CLASSIFICATION

PROJECT EVALUATION SUMMARY (PES) – PART I

Report Control Symbol U-447

1. PROJECT TITLE	2. PROJECT NUMBER	3. MISSION/AID/W OFFICE
INTEGRATED AREA DEVELOPMENT STUDIES	520-0249	USAID/Guatemala

4. EVALUATION NUMBER (Enter the number assigned by the reporting unit e.g., Country, or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) 82-02

☒ REGULAR EVALUATION ☐ SPECIAL EVALUATION

5. KEY PROJECT IMPLEMENTATION DATES

A. First PRO-AG or Equivalent FY 78

B. Final Obligation Expected FY 82

C. Final Input Delivery FY 83

6. ESTIMATED PROJECT FUNDING

A. Total $ 2,281,158

B. U.S. $ 1,435,000

7. PERIOD COVERED BY EVALUATION

From (month/yr.) August 1978

To (month/yr.) January 1982

Date of Evaluation Review August 23, 1982

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PID, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
1. End of 1982 evaluation to determine the extent to which IADS data base information has been incorporated into the planning and design activities of GOG agencies.	George E. Like	March 31, 1983
2. Short-term technical assistance (6 person-months) to assist the National Economic Planning Council (CNPE) in its transition from using IADS data as a diagnostic tool to applying the information in a decision-making context.	George E. Like	August 31, 1982
3. Follow-on grant of $200,000-$250,000 to meet dissemination objectives of project paper, including support of comprehensive national information center.	Disagree with magnitude; USAID grant of $86,000 George E. Like	August 31, 1982
4. For future Highlands Integrated Rural Development program, AID should examine CNPE's experiences over last five years in planning IRD-type programs.	E. Baker and staff, PDO	

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS

- ☐ Project Paper
- ☒ Financial Plan
- ☐ Logical Framework
- ☒ Project Agreement
- ☐ Implementation Plan e.g., CPI Network
- ☐ PIO/T
- ☐ PIO/C
- ☐ PIO/P
- ☐ Other (Specify) _____
- ☐ Other (Specify) _____

10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT

A. ☐ Continue Project Without Change

B. ☐ Change Project Design and/or ☒ Change Implementation Plan

C. ☐ Discontinue Project

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)

George E. Like, PDO

12. Mission/AID/W Office Director Approval

Signature

Typed Name Peter F. Lin, Acting Director

Date August 25, 1982

AID 1330-15 (3-78)

13. SUMMARY

This is the first formal evaluation of the project. Originally, project designers expected a two-year life of project (1978-1979) which has now been doubled to at least four years (1978-1982). The original PP estimated cost of $498,000 in AID funding and $377,000 in GOG funding for a total of $875,000 has been amended upward three times and now stands at $1,438,000 from AID (including $200,000 from DS/DL) and $643,158 from the GOG for a total of $2,081,158.

The Integrated Area Development Studies Project No. 520-0249 was approved by USAID/Guatemala on June 5, 1978 and the Project Grant Agreement was signed with the GOG on August 31, 1978. This project was tied to on-going and projected USAID program efforts with the Institute for the Development of Municipalities (INFOM) and the Ministry of Agriculture.

A change in GOG management responsibilities prior to initiation of project activities fostered competition between CNPE and INFOM and led to institutional frictions which hindered but did not prevent achievement of project objectives. These objectives, as listed in the Project Grant Agreement, were:

> "(i) the execution of three interrelated studies, (ii) development of a planning methodology based upon the data generated from these studies and (iii) the organization of an experimental program for eliciting expressions of the perceived requirements for participation."

The project has been instrumental in the development of a systematic planning methodology and it is reasonable to expect the goal of the project to be met. Application of this methodology has yet to be put into practice, but CNPE's Department of Regional Planning has been requested to produce a detailed analysis of the target region for use in the upcoming National Development Plan.

14. EVALUATION METHODOLOGY

The evaluation was requested by USAID/Guatemala to measure progress to date and to assist the Mission and the GOG in future programming efforts. The evaluation team consisted of two persons: Mr. Thomas McKee and Mr. James Riordan.

Mr. McKee is a direct hire AID employee working out of Office of Development Resources of AID's Bureau for Latin America and the Caribbean (LAC/DR). Mr. McKee is a multi-sectoral development officer with a background in urban planning and institutional development. Mr. Riordan is an

employee of ABT Associates of Cambridge, Massachussetts. He is an economist with experience in agricultural sector planning and programming.

The evaluation team carried out the evaluation between January 7, 1982 and January 14, 1982. See Annex I for the list of people contacted and interviewed.

15. EXTERNAL FACTORS

Political and social unrest has increased in the urban and rural areas of Guatemala since the initiation of this project in 1978. While most of the data collection was completed in rural areas during periods of relative calm, these same areas are now being subjected to political disturbances. Consequently, it has become extremely difficult to conduct any follow-up work in these data collection sites.

San Carlos University in Guatemala City, where most of the IABS data was initially processed, has also been subjected to varying degrees of violence. The then existing political situation in Guatemala combined with unsatisfactory processing facilities at San Carlos University, prompted the Title XII contractor, Iowa State University (ISU) to conduct all remaining data processing on the ISU campus.

