and Evaluation (M&E) Unit
Mr. Cymeon Nedd, Administrative and Finance Manager, Guyana Livestock Development Authority, with responsibility of M&E and former READ Project Staff
Mr. Richard Hanif, Deputy General Manager, Guyana Marketing Corporation and former READ Project Staff
Ms. Jennifer Daziel, Finance Manager, ASDU
Mr. Christopher Ross, M&E Officer
Mr. Allan John Wolford, Project Coordinator, upcoming IFAD-Guyana project

Ministry of Finance

Mr. Tarashand Balgobin, Director, Project Cycle Management Division
Ms. Sheranne Isaacs, Head, Multilateral Financial Institutions Department
Ms. Ronette Hetsberger-Murray, IFAD Desk Officer/ Economic and Financial Analyst II
Ms. Odetta Alves, IDB Technical Coordinator

Ministry of Natural Resources

Mr. Justin Mc Kenzie, Permanent Secretary

Other key people met

Mr. Kelvin Craig, IFAD Liaison Officer, Guyana
Mr. Reuben Robertson, FAO Representative to Guyana
Mr. Felix Girard, Programme Consultant, FAO
Dr. Odhou Homenauth, CEO National Agricultural Research and Extension Institute
Mr. Curtly Critchlow, Data Analyst/Scientist Guyana Livestock Development Authority
Ms. Ida Sealey-Adams, General Manager, Guyana Marketing Corporation
Mr. Ramesh Persaud, CEO, IPED
Mr. Yogieraj Das, Former Credit Manager, IPED
Ms. Grace Parris, Manager, Agro-Processing Unit, Guyana School of Agriculture
Mr. Avinash Rampersaud, Scholarship recipient (2013-2015)
Ms. Paula Marks, Chairperson, Young Women's Christian Association
Ms. Sawn Reynolds, Executive Director, Young Women's Christian Association

Groups and associations

Parika-Naamryck- Ruby Farmers' Progressive Organisation
Airy Hall Development Group
Pomeroon Women's Agro-Processors
Lima Sands Community Development Council
Dartmouth Farmers' Development Group
Central Mahaicony Perth Village Farmers' Association
Bath Referendum City Farmers' Group
West Berbice Women and Youth Development Group
Bush Lot Crop Farmers
Cotton Tree No. 4 County Farmers' Association
No. 64 Women's Empowerment Group
Mibicuri Farmers' Group

Doch Four - Greenfield Farmers' Association
Ann's Grove Farmers' Association
Good Success to Garden of Eden Farmers' Group
Kuru Kururu Crops and Livestock Farmers' Association
Half Mile-Canvas City Farmers' Group
West Watooka Farmers' Development Group

Republic of Guyana

Rural Enterprise and Agricultural Development Project

Project Performance Evaluation

Approach Paper

I. Introduction

1. In line with the International Fund for Agriculture Development (IFAD) Evaluation Policy and as approved by the 119th Session of the IFAD Executive Board, the Independent Office of Evaluation (IOE) will undertake a project performance evaluation (PPE) of the IFAD-financed Rural Enterprise and Agricultural Development (READ) in Guyana. A project performance evaluation is a project evaluation with a limited scope and resources. It is based on the project completion report validation if available, with a more complete analysis based on additional information and data collection by IOE at the country level through a short mission. The main objectives of 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 the country; and (iii) identify issues of corporate, operational or strategic interest that merit further evaluative work.
2. This approach paper is the point of departure in the preparation of the PPE. It presents the overall design of the PPE and contains a summary of the project being evaluated. Further, the paper outlines the evaluation objectives, methodology, process and timeframe of the PPE.

II. Overview of the programme

3. **National context.** The United Nations Development Programme indicates that the proportion of households living in moderate poverty (on US\$2 daily) is 36.3 per cent and in extreme poverty is 19.1 per cent. The proportion of poor households headed by women is similar to that of non-poor households, suggesting that female headship is not necessarily a cause of poverty. There is a high incidence of poverty in the rural areas, largely due to their isolation and related logistical problems. Agriculture is the most important productive sector of Guyana's economy, accounting for approximately 32 per cent of GDP, 30 per cent of employment, and 40 per cent of export earnings. However, there are a lack of income earning opportunities in agriculture for the poor, particularly due to weak linkages with markets and low levels of private sector activity in rural areas. There are also severe constraints to enterprise development as rural residents are unable to access finance, market information and assistance in planning and managing enterprises.
4. **Project goal and objectives.** The overarching goal of the READ project was to improve the living conditions of poor rural households, especially small-scale producers and vulnerable groups, by strengthening their human, social and financial assets. Its specific objectives were to: (i) increase the market opportunities available to small rural producers (including women); (ii) increase rural people's capacity to produce and market non-traditional products efficiently and effectively and to develop small-scale enterprises; (iii) strengthen rural services available to small producers; (iv) increase access to financial and other capital services; and (v) build human and social capacity at the community level.

