CLASSIFICATION

PD-AAT-143

PROJECT EVALUATION SUMMARY (PES) – PART I

Report Control Symbol U-447

1. PROJECT TITLE	2. PROJECT NUMBER	3. MISSION/AID/W OFFICE
SMALL FARMER DIVERSIFICATION SYSTEMS	520-0255	USAID/Guatemala

4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) 86-04

☒ REGULAR EVALUATION ☐ SPECIAL EVALUATION

5. KEY PROJECT IMPLEMENTATION DATES	6. ESTIMATED PROJECT FUNDING	7. PERIOD COVERED BY EVALUATION
A. First PRO-AG or Equivalent FY 81	A. Total $ 15,870	From (month/yr.) 4/81
B. Final Obligation Expected FY 87	B. U.S. $ 9,196	To (month/yr.) 6/85
C. Final Input Delivery FY 87		Date of Evaluation Review March 4, 1986

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, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
1. The project organization and participating institutions' responsibilities should be reviewed and restructured at both the national and regional levels, in order to simplify and improve lines of authority for the institutionalization of the diversification activities, including the designation of a lead agency for the project.	Vice Minister of Agricult. ORD Chief and Project Manager	April 30, 1986
2. Given the project status as of the evaluation, it was recommended that the project be extended for two to three years beyond the present PACD. (The Mission would be willing to consider a shorter extension depending on project progress during the first six months of CY 1986).	AID Project Committee	June 30, 1986
3. Both U.S. and Guatemalan marketing specialists should be hired to provide assistance to diversified small farmer production.	ORD Project Manager	July 31, 1986
4. The Ministry of Agriculture and Ministry of Finance should assure that the necessary counterpart funds for the project are budgeted and available on a timely basis, including the necessary supplemental budgetary support for 1986.	ORD Project Manager PDSO Backstop Officer	July 31, 1986

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) Budget revisions
- ☒ Other (Specify) Revise TA scopes of work.

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)

Audon Trujillo, Project Manager (IDI)

12. Mission/AID/W Office Director Approval

Signature: C E Costello

Typed Name: Charles E. Costello

Date: 7 March 1986

AID 1330-15 (3-78)

8. ACTION DECISIONS APPROVED BY MISSION (Cont.)

		B. Name of Officer Responsible for Action	D. Date Action to be Completed
5.	Geographical areas served by the project should be formally recognized by all participating agencies.	Viceminister of Agricult.	Dec. 31, 1986
6.	A regionwide nutrition program should be undertaken by DIGESA home economists. Immediate action is the presentation of an implementation plan for the program.	CORECO ORD Project Manager	March 31, 1986
7.	A detailed, short-term training plan for participating institutions should be prepared.	CORECO EAT ORD Project Manager	April 30, 1986
8.	All technical assistance positions (both U.S. and Guatemalan) should be filled.	CORECO ORD Project Manager	July 31, 1986

13. SUMMARY

To date, approximately 75% of the life of project has passed with approximately 30 % of project funds utilized. To reach the planned 5,000 beneficiaries will be difficult due to the increase in costs related to production inputs (i.e. terracing, small scale irrigation, vegetable crops, fruit crops, and livestock). Among the major problems encountered are: coordination among the various institutions; lack of host country counterpart funding; slowness on contracting technical assistance; failure to concentrate Project's resources within selected Diversified District in Region I, tardiness in developing annual operational plans, and poor follow through on same. Furthermore, the Project's initial small farm mangement survey data has not yet been analyzed.

The evaluation team found that the project purpose and objectives remain unaltered and the program on model farms represents significant preparation for the wider-spread diffusion phase of the project. The progress in small farmer applied research and technology adaptation has been slow and research, especially for fruit and vegetable production, needs to be refocused from the research station to the model farms. To enhance progress in technology transfer and technical assistance, a massive training program for all key actors should be undertaken by the technical assistance team and trained host institution personnel. Progress in small farm diversification credit is linked directly to the selection of participating farms and progress has been noteworthy.

