

PD-001-876
46147

CLASSIFICATION
PROJECT EVALUATION SUMMARY (PES) - PART I

Report Symbol U-447

1. PROJECT TITLE Integrated Regional Development			2. PROJECT NUMBER 527-0178	3. MISSION/AID/W OFFICE USAID/Peru
			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) <u>07/86</u>	
			<input checked="" type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION	
5. KEY PROJECT IMPLEMENTATION DATES			6. ESTIMATED PROJECT FUNDING	7. PERIOD COVERED BY EVALUATION
A. First PRO-AG or Equivalent FY <u>79</u>	B. Final Obligation Expected FY <u>83</u>	C. Final Input Delivery FY <u>87</u>	A. Total <u>\$23.1 million</u>	From (month/yr.) <u>6/79</u>
			B. U.S. <u>\$16.6 million</u>	To (month/yr.) <u>6/85</u>
				Date of Evaluation Review <u>3/86</u>

B. 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
<p>Summary of Accomplishments and Funding:</p> <p>Project has made respectable progress toward its goals and objectives. Key project concept of promoting rural development by strengthening rural-urban linkages in and around key market towns is viable for Peru. Project promoted planning methodology entitled Urban Functions in Rural Development has been advanced greatly in application by project. Application of methodology was considered as most advanced, on a worldwide basis, in adaptation to field realities. The effectiveness of project activities in Junin and Cajamarca showed that it is possible in Peru to create decentralized local development organizations drawing almost exclusively on local human resources. Municipalities are critical potential source for mobilizing local capital, intellect, and labor for development. The urban cadastral survey work was judged as extremely thorough and ground-breaking for Latin America. Local participation in project selection, planning, labor, and in-kind inputs is a vastly underutilized resource in Peru's rural areas. The current Peruvian budgetary and administrative process is antithetical to decentralization. However, there is in Peru a strong rationale and basis for decentralization of development.</p>	P.	

<p>8. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS</p> <table> <tr> <td><input type="checkbox"/> Project Paper</td> <td><input type="checkbox"/> Implementation Plan e.g., CPI Network</td> <td><input type="checkbox"/> Other (Specify)</td> </tr> <tr> <td><input type="checkbox"/> Financial Plan</td> <td><input checked="" type="checkbox"/> PIO/T</td> <td>_____</td> </tr> <tr> <td><input type="checkbox"/> Logical Framework</td> <td><input type="checkbox"/> PIO/C</td> <td><input type="checkbox"/> Other (Specify)</td> </tr> <tr> <td><input checked="" type="checkbox"/> Project Agreement</td> <td><input type="checkbox"/> PIO/P</td> <td>_____</td> </tr> </table>	<input type="checkbox"/> Project Paper	<input type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other (Specify)	<input type="checkbox"/> Financial Plan	<input checked="" type="checkbox"/> PIO/T	_____	<input type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Other (Specify)	<input checked="" type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P	_____	<p>10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT</p> <p>A. <input type="checkbox"/> Continue Project Without Change</p> <p>B. <input checked="" type="checkbox"/> Change Project Design and/or <input checked="" type="checkbox"/> Change Implementation Plan</p> <p>C. <input type="checkbox"/> Discontinue Project</p>
<input type="checkbox"/> Project Paper	<input type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other (Specify)											
<input type="checkbox"/> Financial Plan	<input checked="" type="checkbox"/> PIO/T	_____											
<input type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Other (Specify)											
<input checked="" type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P	_____											

<p>11. PROJECT OFFICER AND MOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)</p> <p>David W. Hess Rural Development Officer OARD/RD USAID/Peru</p>	<p>12. Mission/AID/W Office Director Approval</p> <p>Signature: <i>John A. Sanbrailo</i></p> <p>Typed Name: John A. Sanbrailo</p> <p>Date: April 24, 1986</p>
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Continuation Sheet 1Major Evaluation Recommendations

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| 1. Extend PACD for 12 month and T.A. advisor's contracts (to continue National T.A. and Training Programs for CORDEs and municipalities and complete all construction sub-projects). | 12/85 |
| 2. Complete Huancayo and Cajamarca Urban Cadastral Survey. | 12/86 |
| 3. Continue policy analysis and institutional development proposals for strengthening decentralization through completion of key studies and proposals related to municipalities CORDEs and regional governments | FY 86 and 87 |
| 4. Follow-up initial work on expanding role of CORDEs and municipalities in the areas of action-oriented planning, generation of revenue including promotion, and community participation in planning and implementation. | FY 86 and 87 |

Actions Taken to Date (12/31/85)

1. PIL and new PROAG. Annex No. 1 drafted, negotiated, and approved by AID/W on December 11 and by Mission on December 27, 1985 to extend PACD to 12:31:86 and continue loan funding of national programs.
2. Contracts for T.A. advisors extended to 12/31/86.
3. 1986 Operating Plans for PATC/CORDEs and INFOM being negotiated and approved taking into account evaluation recommendations, particularly Recommendation 3 above.
4. Series of documents published between July and December, 1985 to disseminate various policy studies by PATC/CORDEs.

