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BOLIVARIAN REPUBLIC OF VENEZUELA

INTERIM EVALUATION

OF THE

SUPPORT PROJECT FOR SMALL PRODUCERS IN THE

SEMI-ARID ZONES OF FALCON AND LARA STATES

EXECUTIVE SUMMARY

AND

AGREEMENT AT COMPLETION POINT

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FOREWORD

This document, submitted for the consideration of the Evaluation Committee, contains two distinct sections related to the interim evaluation of the Support Project for Small Producers in the Semi-Arid Zones of Falcon and Lara States, Venezuela. Section One contains the evaluation's executive summary; Section Two contains the Agreement at Completion Point, a requirement of IFAD evaluations. The Agreement was reached by evaluation partners on 6 March 2003 in Caracas, Venezuela. Based on an in-depth analysis of the main evaluation findings and the product of intense dialogue among members of the Core Learning Partnership, it consists of eleven evaluation insights.

ABBREVIATIONS AND ACRONYMS

CAF	Corporación Andina de Fomento (Andean Development Corporation)
CIAL	Comités de Investigación Agrícola Local (Local Rural Research Committees)
CIARA	Fundación para la Capacitación e Investigación Aplicada a la Reforma Agraria (Foundation for Training and Applied Research in Agrarian Reform)
FONDAEL	Fondo de Desarrollo Agrícola del Estado de Lara (Fund for Agricultural Development in the State of Lara)
FONECRA	Fondo Estatal de Crédito Agrícola de Falcón (State Fund for Agriculture Credit of Falcon)
FRAC	Fondo Rotatorio para Actividades Campesinas (Revolving Fund for Rural Activities)
FUDECO	Fundación para el Desarrollo de la Región Centroccidental (Central Western Region Development Foundation)
FUNDALECTURA	Fundación para la Promoción de la Lectura en Falcón (Foundation to Promote Reading in Falcon)
IAN	Instituto Agrario Nacional (National Agriculture Institute)
ICAP	Instituto de Crédito Agrícola y Pecuario (Institute of Agriculture and Livestock Credit)
INIA	Instituto Nacional de Investigaciones Agropecuarias (Agricultural Research National Institute)
INTI	Instituto Nacional de Tierra (National Land Institute)
MARN	Ministerio del Ambiente y los Recursos Naturales (Environment and Natural Resources Ministry)
M&E	Monitoring and Evaluation
PEU	Project Executing Unit
PROSALAFA	Support Project for Small Producers in the Semi-Arid Zones of Falcon and Lara States
UDRT	Unidades Demostrativas de Referenciales Tecnológicos (Technology Demonstration Units)

MAP OF THE PROJECT AREA

BOLIVARIAN REPUBLIC OF VENEZUELA
SUPPORT PROJECT FOR SMALL PRODUCERS IN THE
SEMI-ARID ZONES OF FALCON AND LARA STATES

INTERIM EVALUATION



Source: IFAD/OE

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.

SECTION ONE: EXECUTIVE SUMMARY

I. BACKGROUND TO THE EVALUATION

1. The Support Project for Small Producers in the Semi-Arid Zones of Falcon and Lara States (PROSALAFa) was approved by the IFAD Executive Board in April 1991. The loan became effective in May 1993 and implementation began shortly thereafter. The project was originally scheduled to close in 1999, but extensions were granted in that year, in 2001 and in June 2003. The project's total cost was estimated at design to be USD 26.7 million. Of this sum, IFAD was to provide a loan of about USD 16.2 million, with the remainder to be provided by the Government of Venezuela. The Andean Development Corporation (CAF) was designated as the cooperating institution. The Foundation for Training and Applied Research in Agrarian Reform (CIARA) has been the project's executing agency since 1999, replacing the Institute of Agriculture and Livestock Credit (ICAP), which is now closed. Loan disbursements at end September 2002 stood at 76%.

2. In March 2002, the Venezuelan Ministry of Agriculture and Land formally requested the President of IFAD on behalf of the Government to carry out an interim evaluation of PROSALAFa and to analyse the feasibility of a new operation in the region. In response to that request and in the framework of the new IFAD evaluation process, IFAD organized an interim evaluation and formed a Core Learning Partnership (CLP).¹ The interim evaluation was one of the first to use the Fund's new methodological framework for evaluation (MFE) to guide its analysis. At the end of its field work, it concluded that cohesion and organization among the beneficiaries is essential not only for administering and operating the newly constructed water supply works, but also for achieving the scope and coverage of technical assistance, and developing and consolidating financial services. The roles of both public institutions and private organizations in these aspects should be studied in depth. A possible second phase of PROSALAFa should be analysed in the light of these criteria and should eventually seek to consolidate previous activities without impeding or curtailing the development of the self-management processes already begun in the area. The trade-off between these two aspects, i.e. additional assistance versus self-managed processes, will be crucial in defining whether a new stage in the project is appropriate and what form it should take.

II. PROJECT AREA, CONCEPT AND STRATEGY

3. PROSALAFa was prepared for the semi-arid region of Lara and Falcon states, covering an area of about 12 300 square kilometres (km²). Some 83 000 people, or about 15 000 families, live in this area, half below the poverty line. The extremely harsh climatic, agricultural and ecological conditions have influenced the pattern of human settlement, and placed many severe limitations on agriculture and livestock development in most of the area. However, thanks to the use of various methods of storage and capture of the scarce water resources, and to the large areas for the open grazing of goats, the area has supported a relatively stable rural population throughout the ages. The population's associative and organizational level was found to be virtually non-existent, and most people had only precarious land tenure rights.