1. **Project area.** The project was implemented in regions 2, 3, 4, 5, 6 and 10.¹ The criteria for selecting the regions as a part of the project area were: (i) more than 5 per cent of the total population should reside in the region; (ii) the poverty gap should be at least more than 10 per cent; and (iii) the selected region should have potential for non-traditional agricultural production, microenterprise development and market access. An additional criterion was included in terms of the presence of Amerindian communities.
2. **Project target.** The target population consisted of poor or extremely poor men and women non-traditional farmers devoted to smallholding agriculture, either of subsistence or market-oriented production; wage labourers and poor or extremely poor rural men and women micro and small entrepreneurs, particularly women-headed households, youth and Amerindian communities. Thus, of the 28,000 households in the project area, a total of 5,200 households were targeted by the project; of these, 4 660 were men-headed households and 540 were women-headed households.
3. **Project components.** The project comprised the following three components: (1) Market and rural enterprise development. Market development included identifying potential markets, evaluating the market relative to other alternative markets and producer capacities, building market information systems and assisting producers to successfully and sustainably sell their goods in different markets. Enterprise development included increasing productivity and value adding though supporting skills development for establishment of certain economically viable agricultural and non-agricultural based enterprises, facilitating access to credit, training in business management and entrepreneurship. (2) Human and social capital strengthening. This focused on developing human and social capabilities for the empowerment of men and women members of selected rural organizations in the project area. Thus, the emphasis was on strengthening the rural organizations' structure, support networks, organizational values and relationships. The second focus was on equitable development and promoted increased participation in decision making and access to benefits, both from service providers and from the outcomes of enterprise development. (3) Project coordination. This involved financial support to the project management unit for coordination related expenditure of the project.
4. **Project costs and financing.** The total cost of the project at approval was US\$6.93 million. It was financed by IFAD through a loan and grant (50 per cent each) of US\$5.76 million, a contribution by the Government of US\$0.86 million through taxes paid or foregone, and by project beneficiaries who would contribute an estimated US\$0.32 million through matching grant schemes in relation to the rural financing facility. At completion, the project had disbursed 83 per cent of the costs envisaged at appraisal. The first component was the highest funded component and the only component whose actual cost exceeded its cost at appraisal (107 per cent); the second and third components utilized between 60 per cent and 70 per cent of the funds envisaged at appraisal.

¹ Guyana is divided into ten administrative regions, as follows: Region 1 - Barima Waini; Region 2 - Pomeroon-Supenaam; Region 3 - Essequibo Islands-West Demerara; Region 4 - Demerara- Mahaica; Region 5 Mahaica-Berbice; Region 6 - East Berbice – Corentyne; Region 7 - Cuyuni-Mazaruni, Region 8 - Potaro-Siparuni; Region 9 - Upper Takutu- Upper Essequibo; Region 10 - Upper Demerara-Upper Berbice.

Summary of approved and actual project costs, by project component (in million US\$)

Project component	Appraisal				Actual (% of appraisal)			
	IFAD	Govt	Beneficiaries	Total	IFAD	Govt	Beneficiaries	Total
Market and rural enterprise development	2.39	0.30	0.20	2.90	3.0 (125%)	0.08 (27%)	0.02 (10%)	3.10 (107%)
Human and social capital strengthening	2.03	0.30	0.12	2.45	1.47 (72%)	0.12 (41%)	0.06 (50%)	1.65 (68%)
Project coordination	1.33	0.25	n/a	1.59	0.91 (68%)	0.09 (36%)	n/a	1.00 (63%)
Total	5.76	0.86	0.32	6.93	5.38 (93%)	0.30 (35%)	0.08 (25%)	5.76 (83%)

Note: (i) The figures in brackets denote actual costs expended as a percentage of appraisal costs; (ii) Figures are rounded to nearest million.