16. INPUTS

The bulk of project funds have gone to finance the teams of analysts, technicians, programmers and secretaries who carried out the various studies and also to finance the Title XII contract with the Iowa State University (ISU) to provide the GOG agencies advisory assistance. Work activities focused on the obtention of the data while never dealing directly with the important matter of assuring ready access locally to the information generated.

The absence of a data processing institution that attached high priority to IABS work was a major constraint to progress. Some work was done at San Carlos University but service was spotty. While the decision to move the computer processing to ISU was understandable as a short-term solution as a result of security problems at the national university and the high cost of local commercial time, it should have been considered only as an interim solution while a local solution was developed. The lack of a local computer processing arrangement impacted negatively on ISU/GOG counterpart relations and leaves AID and the GOG with an as yet unmet project objective of establishing local ready access to the data bank information.

With the transfer of data processing to the ISU campus, ISU's role shifted from advising the Guatemalans on data processing and training them in computer programming and analysis to actually doing the work and sending the Guatemalans the results, which weakened lines of communication and in some cases, lead to actual duplication of work. Although CNPE and INFOM gave individual personnel good marks, they felt ISU was not able to satisfy the "hands-on" technical assistance requirements of the several GOG agencies involved.

17. OUTPUTS

Although the production of four outputs described in the Project Paper and the Project Grant Agreement overlap, there is not a one-to-one correspondence between the two documents. All the technical work performed under the project to date has generally been of high caliber. Two studies entitled "Definition of Rural/Urban Hierarchy and Inventory of Infrastructure and Services" and "Inventory of Natural Resources and determination of Economic Potential of Each Level of the Rural/Urban Hierarchy" have been completed. A third study required in the Project Grant Agreement entitled "Study Patterns of Access to Infrastructure and Services" is also complete but falls somewhat short of what was anticipated since adequate funding was not provided for the generation of information on access for each "municipio" in the target region. Tabulations to date have been performed by hand, and technical assistance provided by Iowa State University was insufficient. Two additional activities required by the Project Grant Agreement: i.e., (1) Experiments in Local Participation, and (2) an Information Center, were undertaken. Although Activity No. 1 does not offer very much new methodologically, it is a rich source of information on local perceptions of needs and the pros and cons of different project implementation mechanisms. INFOM is distributing a summary of its findings and offering seminars to its own staff and other GOG institutions. A proposal is being developed by CNPE for a comprehensive national information center which goes beyond the intent of the Project Grant Agreement. USAID/G will need to consider the extent to which it should lend its support to such an extensive undertaking.

Although the incorporation of locally perceived needs in the IADS planning methodology is a technical step in the right direction, it is inadequate, by itself, to bridge the gap between centralized planning and implementation of programs and projects at the local level. In the long run, major institutional changes are required. In the future, more planning needs to be done in the field and mechanisms need to be set up institutionally to assure that this planning is taken seriously at national decision making levels in Guatemala

City. Moreover, particularly in the implementation of integrated regional development programs, clear authority must be established at the local level to coordinate the contributions of different sectoral agencies.

18. PURPOSE

As stated in the Project Paper, the purpose of the project is:

> "The development and adoption by the GOG and non-Government agencies of a systematic planning methodology for determining priorities and allocating resources to provide the infrastructure and services required to achieve the goal."

The evaluation team defined methodology as a broad framework for guiding the selection of investment priorities. Planning requires judgment and has its qualitative as well as its quantitative dimensions.

In assessing progress toward achievement of the project purpose the team focussed on the extent to which planning has become more formal, objective, and analytical. In a general sense, the project has definitely been instrumental in the development of a systematic planning methodology which CNPE and INFOM are about to put it into practice. In very broad terms, the methodology consists of comparing agricultural potential and supporting infrastructure throughout the target region and, on the basis of the relative hierarchy of each area in the region, drawing inferences as to where and what types of future investments should be made. There is also a recognition that existing access patterns and perceived needs at the local level should be considered in the priority-setting process.

The details of applying this methodology have not been worked out in each and every detail. However, there are a number of indications that these details will be worked out satisfactorily in practice such as: CNPE's Department of Regional Planning has been requested to produce a detailed "diagnostico" of the target region for use in the Guatemalan National Development Plan to serve as the basis for the selection of specific areas in which to make sectoral investments; INFOM has developed a relatively detailed schematic for allocation of the Institute's local development funds; the products generated under the project to date are generally quite well done.

Although considerable technical progress has been made under the project, progress on the institutional front has been much more modest. Among the positive developments are:

-- CNPE has assumed a clear leadership role in regional planning and the IADS project is not viewed as an isolated, "AID-financed" endeavor.

-- INFOM has started to use the IADS data and planning methodology in its decision-making on the location of local investment.

Constraints that affect the extent to which IADS outputs will be used are:

-- The Agricultural Sector Planning Unit (USPA), although no longer threatened by IADS as a rival, appears disinterested in using the IADS planning methodology in setting agricultural sector investment priorities.