4. The main constraint identified in improving these people's living conditions and production was the scarcity of water. Accordingly, the project proposed a series of solutions to supply water for human and livestock consumption, and for the irrigation of small areas of cash crops under intensive cultivation. It also proposed a strong technical training component to increase agricultural and livestock productivity, and credit and financial services to allow adoption of the proposed investments

¹ For the composition of the CLP, please refer to the list of signatories of the Agreement at Completion Point in Section Two of this document.

and technologies. The project considered the organization of beneficiaries the key to ensuring project viability and effectiveness, and made it a priority. It also included in its activities (i) a gender dimension, taking the women-in-development approach current at the time; (ii) experimental activities for the conservation of natural resources; and (iii) studies on the marketing of products. The project's target group was based on the poverty line estimated at the time (Appraisal Report, 1990) as the equivalent of USD 2 900 per household per year. It was found that 7 500 families would fall into the eligible target group. With a set of additional criteria, 5 365 rural families (including 180 artisanal fishermen) resulted as beneficiaries. In particular, the project fixed a target of 2 252 women beneficiaries.

III. OBJECTIVES, GOALS AND COMPONENTS

5. The **overall project objective** was to “raise incomes and improve living conditions of the small producers and fishermen in the project area while promoting rational management of natural resources”.

6. **Project components.** To achieve the planned objectives, the project was designed with three main components:

- **Soil and water management.** This component involved the provision of infrastructure in the project area for the capture and storage of water for human consumption (cisterns) and for livestock (ponds and wells). With the exception of pumping and irrigation equipment, to be financed by credits to the beneficiaries, all works were to be financed from project funds by transfers to organized groups of beneficiaries. Resources were to be allocated for hydrological surveys, experimental watershed management, and incentives for the protection of farm ponds.
- **Production support activities.** This component comprised six main subcomponents: (i) *staff training*: all project staff were to receive technical training and attend workshops and seminars at national and international levels; (ii) *training for farmers and fishermen*: a broad programme of training in organizational and technical subjects was included, covering all project beneficiaries. Special efforts were to be made to assign training lines to women; (iii) *on-farm technology validation and transfer*: to reach some 5 200 producers, 100 validation trials were planned as were over 3 000 workshops on the main crops and livestock in the area; (iv) *support to artisanal fishermen*: 30 boats were to be constructed, benefiting 180 families; (v) *cadastral surveys and titling*: titles were to be obtained for all the land included in the irrigation and watershed management component; (vi) *marketing support*: a marketing adviser was to be provided by the Central Western Region Development Foundation (FUDECO), and two teams were to be established, one in each state, to study marketing channels, disseminate market and pricing information, and work with producers to improve their marketing techniques.
- **Credit.** A credit programme was to be implemented by establishing a trust fund in ICAP using IFAD resources. ICAP would apply its normal procedures and would receive a commission. The interest rate would be set at the legal limit imposed under the Agrarian Reform Act. Technical assistance resources were included to promote rural cooperatives and financial services. It was expected that 2 454 producers would be beneficiaries of the component.

In addition, the project allocated significant resources to a project executing unit (PEU) and to technical assistance.

7. **Organization.** The participation of organized producers' groups in the project was considered necessary for bringing about productive, technological and social change and achieving producer and

project objectives. To that end, two levels of participation were envisaged: (i) producers would participate in project management and decision-making through consultative committees, supervisory committees and the monitoring component; and (ii) they would participate as beneficiaries through groups and organizations formed around project activities.

8. **Gender.** The appraisal report showed that 28% of households were headed by women. In a further 18% of households, men migrated for 4-5 months a year, which meant that 46% of households had a woman in charge of production. No specific organizations for women existed in the zone. To integrate women in the project on terms comparable to those for men, the project defined various activities that were novel to the region and the country.

9. **Expected benefits.** The project was expected to yield, over the ten-year implementation period envisaged, a series of quantifiable economic benefits. Its overall return was estimated at 26.4% (when the project was fully operational), and it was foreseen that producers involved in the production models would have income levels above the poverty line.

10. **Organization of implementation and arrangements with co-implementers.** ICAP was named as the project's implementing agency. It included: (i) an executive committee; (ii) the participation of other institutions; and (iii) state and local governments. It was to form a PEU with a small staff dedicated exclusively to project implementation. Two coordinators (one per state) would report to the PEU, and ICAP would provide a credit coordinator. The PEU would sign agreements with other state and/or private institutions (e.g. CIARA, the National Agriculture Institute (IAN), the Environment and Natural Resources Ministry (MARN)) for the co-implementation of the various components and activities planned.

IV. IMPLEMENTATION OF PROSALAF A

11. **Context of implementation.** The project was formulated in a political, institutional and economic context with markedly different characteristics than those actually found during the extended implementation period. In fact, the project was implemented under five presidencies, even more ministries, and two implementing agencies (due to the demise of the originally designated ICAP). To these factors were added long periods of budgetary constraints that forced the project to operate with far fewer resources than planned. The political and institutional changes that have occurred in the last three years have created an ambivalent climate for the project. On the one hand, the constitutional reform, which explicitly includes state responsibility for rural development, is highly favourable to the project's objectives and activities. On the other hand, political instability has disrupted the State's normal functioning, adversely affecting the project.