5. **Time frame.** The IFAD Executive Board approved the loan towards the project in December 2007 and the loan became effective in August 2008. The project, though, came into force in January 2009, and completed in March 2015 running for a period of six years.
6. **Implementation arrangements.** The project was implemented by the Agricultural Sector Development Unit (ASDU) in the Ministry of Agriculture. An officer within the ASDU was selected as the Project Coordinator and was responsible for coordinating the day to day operations of the project. Each region had Regional Project Officers who were responsible for working with the Project Coordinator and the technical specialists to implement the project in the areas as defined by their regional responsibilities. During implementation, the project's most important partner was the New Guyana Marketing Corporation (NGMC) which provided guidance to the project's Regional Area and Local Area Technicians. The project also worked in partnerships with organizations such as IDB, USAID, CIDA, IICA, IICA/Rural Women's Network, Women's Affairs Bureau and Young Women's Christian Association and through Business Facilitation Centres (BFCs) to promote group development among the rural community and foster business partnerships along the supply chain.
7. **Significant changes during project implementation.** The BFCs as originally envisioned were modified in that their functions were integrated into the National Agriculture Research and Extension Institute (NAREI) offices. This was done to increase the geographic spread of the project (NAREI offices were more widespread) and to ensure sustainability of services after project closure. In a few other cases it was decided to empower individual Community-based Organizations with the business facilitation function, for instance, the Sheep & Goat Farmers Association and the Women's Agro processing Development Group, both of which have national networks.

III. Evaluation objectives and scope

8. **The objectives of the PPE** are to: (i) assess the results and effectiveness of the project; (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in Guyana; and (iii) by virtue of conducting an in-depth assessment, provide a deeper understanding of one of the IFAD's operations in Guyana.
9. The **scope** of the PPE has been identified based on the following criteria: (i) areas identified through a desk review – the PPE will review additional evidence and propose a complete list of consolidated ratings; (ii) selected issues of strategic importance for IFAD in Guyana; and (iii) limitations set by the available time and budget – the PPE will have to be selective in focussing on key issues where value can be added, given the limited time and budget.

10. Analysis in the PPE will be assisted by a review of the theory of change (TOC) developed at project design stage in order to assess the extent to which the project's objectives were achieved. The TOC shows the causal pathway from project outputs to project impacts and will also depict changes that should take place in the intermediary stage i.e. between project outcomes and impact. External factors which influence change along the major impact pathways i.e. assumptions on which the project has no control are also taken into account. It is likely that during the course of project implementation, some outputs or even whole components might have been cancelled or added to respond to changes. The TOC at evaluation will reflect these changes in consultation with project stakeholders during the in-country visit, and in this case, will be termed as a *reconstructed* TOC.
11. The PPE exercise will be undertaken in accordance with IFAD's Evaluation Policy⁴ and the IFAD Evaluation Manual (second edition, 2015). The following paragraphs provide an overview of the key issues and questions that will be addressed by the PPE. In line with the second edition of IOE's Evaluation Manual, the key evaluation criteria applied in PPEs include the following:
- (i) **Relevance**, 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. The PPE will assess to what extent did the project design help achieve a tangible impact on the livelihoods of the poor and empowerment of local communities.
 - (ii) **Effectiveness**, which measures the extent to which the project's immediate objectives were achieved, or are expected to be achieved, taking into account their relative importance. The PPE will review the existing evidence base, including the data collected by the M&E system and supervision reports, to establish the results achieved by the project and conduct further analysis on which parts of the project have been more effective and how and why project activities have achieved the intended results.
 - (iii) **Efficiency**, which indicates how economically resources/inputs (e.g. funds, expertise and time) are converted into results. The PPE will examine the process and system that underpinned the disbursement of funds, as part of the financial management weaknesses identified in the Project Completion Report (PCR). It will also assess whether the physical and financial resources were adequate for successful execution of project activities.
 - (iv) **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 results of development interventions. 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. The PPE will review the conclusions and the plausibility of the narrative of the various reports through the evidence provided and combine this will additional evidence from the field.
 - (v) **Sustainability of benefits**, indicating 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. The PPE will visit some of the project sites to verify the current situation with regards to the sustainability of benefits.