Given delays in getting project activities and actual model farm installations underway, the evaluation team recommended that a two to three year extension under the existing project design be authorized. Since certain implementation steps have been drastically changed, work plans, budgets and other documents should be revised to reflect the present situation.

14. EVALUATION METHODOLOGY

The Mid-term Evaluation at a cost of $30,000 on the Small Farmer Diversification Systems Project, 520-0255, was conducted in July and August 1985 to provide guidance for project implementation during the remaining life of project and to identify the Project immediate's impact on the target area.

The Evaluation Team consisted of three Guatemalan specialists and two U.S. specialists from Texas Tech. The team reviewed Project documentation and interviewed officials within the Ministry of Agriculture having Project responsibility including UCPRODA (a coordinating unit established for the Project). In addition, the team visited DIGESA Region I and interviewed project field staff including the EAT Team (U.S. technicians under OICD/PASA contract and local Guatemalans under Mission contract), field staff from the various

participating agricultural agencies including ICTA (the research arm of the Ministry of Agriculture), DIGESA (the agriculture extension arm of the Ministry of Agriculture dealing with fruit and vegetables), DIGESEPE (the agriculture extension arm of the Ministry of Agriculture dealing with livestock) and BANDESA. The team also interviewed farmers having received Project inputs in six of the seven districts in which diversified farm programs were underway. Based on the data gathered, the Evaluation Team as a joint effort prepared the final report.

15. EXTERNAL FACTORS

Due to an unstable political environment created by guerilla activity in the departments where the project activities were initiated, the number and location of project activities were altered. From 1982 through 1985 project sites were changed several times. In November, 1985, 12 districts, which include 37 municipalities, were selected in which to focus project activities. Such changes affected the validity of the baseline survey since not all current project sites were included in the survey data.

During 1984 and 1985, the country continued experiencing an economic decline. Both the costs of production and the inflation rate increased. A parallel market exchange rate on some imported agricultural inputs increased production costs, thus impacting on the size of production loans required to achieve crop diversification.

16. INPUTS

Although U.S. project funding was provided on a timely basis, provision of technical services for the Project was delayed. The long-term U.S. Fruit Specialist and the local long-term Vegetable Specialist positions are still vacant. Additional positions including a long-term U.S. Marketing Specialist and long-term Guatemalan Marketing Specialist and Irrigation Specialist, established in 1984 still are not filled. Given recent project implementation reviews, it has been decided to drop the U.S. Irrigation Specialist and the need for a long-term Curriculum-Communications Specialist has been identified. A variety of short-term technicians are also needed to carry out the 1986 Operational Work Plan. Both the U.S. contractor (the U.S. Department of Agriculture) and the Government of Guatemala are being encouraged to fill these positions with qualified personnel as quickly as possible.

Limited availability of GOG resources has severely hampered counterpart financed support. This lack of resources at the field level constitutes the weakest aspect of project implementation. The logistical support financed under the project has also been adversely affected by slow procedures, both in procurement and utilizing the rotating fund. Local currency generations from

P.L. 480 Title I programs are being utilized to assist in overcoming the short fall in financial resources and reimbursement procedures are being reviewed. In addition the project grant and loan budgets do not cover the value added tax which impact on the availability of funds to completely liquidate the rotating fund.

In the original Project design, it was implicitly assumed that ICTA, the research arm of the Ministry of Agriculture, either had in hand or could attain in a relatively short period of time, technological information necessary to initiate "diversified farm" programs involving vegetables, deciduous fruit and livestock. In fact, since they have little research experience in the area, they have been reluctant to provide GOG extension agencies (DIGESA and DIGESEPE) with production recommendations. Given these circumstances, the evaluation team recommended that ICTA use the model farms established to perform the technological development and validation phases of its technology transfer system.