Results

12. **Financial implementation of PROSALAF A.** At the end of September 2002, actual expenditure was some 70% of the total programmed cost (including physical contingencies and inflation). The credit component accounts for the bulk of financial underperformance. The underfunding of project activities can be largely explained by political and institutional instability during implementation and by the various public spending adjustment programmes. The PEU was always able to spend the budgetary credits allocated, both in cutback years and later when allocations were higher. This shows that the financial underperformance did not reflect management weaknesses in implementation.

13. **Project coverage.** The project had greater coverage than anticipated, reaching 6 471 beneficiaries, or 21% more than planned. This is a good outcome, although coverage was less than planned in some components.

Implementation of PROSALAF A Components

14. **Soil and water management.** (i) Under the *water conservation and management* subcomponent: (a) capture and collection of rainwater for human consumption: the project exceeded the original goals by 35% in quantity and volume of water collected. The number of households benefiting was increased (more than six times that originally envisaged), reaching 2 700 families, or about 16 200 people; (b) rehabilitation and construction of ponds: 130 mixed ponds were constructed against the targeted 218. The area irrigable from ponds was increased by 26%, and the number of goats provided with drinking places by 197%. In addition, 42 existing but abandoned ponds were repaired. For drinking ponds, the target was exceeded (169 against 150) as was the quantity of water collected (by 19%); this was because the ponds were made larger than originally planned (9 591 instead of 6 500m³); (c) water extraction: the shallow and deep wells envisaged in the appraisal report were not constructed. This meant a 35% reduction in the envisaged irrigation works as well as 490 fewer beneficiaries; (d) community works: 360 rural latrines were built that had not been envisaged in the appraisal report. (ii) Under the *experimental watershed management and environmental protection* subcomponent: (a) at micro-watershed level: work is only in progress on two micro-watersheds with an area of 15% of that envisaged; (b) micro-watersheds to feed ponds: it was originally decided that protection and micro-watershed management activities should be provided for all ponds. To date, a large part of these activities have been implemented; (c) works protection associations: It was decided that there should be 100 associations responsible for works protection; 98 have been established; (d) experimental management tests: the project set a goal to undertake 28 tests of this kind, all of which have been completed; (e) experimental management trials: 13 of the 15 trials are being carried out; (f) market gardens: the 44 planned market gardens have been created; (g) technical assistance events: 2 906 of the 3 000 events envisaged have taken place.



Figure 1. Animal watering hole at Uramaco, Falcon State.

15. **Production support activities.** Under the subcomponent: (i) *staff training*: the capacity of the technical staff has been strengthened through 73 training events covering 1 336 participants; (ii) *training of farmers and fishermen*: results were better than planned. There were 466 events aimed at producers, involving 3 489 men and 3 411 women; (iii) *on-farm technology validation and transfer*: 100 validation trials and 300 workshops on the main crops and livestock in the region were planned to reach 5 200 producers. The results far exceeded these targets. Over 6 000 producers were reached through 329 validation trials and over 6 700 technology transfer activities. During project implementation, new methods of technology validation and transfer were developed with the technology demonstration units (UDRTs), local rural research committees (CIALs) and the introduction of 180 rural facilitators; (iv) *support to artisanal fishermen*: the results fell far short of those envisaged in the appraisal report. The main planned activity, the construction and provision of 30 boats to some 180 associated families, did not happen. Actually, only two boats were provided and

in each case the associates were brothers and thus only four families benefited; (v) *cadastral surveys and titling*: the results were also meagre. Titles were obtained only for 160 properties out of a total of 1 100 envisaged; (vi) *marketing support*: the results were satisfactory although they differed from those set out in the appraisal report. More microenterprises were created than planned. The project also amply exceeded its target for studies, training and technology transfers on market- and product-related topics; in all, 1 785 events took place on these topics, attended by 9 178 participants.

16. **Credit.** PROSALAFSA implemented this component through three parallel and simultaneous lines of action that were substantially different from those envisaged in the appraisal report. In light of the interim evaluation, however, this was an appropriate, although not necessarily complete, adjustment to changes in the environment and to actual beneficiary need. In financial terms, implementation achieved only 18% of the amount originally programmed. In reality, no credits were ever granted through ICAP (which granted high subsidies through negative real interest rates). The project financed a revolving fund for rural activities (FRAC) and entered into agreements with state funds whose characteristics are similar to those of ICAP (the Fund for Agricultural Development of the State of Lara [FONDAEL] and the State Fund for Agricultural Credit of Falcon [FONECRA]). The most novel and effective was the establishment of rural banks (following the model of another IFAD project, the Economic Development of Poor Rural Communities Project [PRODECOP]). In all, the project benefited some 1 400 producers in the two states – only 57% of the 2 454 envisaged in the appraisal report. Credits of USD 963 000 were placed in all, only 60% of which came from project funds, the remainder being financed from producers' savings in the rural banks.

17. **Organization.** The establishment of grass-roots organizations, virtually non-existent at the start of the project, has been extremely successful. There are now over 900 organized groups based around water sources and some 270 organized settlements around other services. Consolidation of the more highly developed organizations (e.g. formation of a second level of organizations at municipal or regional level) is so far at an embryonic stage. Certainly, the sustainability of the activities and achievements to date will depend on establishing organizations at this level.