-- The team found no direct evidence that other GOG institutions are interested in IADS; however, seminars and workshops for dissemination of the IADS approach to planning were scheduled to be held in March 1982.

-- No clear authority at the local level to coordinate the contributions of different sectoral agencies.

-- Sectoral ministries control funds and programs after approval of annual operating plans. CNPE has little power to influence what projects are developed and proposed for funding by the line ministries.

19. GOAL/SUBGOAL

The broad objective to which this project was seen as contributing at the time of project design was:

"Increase small farmer incomes and improve well-being in rural areas."

At the present time there is no evidence that small farmer incomes or availability of needed services have increased as a consequence of the project. On the other hand, the anticipation at the time of project design was that "the desired effect at the goal level will come about indirectly after the outputs of this project are utilized to plan new infrastructure and services projects and their subsequent implementation" (Project Paper, page 59; emphasis added.) In the discussion of progress toward achieving the project purpose there are positive signs that suggest it is reasonable to expect the goal of the project to be met.

The Project Paper listed three assumptions for achieving the project goal. In the main, these assumptions still appear to be valid.

With respect to the assumption that the GOG and non-Governmental agencies can attract sufficient financial and management capability to develop and implement projects to fill the identified gaps in infrastructure and services, the GOG's fiscal strength was weakened considerably over the past couple of years, and as the economic growth rates of the mid-1970's have declined, so too has the GOG's capability to fund new development initiatives. The GOG's successive development plans, as well as its annual budgets, have consistently been optimistic relative to the public sector's capacity to implement them. For the past seven years the amount expended on capital investment has averaged 25% less than the amount budgeted, largely the result of two factors: institutional constraints and a set of overly complex administrative laws and regulations.

The regionalization of the upcoming development plan, together with the availability of evidence on the development status of each municipio in the target region, can be expected to have an influence in tying planning and programming more tightly together. Nevertheless, no formal institutional mechanism currently exists to offer assurance that this integration will take place operationally. In sum, therefore, the outputs of IADS are a key ingredient, but not a sufficient condition, for goal achievement.

With respect to the assumption that the GOG will continue to invest in programs stressing equity, as well as productivity, the upcoming National Development Plan will focus more on productivity than on equity. This is largely a consequence of the perceived need to counteract the sluggish pace of economic growth in recent years. However, a higher proportion of productive investment can be expected to take place in rural areas outside of Guatemala City than has been the case in the past.

20. BENEFICIARIES

Not pertinent at this time.

21. UNPLANNED EFFECTS

Not pertinent at this time.

22. LESSONS LEARNED

In inter-institutional planning projects, both design and implementation should address organization and administrative arrangements. Supporting AID project management should continually monitor organizational arrangements to permit timely intervention if project administration so requires.

Projects requiring data collection and processing, as well as data dissemination, should establish the information dissemination mechanism at the outset of the project as a means of institutionalizing ready access to the information generated and insuring that the responsibility for processing and programming data is located within the administrative organization carrying out the data collection.

A single vigorous planning methodology and related analysis of the data base probably will not be broad enough to accommodate the variety of demands made on the data. Instead of a single methodology, a broad general planning methodology which can accommodate a variety of planning exercises should be encouraged to produce more relevant, systematic information for decision-making.

ANNEX I

List of Persons Contacted

National Economic Planning Council (CNPE):

Ariel Rivera	Sub-Secretary General
Miguel von Hoegen	Chief of Inter-Sectoral Planning
Miriam Siekavizza	Chief of Regional Planning
Juan H. Mancur	Director of IAIS Project
Rubén Flores	Spatial Analyst
Ricardo Sosa	Spatial Analyst
R. de Bécaro	Systems Analyst
L. E. Mazariegos	Regional Planning Staff
J. B. Ramírez	Regional Planning Staff
Rana de Figueroa	Regional Planning Staff
P. Millán	Regional Planning Staff
C. E. Salazar	Regional Planning Staff
J. C. Escobar	Regional Planning Staff
E. R. Beran	Regional Planning Staff
J. F. Tagua	Regional Planning Staff
F. Obiols	Regional Planning Staff
E. M. Fuentes	Regional Planning Staff
A. Lizarralde	Regional Planning Staff
A. de la Roca	Regional Planning Staff
Jorge Peláez	Regional Planning Staff
C. F. Vallejo	Regional Planning Staff

DIRENA/IAIS:

M.A. Aguilar	Agronomist Engineer
A. Hernández	Agronomist Engineer

INFOM:

Francisco Leal	Project Chief
Sergio Linares	Computer Sciences
Carlos Soto	Local Participation
Byron Menéndez	Spatial Analyst
Otto Pantaleón	Administrative Officer

Iowa State University (In Washington, D.C.):

Jerry Knox	Project Team Director
Rolando Girón	Agricultural Economist
Paul Anderson	Computer Mapping

USAID/Guatemala:

Eliseo Carrasco	Director
Clemence Weber	Chief, Rural Development Office
Darío Villatoro	Project Manager
George E. Like	Rural Development Office
Donald C. Masters	Capital Development Office
Gustavo Leal	Capital Development Office
Donald Inos	Human Resources Dev. Division