5. Huancayo Urban Cadastral Survey completed in 8/85 and Cajamarca Survey projected for completion by 12/86.

Actions to be Completed

- 1. Policy analysis and institutional development proposals for strengthening decentralization through completion of key studies and proposals related to municipalities CORDEs and regional governments, being carried out by PATC/CORDE's and INFOM.
- 2. Initial work on expanding role of CORDEs and municipalities in the areas of action oriented planning, generation of revenue including promotion, and community participation in planning and implementation, being followed up by PATC/CORDEs and INFOM.

Additional Comments

The objective of the Evaluation was to provide comprehensive analysis of the lessons of the project for future activities related to decentralization and regional development. Specific objectives of the evaluation were to analyze the:

- 1. Regional planning theories, models and methodologies employed in Project implementation for their utility, adaptability, and relevance to the work of Peruvian CORDE's and municipalities.
- 2. Project administration and management and efforts at strengthening administration and management of the decentralized institutions participating in the Project.
- 3. Actual implementation or execution of public works sub projects under the Project related to cost effectiveness, quality of construction, and maintenance as one of the principal development tasks of decentralized institutions - the use of public investment to build infrastructure.
- 4. Participation of beneficiaries in sub project identification, planning, construction, and maintenance and the social and economic impact of the sub projects because decentralized institutions have a constitutional and legal mandate to structure effective participation of various groups and organizations in planning and implementation and energetic fulfillment of this mandate was likely to be a major issue with the new Peruvian GOP.
- 5. Municipal development activities under the Project related to municipal finance, development planning and coordination, definition of development roles, administration and management. Municipalities are treated separately in the evaluation even though this component includes elements of the other components, because of the traditional differentiation of municipalities from other

dedentralized institutions.

For each objective and its corresponding component discussed below, the evaluation:

- a. identified and defined the stated and unstated objectives of the Project;
- b. looked for unintended consequences, positive as well as negative;
- c. refined evaluation criteria (measures of effectiveness);
- d. differentiated the Project's effects on different target groups; and
- e. included the dollar cost as one criteria, especially as it is related to replicability and sustainability.

Project Background

The Integrated Regional Development (IRD) project in Peru was started jointly in 1979 by the USAID Mission and the Peruvian Government as an experiment in decentralized development. It is a pilot project designed to test the concept that strengthening rural-urban linkages around key market towns and centers will enhance rural development in a targeted region. The hypothesis was that employment and productivity in a rural region could be increased through this integrating approach if decentralized regional planning and implementation capacity are strengthened at the national, regional, and local levels to carry it out. The project set out to achieve these results through a program of technical and capital assistance and institutional development focused on the Departments of Junin in the south and Cajamarca in the north--both sierra and high selva dominated regions.

IRD project headquarters in Junin and Cajamarca were established in the Departmental capitals, Huancayo and Cajamarca, but the project was to serve other municipalities in the Departments as well, again, by focusing on key market towns and surrounding rural areas.

Technical and capital assistance organizations were established in the departments of Junin and Cajamarca to implement the IRD project. These organizations went by the acronym "PRODERIN" which stands for "Project for Integrated Regional Development". The PRODERINS were attached loosely to the old Departmental Development Committees, at that time the latest in a long line (at least twenty years) of centrally-controlled, departmentally - based public works organizations. In 1982, the Departmental Development Committees were abolished, and Departmental Development Corporations (CORDEs) were established to replace them. However, at that time, the

decision was made to give the PRODERINS "Special Project" status with a direct link to the Prime Minister's Office rather than to incorporate them into the CORDEs. This action dramatically strengthened the hand of the PRODERINS, giving them considerable policy, administrative, and perhaps most importantly, budgetary autonomy.

This lasted for about one year. In 1983 the PRODERIN budget was placed under the CORDE budget and by September of that year, after considerable discussion and a mid-project joint evaluation, the PRODERINS were merged organizationally into the CORDEs. This was done in the interests of institutionalizing the project and because there was strong pressure from the two CORDEs to implement such an incorporation.