18. **Gender.** The results are satisfactory: (i) women's involvement is most significant in microenterprises and crafts (54%), followed by rural banks and neighbourhood associations (42%), cisterns (22%) and producers' associations (17%); (ii) of the total participants in training events for producers during the project life, 49% were women; (iii) the project supported the formation, through training, technical assistance and credit, of 58 microenterprises to the benefit of 357 associates, 54% of whom were women; (iv) the project provided financial support and time-saving technology, such as cisterns to store rainwater and water supplied by the municipality, latrines and improved stoves for the benefit of the



Figure 2. Semi-intensive goat production, Lara State.

household as a whole and women in particular; (v) women make up 42% of the membership of rural banks, participate actively as shareholders and applicants for

credit, and hold the majority of management posts; (vi) in monitoring and evaluation (M&E), the PEU has developed a satisfactory model for annual operating reports, which give a breakdown of activities by gender, allocate financial and technical resources and clearly define the scope of each component in quantitative terms.

19. **Performance.** The performance of organizations involved was variable. IFAD provided continuity, and its monitoring capacity was highly satisfactory. The Government on several occasions

did not fulfil its financing obligations, causing considerable delays. However, despite changes in institutions, it respected the management and technical autonomy of the PEU. The PEU was highly efficient, despite financial constraints, and showed operational discipline. Finally, the cooperating institution's performance was mediocre, with few and brief supervisory visits, apart from a few exceptions where excellent results were achieved with the advice of conscientious consultants.

V. IMPACT ON RURAL POVERTY AND SUSTAINABILITY

20. PROSALAFAs has generated a variety of changes and impacts in the region with undeniable positive effects on the economic and social well-being of the local populations. It has contributed significantly to increases in:

- (i) **households' physical and financial assets**, especially the productive aspects of ponds, expanded irrigated areas and access to water for human consumption through cisterns. Savings have grown due to the increased income generated by the project and other sources; but, above all, savings have been channelled into self-management through rural banks established by the project;
- (ii) **human assets**, with special emphasis on knowledge and skills, and with local successes in introducing equitable gender approaches;
- (iii) **social capital**, through the establishment of new organizations; and
- (iv) **agricultural and livestock productivity and production**, through the successful adoption of technologies proposed by the project with an indisputable impact on local food security.

21. The project has also had a positive, if limited, impact on the environment, even given the complexity of the problems in this semi-arid zone and the need to extend the scope of activities. In addition, it has strengthened the population's capacity to relate to the rest of society and public authorities, although further improvements are still needed.

VI. PROJECT EVALUATION: CONCLUSIONS, INSIGHTS AND RECOMMENDATIONS

22. An evaluation of a project's performance is always necessary even if it does not always strictly reflect all the aspects involved. In this regard, **PROSALAFAs can be judged as a project whose performance is more than satisfactory, given the contextual obstacles it faced. The project, however, is still unfinished in terms of consolidating results and fully achieving its original objectives.**

23. PROSALAFAs managed to overcome the main obstacle identified at formulation, which was the shortage of water for human and livestock consumption, and for irrigation. This result was largely due to the great success in establishing and motivating grass-roots organizations, which had not previously existed in the area. These organizations significantly facilitated the generation, validation and transfer of technology. Despite the lack of institutionalized credit sources (which did not seriously hinder investment in farms), the project established rural banks as a valid alternative for mobilizing resources and accessing financial services. These achievements contributed to improving beneficiaries' real incomes and had a positive impact on their social well-being. These are the main strengths of the project's performance.

24. On the negative side, PROSALAFAs failed to cover all the demand for productive water supply (especially extraction). Nor did it cover all the irrigable areas envisaged, which meant lower individual and overall economic returns. The project could not ensure a sustainable system of rural financing, nor did it finish its work in technology adoption and the introduction of appropriate irrigation methods. There are also serious shortcomings in the efficient management of natural

resources. Although the project's has made considerable progress in creating grass-roots organizations, their efficacy is limited by the absence of higher-level organizations serving producers and increasing their bargaining powers vis-à-vis the rest of society and the state. Operational and/or conceptual weaknesses were identified in several activities, e.g. marketing, support for artisanal fishing, regularization of land tenure, and gender. These weaknesses can be remedied.

25. The main conclusions on the implementation of PROSALAFa are set out as a series of strengths and weaknesses. However, **it is important to note that in the opinion of the interim evaluation mission, the overall strengths outweigh the weaknesses in terms of the project's objectives.**

Conclusions

26. The conclusions set out here should be regarded as general. Specific conclusions related to project components and activities are set out in Appendix 3 of the interim evaluation report.

- (i) *Despite the difficult circumstances in the country, PROSALAFa succeeded in implementing its main activities and components, and achieved significant positive results, in terms of impacts on beneficiaries' well-being and of laying the foundations for such impacts in the future. The careful selection of PEU technical staff and respect for their experience and responsibilities seem to be a crucial element in this result.*

Despite the institutional and policy changes and the considerable delays in financing that occurred during the project, the PEU managed to implement the main components and set a sound basis for a dynamic process of rural development.

- (ii) *PROSALAFa has reached almost 6 500 families in the area with various services, albeit primarily with activities to promote organization and training. These results are a remarkable achievement when the initial situation is considered. The project has been implemented with great energy, and increasing efficiency and effectiveness, and is now well established. It has had a widespread impact in the region and has successfully established the bases for achieving the initial objectives.*

The beneficiary population sees the project as the reason for the improvements in their well-being, incomes and, above all, social integration. Outmigration has been considerably reduced and even halted in several areas as a result of project activities. A social fabric has been woven with sound grass-roots organizations already capable of formulating proposals and co-implementing infrastructure and productive activities.