- (vi) **Gender equality and women's empowerment**, indicating the extent to which IFAD's 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-life balance and impact on women's incomes, nutrition and livelihoods. The PPE will examine the role of rural enterprises in contributing to gender equality and empowerment.
- (vii) **Innovation and scaling up**, assessing the extent to which IFAD development interventions: (a) have introduced innovative approaches to rural poverty reduction; and (b) have been scaled up by Government authorities, donor organizations, the private sector and other agencies.
- (viii) **Environment and natural resource management**, assessing the extent to which a project contributes to changes in the protection, rehabilitation or depletion of natural resource and the environment. The PPE will examine this criterion with regard to the new agricultural practices and technologies that were proposed and implemented as part of project interventions.
- (ix) **Adaptation to climate change**, The PPE will consider the documented threat of climate change in the country and project areas (if possible) and assess the contribution of the project to increase climate resilience and increase beneficiaries' capacity to manage short- and long-term climate risks.
- (x) **Overall project achievement** provides an overarching assessment of the intervention, drawing upon the analysis and ratings for all above-mentioned criteria.
- (xi) **Performance of partners**, including the performance of IFAD and the Government, is assessed on an individual basis, with a view to the partners' expected role and responsibility in the project life cycle. The PPE will assess IFAD's performance in terms of *inter alia* supervision and disbursement responsibilities. It will also examine the role of Government in undertaking the responsibilities towards project management and implementation.

IV. Key issues for this PPE

12. **Project design and implementation:** The PCR highlights the project's design complexity (at least 25 sub-components) and implementation challenges such as large geographic scope, demographic diversity, relatively low implementation capacity at project onset as well as other challenges such as high turnover and weak project governance. The PPE will also assess the coordination and implementation capacity and quality of the project unit given the demand of the Government on the Ministry of Agriculture to oversee numerous projects simultaneously by establishing a centralized coordination unit for all donor projects, i.e. the Agricultural Sector Development Unit. The PPE will investigate what bearing these aspects had on overall project performance and specifically on its efficiency and effectiveness.
13. **Connectivity of project components.** The project design report outlines that the success of the project depended on each of its two components connecting effectively with each other. The PPE will examine whether the project benefited from the synergies derived from effectively managing the complementarities between them.

14. **Innovative implementation arrangements.** The implementation structure and delivery mechanisms employed in the project are represented as innovative in that the CBOs were involved at a relatively early stage and then regular collaboration with them was undertaken through NGOs. Through interviews with beneficiaries and concerned project partners, the PPE will investigate if this approach was indeed innovative, and whether or not it led to better delivery in terms of timeliness and quality of delivery, and to empowerment of beneficiaries.
15. **Rural enterprise development.** This was an important aspect of the project, to be attained via business development services imparted by service providers. The PPE will explore issues such as, types of service provided (e.g. training) and its effectiveness as perceived by the beneficiaries, who were the providers i.e. public or private and how were they selected. In addition, the PPE will also assess the type of support services for enterprise development encouraged and adopted i.e. complete product diversification or value-addition for the same product and a comparison of the effectiveness of each approach.
16. **Targeting:** The project design report mentions that the project aimed to target several vulnerable groups such as women-headed households, youth and indigenous communities (Amerindians). In light of IFAD's past experience in Guyana with targeting (as highlighted in the project design report), this PPE will examine whether, and how, the needs assessment of these vulnerable groups was carried out especially with regards to the component on human and social capital strengthening. This component also directly relates to one of the criteria under the rural poverty impact domain of this evaluation.
17. **Sustainability.** The PPE will assess the sustainability of the project with regard to the empowerment of rural organizations supported by the project and the private sector linkages created by the project.

V. Analytical framework and methodology

18. **Information and data collection.** The first phase of the PPE is the desk review which will cover a variety of project-related documents, including annual project status reports (along with project supervision ratings), MTR report, supervision reports, and the PCR prepared at the end of a project jointly with the Government, which also includes a set of ratings. The Results and Impact Management System includes a menu of indicators used to measure and report on the performance of IFAD projects – at activity, output and impact level – and these are used for effectiveness and impact criteria. In this regard, M&E data become crucial. M&E data are also needed to plan the mission's visits to project areas, for instance, data on what kind of activities were carried out in different areas, what were the results, etc. However, M&E is highlighted as one of the shortcomings of the project – for instance there is no project impact evaluation study. This will have a bearing on some of the IOE evaluation criteria, and specifically on effectiveness and impact.
19. The PPE will crosscheck findings from the PCR and triangulate data and information from different sources; in order to obtain further information, interviews will be conducted both at IFAD headquarters and in the country. During the in-country work, additional primary and secondary data will be collected in order to reach an independent assessment of performance and results. Data collection methods will mostly include qualitative techniques. The methods deployed will consist of individual and group interviews with project stakeholders, beneficiaries and other key informants and resource persons, and direct observations.
20. The theory of change annexed in this paper has highlighted assumptions that would have been crucial to attaining the desired outputs and outcomes. The PPE will investigate whether these assumptions held, and if not, then what were the impeding factors. This will help the evaluation answer the "why" underpinning the results.