17. OUTPUTS

Activity	Scheduled				Completed	
	LOP.	Cumu-lative To Date	Reporting Quarter	Next Quarter	Cumu-lative To Date	Reporting Quarter
Small Farm Management and Baseline Nutrition Survey (1)	100%	100%	—	—	85%	5%
BANDESA Credit Policy Study (1)	100%	100%	—	—	100%	—
Training Guides and Promoters	100	60	—	—	90	—
4-S Clubs established	20	11	—	—	22	—
Credit disbursed (Q.000)						
Vegetables	1,800	165*	55	100	491	256
Fruit	785	428	79	50	350	5
Livestock	935	—	—	30	169	21
Mini-riego	1,020	840	50	50	451	103
Soil conservation	660	551	17	20	527	38
Total	5,200	1,984	201	250	1,988	423
Area (units)						
Vegetables (hectares)	2,000	105	35	40	334	192
Fruit (hectares)	2,000	89	15	15	136	12
Livestock (farm units)	200	—	—	10	63	9
Mini-Riego (hectares)	2,500	470	40	40	292	42
Soil Conservation (hectares)	2,500	510	30	30	1,067	108
Construction						
Diagnostic Laboratory (1)	100%	75%	25%	25%	90%	40%
Farm Research/Storage Building (1)	100%	75%	25%	25%	—	—
Demonstration/Training Centers (4)	100%	75%	25%	25%	—	—
Small Farm Models Developed	32	32	5	—	44	4

The agricultural and production emphasis in implementation has reduced the participation and contribution from promoters to improve home-making. The evaluation team recommended increasing the number of female professionals and extensionists, particularly those working in livestock and socioeconomics, since the wife of the small farmer makes decisions on production and agricultural marketing, animal care and family consumption.

Outputs are behind target owing to the problems discussed under External Factors (Section 15) and Inputs (Section 16): lagging contracting of technical assistance, project's assumption regarding ICTA's in-house capability to provide technological information on crop and livestock production, problems relating to external factors (e.g. rise in cost of production and fluctuation in Project's geographical area); as well as coordination problems, lack of host country contribution and slowness in survey analysis.

While training activities to date meet output targets, curriculum packages have not been developed. DIGESA's regional training center in Quetzaltenango has not yet developed curriculum needed to meet the agricultural public sector's long-term in-service training needs in Region I. The evaluation team recommended a special effort be made with technicians and extensionists to improve their interaction with small farmers by acting as catalysts and educators while the small farmer leads his own development. More courses should be offered to strengthen promoters and extensionists in relation to farmers and their families.

18. PURPOSE

The Project purpose is to "strengthen public agricultural sector capacity to stimulate small farm diversification from basic grains to higher value diversified crops of greater labor intensity". The evaluation team considered that the design was well conceived in several aspects: (1) designation of a well defined target area for implementation; (2) utilization of existing institutional resources; (3) use of Guatemalan organizations necessary to ensure the success of a farming systems approach; and (4) concentration on increasing small farm enterprise productivity to improve the overall well-being of the farm families. However, the evaluation team found several assumptions at the project purpose level have not been fufilled. The marketing infrastructure which was to be established under a complementary project is inadequate to absorb the anticipated diversified production to be generated under the Diversification Project. The evaluation team anticipates that at full production the perishable nature of the products combined with the perceived inelastic demand in the domestic market might well result in the participating farmers having a lower farm income as a result of the project. Similarly, the assumption that diversified crops meet export quality standards failed to take into account the lack of the tested new production technology at the initiation of the project and the time required to generate such technology in its absence. As a consequence the evaluation team recommended that the entire project should be extended at least two years.

The evaluators reviewed institutional cooperation and identified institutional coordination as the most difficult and troublesome aspect of the Project. The evaluation team found that the four participating institutions have traditional roles which are competitive. While gains have been made, difficulties are being experienced in obtaining cooperation and coordination among participating agencies. Only during the second quarter of 1985 had the inter-institutional work on the selected farms taken place. The evaluation team provided suggestions for improving coordination among the participating institutions.