- (iii) *After more than ten years operating in a difficult institutional and economic environment, PROSALAFa has succeeded in overcoming the main obstacle identified at formulation, namely the scarcity of water for human and livestock consumption, and for irrigation. This outcome was achieved through efficient and effective management, motivation, and the establishment of grass-roots organizations hitherto non-existent in the zone. However, the achievements are not yet sufficient to satisfy either the initial demand or the demand generated during the years of implementation.*

The experience gained in the planning and implementation of surface water sources (including cisterns for drinking water) is a remarkable achievement that can and must be replicated in the future in the light of the huge demand present. The adoption of integrated pest control and efficient irrigation technologies (e.g. 'artisanal' and/or modern trickle irrigation, ferti-irrigation) is another major success.

Nevertheless, efforts to collect water are pointless if irrigation technologies at the farm level remain primitive. Irrigation by flooding is an enormous waste of water, the scarcest and most vital resource in the region. A technological leap that is essential in the project area is the use of trickle irrigation.

The lack of experience in using underground water for productive purposes makes it difficult to determine the feasibility of this measure in the future. At pilot level, at least, the project should have undertaken some underground water works in selected locations.

Because of the high costs of drilling, pumping equipment, installation and subsequent well operation and maintenance, deep wells were not considered a viable solution for the project's target producers. Moreover, given the great competition for extraction and the absence of a properly applied legal and regulatory framework, it is difficult to ensure that underground water will be available on a sustainable basis in the country's semi-arid areas. However, the project did not attempt to exploit underground water at lesser depths. It should have undertaken a series of tests to exploit the underground water beneath the beds of streams and rivers through shallow wells and filtration chambers. Such works are inexpensive and can be carried out by the producers themselves.

Additional irrigated areas could be developed preferably by using wells, but also by continuing to exploit cooperatively managed surface sources using pipelines. This would also help improve water distribution, which up to now has almost exclusively benefited beneficiaries owning land adjoining the existing ponds.

- (iv) *PROSALAF* is an example of how important it is to introduce integrated approaches to environmental management in projects tackling rural poverty in the fragile ecological conditions of tropical semi-arid areas. Because of both project design and implementation weaknesses, the project only marginally achieved the objective of "rational management of natural resources".

Actions must be taken before project end to develop a more integrated approach to soil, water and biomass management in semi-arid areas. Calculating the production of biomass is the only way to determine the necessary adjustment of the current burden of animal grazing in the project areas. Such an adjustment should, as far as possible, be accomplished by watersheds and micro-watersheds. This would allow an initial zoning of the project area, taking account of the fragility of the environment in terms of resource constraints, water and vegetation, in order to set priorities and focus watershed management efforts on ways to improve animal grazing in the future. A study is also urgently needed on the resilience of feed biomass (both grasslands and natural and introduced woodlands) in order to measure the potential support for livestock based on feed balances and consistent with the climatic data collected on site.

The project should seek to reach goat farmers who have not adopted the intensive or semi-intensive technological package currently offered, which by its nature is applicable only to a minority of producers. Assistance should include technical production aspects and also propose alternative ways of managing natural grazing in semi-arid areas. Achievements to date should not be abandoned, but at the same time, the approach to technology transfer should be redirected to this kind of livestock farming.

The successful experiments in conservation of micro-watersheds (especially in Falcon) are an achievement whose replication in other project areas would make the interventions more sustainable. Involving other social and institutional actors that have the necessary awareness and capacity is of utmost importance if the process of soil degradation is to be halted and reversed.



Figure 3. Vegetable demonstration unit with artisanal drip irrigation, Lara State.

- (v) *PROSALAFa has reached almost 6 500 families in the area with various services, albeit primarily with activities to promote organization and training. This is a remarkable achievement when the initial situation is considered. The training of producers is regarded as one of the project's most significant achievements and key to increasing not only the population's technical capacity, but also its self-confidence and organizational level.*

In particular, in addition to the excellent performance of the co-implementers, rural facilitators were found to be valid agents for training and for the transfer of technology to communities.

However, PROSALAFa, like other projects, started with a broad range of subjects generally linked to project promotion activities. This process later resulted in a 'stagnation' of institutional provision and a lost opportunity to satisfy beneficiaries' more structured demands at a lower cost.

- (vi) *Given the region's competitive advantages in fruit and vegetable production, both irrigation and appropriate technologies need to be adopted to increase production. PROSALAFa has successfully provided irrigation and appropriate technologies to project beneficiaries even though coverage is still limited.*

Indeed, fruit and vegetable production under irrigation in Lara State meets almost the entire national demand for onions, tomatoes and peppers, and a large share of the demand for melons and watermelons. The region also excels nationally in the production of pineapples and other crops (e.g. *zábila*, or aloe vera). Large agricultural enterprises with major investments in irrigation systems are the main producers, and naturally a main source of non-farm employment for the region's rural poor. This structural situation provides a permanent 'market niche' for small producers, to the extent that they can overcome technological constraints and improve marketing channels.

PROSALAFa reached more than 6 000 producers through 329 validation trials and over 6 700 activities relating to technology transfer. It developed new methods of technology validation and transfer with the UDRTs, CIALs and 180 rural facilitators. The validation of intensive or semi-intensive goat-farming models is a positive achievement even though so far take-up by producers has been limited.