21. **Sampling:** The mission will attempt to visit all six regions under the project area. The sample size of beneficiaries visited in each region will be based on the number of beneficiary groups (CBOs) in each region i.e. based on weighting. In addition, some of the project demo plots in each region and individual beneficiaries of some interventions such as scholarship recipients will also be visited.
22. **Rating system.** In line with the practice adopted in many other international financial institutions and UN organizations, IOE uses a six-point rating system to score the project performance on a set of standard criteria,² where 6 is the highest score ("highly satisfactory") and 1 is the lowest ("highly unsatisfactory").
23. **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 project was implemented, and that opportunities and constraints faced by the implementing institutions are identified. Regular interaction and communication will be established with IFAD and the Government. Formal and informal opportunities will be explored during the process for the purpose of discussing findings, lessons and recommendations. Given that the project unit was disbanded after project completion, seeking key persons could be a challenge; however, this can be circumvented through early planning and involving the assistance of the country counterparts to organise meetings. In this regard, the assistance of Government staff involved with the project (project manager) and the IFAD liaison person in Georgetown will be elicited.

VI. Process and timeline

24. Following a desk review of the PCR and other project key project documents, the PPE will undertake following steps:
 - **Country work.** The PPE mission is tentatively scheduled for October 2017. It will interact with representatives from the Government and other institutions, beneficiaries and key informants, in Georgetown and in the field. At the end of the mission, a wrap-up meeting will be held in Georgetown to summarize the preliminary findings and discuss key strategic and operational issues. The IFAD country programme manager for Guyana is expected to participate in the wrap-up meeting.
 - **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.
 - **Comments by regional division and the Government.** The draft PPE report will be shared simultaneously with the Latin America and the Caribbean Division (LAC) and the Government for review and comments. IOE will finalize the report following receipt of comments by LAC and the Government and prepare the audit trail.
 - **Management response by LAC.** A written management response on the final PPE report will be prepared by the Programme Management Department. This will be included in the PPE report, when published.
 - **Communication and dissemination.** The final report will be disseminated among key stakeholders and the evaluation report published by IOE, both online and in print.

² These include: relevance; effectiveness; efficiency; rural poverty impact; women's empowerment and gender equality; sustainability; innovation; scaling up; environment and natural resource management; adaptation to climate change; IFAD and government performance and overall project performance.

25. **Tentative timetable** for the PPE process is as follows:

<i>Date</i>	<i>Activities</i>
September 2017	Desk review and preparation of approach paper
1-15 October 2017	Mission to the Guyana (tentative dates)
16-29 October 2017	Preparation of draft report
30 October 2017	Report sent for IOE internal peer review
13 November 2017	Draft report sent to LAC and Government for comments
4 December 2017	Comments received from LAC and Government
18 December 2017	Final report and audit trail sent to IFAD Management
February 2018	Publication and dissemination

VII. Evaluation team

26. The team will consist of Mr Hansdeep Khaira, IOE Evaluation Officer and lead evaluator for this PPE, and Mr. Ronald Gordon, IOE senior consultant. Ms Delphine Bureau, IOE Evaluation Administrative Assistant, will provide administrative support.