Under the BANDESA (National Agricultural Development Bank) credit window, 856 loans had been made through June 30, 1985, for $1,566,058. The highest number of loans (323) were made for social payments with horticultural loans amounting to 281. The smallest activitiy was fruits, irrigation, and livestock, account for 103, 86, and 63 loans respectively. The progress in the provision of credit is tied directly to the progress in selecting farms. The evaluation team recommended that the production costs utilized by BANDESA for loans be reviewed and modified to reflect real costs.

The evaluation team found that the selected model farms do not reflect nor represent the conditions of the majority of small farmers that surround them since they have had a tradition of credit and technical assistance and technological and economic levels superior to the average farmer. In addition, by the nature of being selected, they receive more financial and technical assistance. The real impact of the introduced technologies will eventually have to be measured on more average type farms. The evaluation team viewed the farms selected as "experimental units" where the technology introduced in the farming systems could be tested. Efforts should be undertaken to extract the information and experience to guide the selection and implementation of a second generation of diversified farms. The evaluation did not analyze the number of hectares dedicated to 20 high value crops, the net value of total production, nor the number of person/years of permanent employment opportunities created.

19. GOAL/SUBGOAL

The Project goal is to improve the well-being of rural Guatemalans living in the Northwestern Highlands. The subgoal is to improve small farm management and increase the return factors of production of the small-farm enterprise. While some progress has been made in improving the financial and nutritional status of the families living on the model farms, it has been modest since the farms have been operating less than six months. The project seems poised to take off in an exponential fashion for wider-spread diffusion.

20. BENEFICIARIES

Project beneficiaries are the small farmers of Guatemala's northwestern highlands who are being aided in their self-help efforts to diversify their agricultural production and increase their incomes. The most direct impact of the project on nutrition will be changing diets of the farm families themselves.

The Diversification Project was preceded in the Highlands by the Small Farmer Development Project which included components providing for small-scale irrigation, soil conservation, social payments and technical assistance. The present project has enabled DIGESA to expand the programs of soil conservation and small-scale irrigation, and to include the promotion of vegetables and deciduous fruits as regular components of the program. From the beginning of 1983 until March 1985, many farmers reached through the previous project continued receiving technical and financial assistance through this project and new individuals and groups were added to the lists of beneficiaries.

Presently small farmers receive some information on supply, demand, and prices through local market days, extensionists and intermediaries. The evaluation team found a need to expand the collection of information on regional, national and international markets, and to distribute this information effectively and opportunely through extensionsists and mass media.

21. UNPLANNED EFFECTS

N/A

22. LESSONS LEARNED

Projects being designed which contemplate various agencies being involved in project activities need to have each agency's institutional capability closely assesed. This would improve technical assistance inputs designed for the project and may cause designers to designate a lead agency to be responsible for overall coordination activities.

When a project is designed to strengtthen the public agricultural sector's capacity, their current in-service training program (e.g. curriculum) should be assessed. The log frame should specify a time-table for identifying needed in-service training, developing curriculum and conducting training so that local counterparts at the end of the project can continue these training activities.

SISTEMAS DE DIVERSIFICACION PARA EL PEQUEÑO AGRICULTOR DEL ALTIPLANO
METAS DEL PLAN OPERATIVO 1986

CONCEPTO	TOTALES	TRIMESTRES			
		1o.	2o.	3o.	4o.
CREDITOS (Q.000)					
Hortalizas	650	280	209	139	22
Frutales	179	89	90	---	---
Ganadería	345	---	345	---	---
Mini-riego	514	16	498	---	---
Conservación de Suelos	67	25	21	14	7
TOTALES	1755	410	1163	153	29
AREAS Y UNIDADES					
Hortalizas (Has.)	433	186	139	93	15
Frutales (Has.)	51	25	26	---	---
Ganadería (Unidades)	72		72	---	---
Mini-riego (Has.)	171	6	165	---	---
Conservación de Suelos (Has.)	154	57	48	32	17