The percentage of producers adopting agricultural technologies is adequate, although not optimal. Adoption seems to have been hampered not just by water constraints but also by the lack of time to mature transfer activities. In fact, rural facilitators, UDRTs and CIALs have been included in the project only since 1998.

- (vii) *The marketing of agricultural inputs and products is still an obstacle to achieving higher agricultural incomes among beneficiaries. While there are stable and expanding markets for most market garden products, marketing channels are still imperfect and allow intermediaries to make extraordinary profits. Markets and more effective marketing channels are still needed for 'non-traditional' agricultural and artisanal products.*

Due to the wide geographical spread of the small farms and their remoteness from market centres, and to small farmers' lack of organization, intermediaries have a disproportionate bargaining power. So far the project has taken only a few measures to remedy this situation; it launched, for example, a daily information service on agricultural market prices and provided a seasonal analysis of some agricultural products and livestock.

The project has focused on the local context and training. By participating in local fairs and exhibitions, project staff have identified markets, initiated forms of artisanal organization and strengthened the organization of productive activities. The project now needs to pay specific attention to the marketing and microenterprises subcomponent.

- (viii) *Progress in artisanal fishing fell far short of that envisaged in the appraisal report. The main activity programmed, the construction of 30 boats for 180 associated families, did not happen. These project beneficiaries continue to be extremely poor and marginalized.*

Cultural constraints and the network of power relationships involving intermediaries and shipowners prevent artisanal fishermen from forming groups. This is especially true for the poorest fishermen who are piece workers.

- (ix) *Results for cadastral surveys and titling were meagre. The project envisaged obtaining title to all the land covered by the irrigation and watershed management component, but fewer than 160 legal titles were secured out of a possible 1 100. Further efforts are therefore still needed to address the precarious land tenure of small farmers.*

Legal uncertainty regarding property rights persists in the project area. This situation could have represented a major obstacle to the construction of water infrastructure works and other permanent improvements, but in fact communities respected the de facto possession of the improved land and no disputes were recorded. The PEU rightly decided to proceed with works even on farms where tenure was uncertain, but whose owners had duly accredited evidence of possession. Nevertheless, lack of land titles is a major obstacle for smallholders seeking formal credit as they have no collateral.

- (x) *The credit and financial services component did not follow the original design, whose estimates of both demand for financing and supply and channelling of credit resources were seriously flawed. In financial terms, implementation achieved only 18% of the amount originally planned. PROSALAFSA continued to reformulate the component during implementation so that three types of credit now coexist: rural banks; FRAC; and agreements with state funds. Learning from experience and carefully formulating a sustainable rural financing strategy will be critical for future success.*

PROSALAFa implemented the component through three parallel and simultaneous lines of action that were substantially different from those envisaged in the appraisal report. In light of the interim evaluation, however, this was an appropriate, although not necessarily complete, adjustment to changes in the environment and in beneficiaries' actual needs. No credit was actually ever granted through ICAP (which provided high subsidies through negative real interest rates). The project funded a FRAC and signed agreements with state funds whose characteristics are similar to those of ICAP (FONDAEL and FONECRA). The most novel and effective line of action was the establishment of rural banks (following the PRODECOP model).

Rural banks have in fact proved highly successful in providing rural microfinance in the region. They have also created an important opportunity for the target population to join forces in a formal structure. These organizations must be strengthened to ensure that their financial services benefit the target population more fully.

Financial services also need to be reformulated to focus on sustainable rural microfinance with good growth potential. Mechanisms involving 'hidden subsidies' masquerading as forms of credit should be avoided, and when necessary, explicit subsidies should be adopted.

- (xi) *The establishment of grass-roots organizations, virtually non-existent at the start of the project, has been extremely successful. Consolidation of the more highly developed organizations (e.g. formation of a second level of organizations at municipal or regional level) is so far at an embryonic stage. The sustainability of project activities and achievements to date will depend on establishing organizations at this level.*

Although small producers' organizations have begun to organize themselves, they remain highly segmented and generally cooperate only in carrying out specific works, mainly ponds. If they are to be more dynamically involved in the economy, these organizations need to form federations by sector in order to manage specialized services (e.g. financial services, input and product marketing).

Probable causes for the lack of progress in this area include absence of proper monitoring of activities carried out under agreements with state institutions and the impossibility of putting into practice the ideas imparted by training. Producers are not generally involved in, and have little impact on, official decision-making bodies at local, municipal and state levels. The weakness of actual grass-roots organizations (including the rural banks) raises doubts as to the sustainability of the rural development activities initiated by the project. To redress this situation, institutional and self-management capacity-building is essential.

- (xii) *PROSALAFa successfully adopted a gender approach despite persistent conceptual and operational shortcomings. Although gender was addressed in project design through the women-in-development approach current at that time, during implementation the project shifted to the new gender-and-development approach, demonstrating considerable ability to adjust to progress in this area.*

The project's gender approach was successful on several scores: it provided women and men with access to services; achieved greater family integration in productive activities, crafts, microenterprises and credit; and contributed to more equitable forms of family and social relationships.

The project did not, however, develop a concerted gender strategy. Such a strategy would involve: (i) the clear definition of actors and their roles; (ii) a conceptual framework, performance indicators, and methodology for the application of the gender approach; and (iii) a monitoring system to measure progress and highlight the adjustments required. Further, not enough training sessions were held for technical staff, and none were held for basic producers.