Other changes introduced in 1983 included the establishment of two national level project components in an effort to begin spreading the project concepts and benefits to other regions. A technical assistance capacity was established in the newly created National Institute for Municipal Development (INFOM), to be directed at municipalities in Junin and Cajamarca as well as other departments. In the Prime Minister's Office, the Office of Corporation Coordination was augmented with a technical assistance unit supported by the Project called PATC-CORDEs. This new unit was to extend technical assistance and training to the CORDEs and strengthen the CORDEs' capacity to provide T.A. to municipalities.

Also during this 1982-1983 period, the mission underwent management changes at practically all levels that affected the project. A new mission director came on board, a new director took over the Office of Agriculture and Rural Development, and the IRD project manager changed. Further, the Syracuse University contract, through which technical assistance had been provided up to that point, was allowed to expire, and a personal services contract team was hired in its place. This latter move was done with the intention of bringing in new personnel and new direction to implement the changes that had been introduced in 1983.

There have been two major evaluations of the IRD project, the mid-term evaluation referred to above (April 1983) and the current one, which is the project's final evaluation. The mid-term evaluation praised the project for its progress in promoting the planning process in both departments, for carrying out an effective community-based rural works program, and for its investments in human resource development. It criticized the project for its failure to activate the market town investment component, to institutionalize the PRODERINS, and to develop technical assistance and training to municipalities. The evaluation called for restructuring the project and made recommendations for future

decentralization activities in Peru. Key project recommendations included: (a) an extension of the project to complete rural works and market town investments, and to complete integration of the PRODERINS into the CORDES in accordance with a model that would permit PRODERINS sufficient flexibility to complete their work; (b) institutionalize human resource development in the CORDEs; (c) make greater use of community leaders in promotion and training; (d) take extraordinary measures in project structure to activate the market town component, and (e) continue T.A. advisors in Junin and Cajamarca and install one at the national level to help carry out these recommendations.

Contractor Performance Evaluation

The Evaluation Report has been widely acknowledged within the Mission and in the GOP as an excellent document. All contractors performed extremely well in carrying out their Scopes of Work. The SARSA-Clark University Cooperating Agreement provided Dr.'s Dennis Rondinelli and Patricia Wilson who brought wide-ranging experiences and world-wide recognition, in the case of the former, and in-depth Peruvian experience and focused expertise, in the case of the latter. The regional planning and decentralization issues were covered well by the SARSA team. Rural Development Services provided Dr.'s John Hatch and Aquiles Lanao with their top flight support team. Using their unique participatory evaluation methodology, they produced important data and analyses to broaden the evaluation's discussion of project impact. Research Triangle Institute was represented by Dr. Ronald Johnson who contributed very valuable insights on municipal development. Finally, USAID/Peru mission PSC Dr. Linn Hammergren, expert in development administration in Peru, provided important analyses for the evaluation in the questions of administration and management.

EVALUATION COST DATA

USAID/ Peru or Bureau/Officer _____

Form completed by David W. Hess OARD 2/6/86
Typed Name Office Date

1. No. and Title of Project/Activity: 527-0178 Integrated Regional Development
(or Title of Evaluation Report) Final Evaluation

2. Date of Evaluation Report: 6/19/86
Date of PES (if different): 2/ /86

3. Mission Staff Person Days Involved in this Evaluation (estimated):
- Professional Staff 60 Person Days
- Support Staff 20 Person Days

4. AID/W Direct-Hire or IPA TDY support funded by Mission (or office) for this evaluation:

<u>Name</u>	<u>Period of TDY (Person-Days)</u>	<u>Dollar Cost: (Travel, Per Diem, etc)</u>	<u>Source of Funds*</u>
Eric Chetwynd	20	1,575*	Mission OE

* Total costs shared with ST/RD O.E. Funds, ST/RD share was approximately \$1,100.

5. Contractor Support, if any, for this evaluation:**

<u>Name of Contractor</u>	<u>Contract #</u>	<u>Dollar Amount of Contract</u>	<u>Source of Funds*</u>
Research Triangle Institute	IOC No. OTR-0000-I-00-4012-00	11,994	PD&S
International Development Services	P.O. No. 527-0166-00-5097-00	18,793	PD&S
RUSA-Clark Uni. Coop. Ag.	PIO/T No. 527-0166-3-50063	4,700	PD&S
Linn Hammergren USAID/Peru - PSC	527-0000-S-00-4097-00	81,534 for 2 yrs.	OE

*Indicate Project Budget, PD&S, Mission O.E. or Central/Regional Bureau funds

**IOC, RSSA, PASA, PSC, Purchase Order, Institutional Contract, Cooperative Agreement, etc.