VIII. Background documents

27. The key background documents for the exercise will include the following:

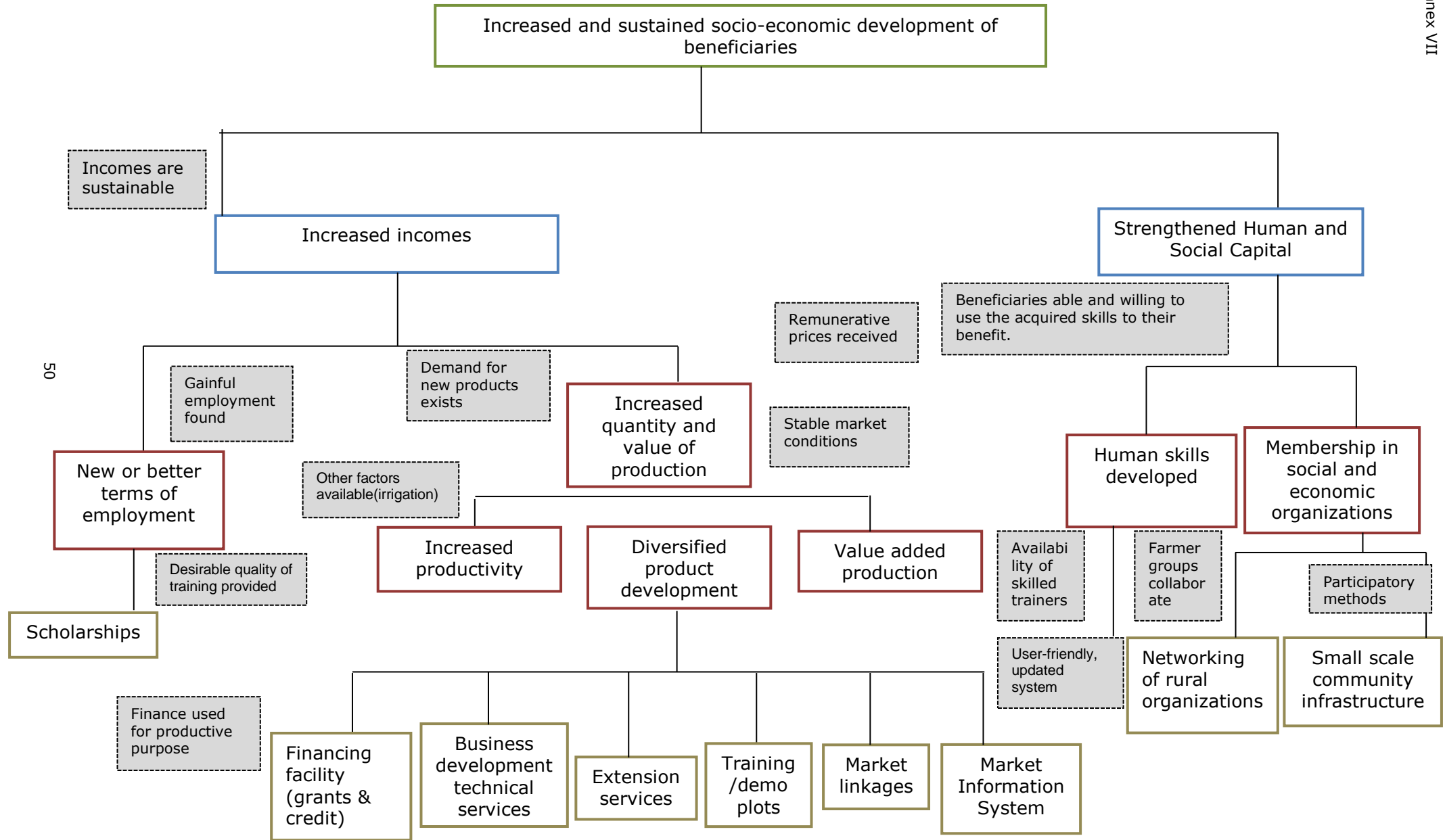
Project specific documents

- IFAD President's Report (2007).
- Appraisal Report (2007).
- Med-Term Review Report (2012).
- Supervision Mission Aide Memoires and Reports (2009-2014).
- Project Completion Report (2015).

General and others

- IFAD (2011). IFAD Evaluation Policy.
- IOE (2012). Guidelines for the Project Completion Report Validation and Project Performance Assessment.
- IFAD (2015). Evaluation Manual – Second Edition.
- Various IFAD Policies and Strategies, in particular, Strategic Framework (2002-2006), Rural Finance, Rural Enterprise, Targeting, Gender Equity and Women's Empowerment.

Project theory of change



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Rural Enterprise and Agricultural Development Project (READ) Specific Documents

- _____ Appraisal Report, September 2007.
 - _____ Approach Paper, September 2017.
 - _____ Closing the Gap Methodology Training, 2013.
 - _____ Mid-Term Review, May 2012.
 - _____ Monitoring and Evaluation spreadsheets displaying CBO activities.
 - _____ Project Completion Report, September 2015.
 - _____ Project Financing Agreement, July 2008.
 - _____ Supervision Mission Report, September 2009.
 - _____ Supervision Mission Report, May 2010.
 - _____ Supervision Mission Report, July 2011.
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- IOE Evaluation Manual, Second Edition, 2015.
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- The Millennium Development Goals Report, United Nations, 2015.
- The Sustainable Development Goals Report, United Nations, 2017.



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