- (xiii) *PEU performance was more than satisfactory. The project maintained the same management staff and most of its professional and technical staff for almost eight years. This continuity – truly praiseworthy given the institutional instability of the period – allowed activity lines to be maintained, and consistent approaches and constant actions to be taken for the benefit of the target group even with resources significantly below those budgeted. The M&E functions were adequately performed although with some operational weaknesses.*

The decentralized implementation of PROSALAFa contributed to shielding the project from the many changes in institutional authorities and office-holders. Far more important, however, was the high professionalism of the PEU technical team and their ability to remain, as far as possible, independent of external pressures. These characteristics helped ensure that the change in implementing agency (from ICAP to CIARA) did not impact negatively on project performance. The project's experience highlights how essential it is to select staff through a competitive process.

Project impact has also been enhanced by the selection, training, and designation of small farmers as rural facilitators and agents of community change. They have performed particularly well in carrying out the project's technical proposals. A preliminary study shows that the project has managed to contract civil works at costs apparently below benchmark. As rural facilitators are a permanent presence in the community, they are the best guarantee of project impact and sustainability.

Although the project entered into agreements with various national or state public institutions, budgetary constraints curtailed most of these activities. The project paid sufficient attention to relations with municipal or state bodies, but results were uneven and work was left unfinished. The interruption of agreements with the Agricultural Research National Institute (INIA), MARN and selected municipal authorities threatens the sustainability of several achievements. These agreements should be quickly reinstated and, in the case of the municipal authorities, efforts should be made to strengthen the permanent support services they provide.

The M&E system performed adequately, carrying out a base study, establishing appropriate indicators to monitor progress and providing an excellent analysis of results. However, operational weaknesses still exist in collecting gender information and carrying out full impact studies.

27. The reasons for formulating and implementing the project continue to be valid. The extension of the closing date of PROSALAFa (until IFAD loan resources are exhausted) is fully justified in this situation, as is consideration of a second phase of the project. Without prejudice to the foregoing, the finalization of these proposals should necessarily include proposed solutions to some of the weaknesses identified.

Insights

28. The implementation experience of PROSALAFa has generated a number of insights that can inform future projects both in Venezuela and in other countries with similar characteristics and

problems. Clearly, preventing rural poverty in tropical semi-arid conditions is a very common problem in many countries in the region and in the world. The main insights can be summarized as follows:

- (i) *Need to introduce integrated project approaches to prevent rural poverty in fragile environmental conditions in tropical semi-arid areas.* Semi-arid ecosystems in the tropics are generally associated with rural poverty. At the root of this poverty is the interplay between ecosystem fragility and low agricultural productivity. It is commonly thought that the productive practices of small producers cause natural resource degradation and desertification. Based on that assumption, typical proposals seek to intensify smallholder agricultural activities and disseminate information on soil and water conservation. These proposals, however, do not necessarily include all the elements needed to achieve an effective balance between the ecosystem and production. PROSALAFa offers an example where this type of proposal is clearly inadequate. First, it ignores the presence of other economic and social actors (e.g. medium and large-scale livestock breeders and farmers using irrigation, woodcutters, miners, etc.) whose activities are often on a much larger scale and also threaten ecosystem stability. Second, reversing processes of desertification requires watersheds, and small producers are unable to undertake such works on the scale required. Finally, collaboration is needed to coordinate activities of the public sector (legislation, implementation and enforcement, large-scale public works, etc.), the private enterprise sector and small producers. Otherwise the efforts of each party may prove fruitless. All these aspects should be taken into account during project design.
- (ii) *Appropriate use of underground water.* The collection of water is vital to the subsistence and productive activities of people living in semi-arid areas. A solution often proposed (including in PROSALAFa) is to construct small dams to collect rainwater. These dams are less efficient in conserving the water collected than natural underground reservoirs. PROSALAFa recommended their use but the component was not implemented. Because of the high costs of drilling, pumping equipment, installation and subsequent well operation and maintenance, deep wells were not considered a viable solution for the project's target producers. Moreover, given the great competition for extraction and the absence of a properly applied legal and regulatory framework, it is difficult to ensure that underground water will be available on a sustainable basis in the country's semi-arid areas. However, the project did not attempt to exploit underground water at lesser depths. It should have undertaken a series of tests to exploit the underground water beneath the beds of streams and rivers through shallow wells and filtration chambers. Such works are inexpensive and can be carried out by the producers themselves. This experience points to the importance of analysing all the aspects involved in order to recommend the best means of exploiting underground water and to introduce elements and techniques suited to the small-scale operations of the poor producers.
- (iii) *Introduction of high-performance irrigation technologies.* Efforts to collect water are inefficient if the irrigation technologies at farm level are primitive. Irrigation by flooding in semi-arid conditions is an enormous waste of an extremely vital and scarce resource. In PROSALAFa, trickle irrigation is a technological leap that must be exploited, using natural gravity or pumps and plastic hoses to convey water from its source to the place of application. Future designs must consider including technologies that are technically and economically efficient.
- (iv) *Modular training by strategic subject areas.* This approach will be much more effective and efficient than a series of totally unconnected events that are highly reliant on what is on offer from institutions. PROSALAFa and other projects start with a very broad range of subjects generally linked to project promotion activities. This process is followed by

‘stagnation’ in institutional provision, and a lost opportunity to satisfy beneficiaries’ more structured demands at a lower cost.

- (v) *Rural facilitators.* Strengthening local capacities and the sustainability of many project activities involves the training of rural facilitators who must be associated with producers’ organizations and public and private service providers. The design of future projects should seriously consider their inclusion in training, organization and technology transfer activities.
- (vi) *Credit and financial services.* The design of these components often appears to be inconsistent with other project components. In PROSALAFSA, the original design proved, in hindsight, excessive and lacking in adequate operating mechanisms. Certainly, most investments decided on by beneficiaries were self-financed or financed from credits for much lower amounts than originally formulated. The rural bank model meets the needs for operating credit and is based on self-management of community savings and capital. This innovation seems to have satisfied existing demand, but does not appear to have been accompanied by an ‘exit strategy’. Questions relating to the evolution and strengthening of these mechanisms must be answered if this excellent initiative is to succeed. What is important is to design this component more flexibly and to identify comprehensive models for the development and strengthening of sustainable rural microfinance mechanisms.
- (vii) *Conditions for the stability and efficiency of the PEU.* Despite serious political and institutional instability, the PEU maintained a single management with little staff turnover and performed with great efficiency. Two insights can be gained from this experience: (a) that the appointment of PEU managers and professionals should be through open and fair competition; and (b) that management decisions should enjoy a wide autonomy from the authorities and institutions involved.

Recommendations

29. The recommendations have a dual purpose: to contribute to a better conclusion of the project (up to December 2003); and to assist in the design of an eventual second phase. The recommendations are set out under the following headings:

- (i) *Soil and water management.* The following actions are recommended: (a) continue works for the exploitation of surface water resources in line with demands identified by producers’ organizations, setting priorities for scarce financial resources; (b) tap water, if only at pilot level, with shallow wells for small groups of producers. Irrigation of additional areas managed cooperatively (with wells or ponds) and the use of hoses could help improve distribution, which so far has been almost exclusively confined to beneficiaries who own land adjoining existing ponds; (c) implement a series of actions, before project end, to ensure that project activities take a more integrated approach to soil, water and biomass management in semi-arid areas; (d) commission a survey of the productive capacity of the existing natural grazing lands using satellite techniques, which are low cost in relation to the benefits. Calculating the production of biomass is the only way to determine the necessary adjustment to the current burden of animal grazing in the project areas which should, as far as possible, be done by watersheds and micro-watersheds; (e) undertake an initial estimated zoning of the project area taking account of the fragility of the environment in terms of resource constraints, water and vegetation, in order to set priorities and focus watershed management efforts on improving animal grazing; (f) commission in the near future a study on the resilience of feed biomass, both grasslands and natural and introduced woodlands, in order to measure the potential support for livestock based on feed balances and consistent with the climatic data

collected on site; (g) extend the pilot surface areas by constructing larger water collection zones using rainwater-harvesting techniques; (h) in the case of ponds for animal watering and mixed use, consider an effective perimeter fence, as originally planned, to restrict access by animals to drinking ponds, prolong the ponds useful life and create a barrier against parasites; (i) provide training for the PEU and producers in basic natural resource management techniques for grazing in semi-arid areas as a necessary step for ensuring impact in the project area over the next few years.

- (ii) *Production support activities.* (a) introduce rainwater harvesting to maximize the critical forage balance, which encourages the process of desertification that is affecting the region; (b) increase the transfer of trickle irrigation technology and other water-saving practices; (c) extend provision to goat farmers who have not adopted the intensive or semi-intensive technological package currently offered, which by its nature is applicable only to a minority of producers. The focus on technical production aspects should be widened to include the management of natural grazing in semi-arid areas. Achievements to date should under no circumstances be abandoned, but the focus of this subcomponent should be realigned; (d) establish an agreement with the public education system, which has a student population of over 8 000, to introduce ‘the environment and its protection’ as a core subject; (e) provide training that takes account of regional as well as local requirements in order to increase the competitiveness of local labourers who migrate temporarily out of the project area; (f) strengthen the facilitators’ initiative in Falcon State (the journal *El Semiárido*) by providing logistical and training support jointly with the Foundation to Promote Reading in Falcon (FUNDALECTURA); try to replicate the experiment in Lara State, and select new case studies involving the organization of producers by rural facilitators; (g) form a central unit concerned with marketing and microenterprises for the two states. The project should pay more attention to marketing of ‘non-traditional’ products of local microenterprises; (h) for artisanal fishermen, undertake before project end a specific study on the functioning of this productive and social subsector in order to design more appropriate interventions to combat poverty and promote economic and social development. The results of this study should be used as inputs for the formulation of a specific component in an eventual second phase of PROSALAFSA; (i) continue ongoing activities relating to land titling and ensure that new applications submitted to the National Land Institute conform to presentation requirements.
- (iii) *Credit.* (a) channel a moderate amount of project credit resources to rural banks. These are the soundest base for proper allocation and collection of loans. This does not mean that FRAC operations should be curtailed but that they should be exclusively linked to the rural banks or their associates; (b) reduce regional fund activities until the costs and income structure of these funds have been thoroughly analysed; (c) use only positive real interest rates; (d) initiate dialogue with bank representatives in both states, with a view to forming a second-level entity (union, federation or association) that can take responsibility for aspects crucial to bank development.
- (iv) *Gender.* (a) in collaboration with CIARA, consolidate field experience relating to gender, focusing on households or rural facilitators selected to apply these approaches; (b) adopt measures to provide greater opportunities for new community leaders, with emphasis on those with the least experience in decision-making – women and young people – and provide training support; (c) engage a specialist to develop further methods for reaching households and an information system disaggregated by gender.
- (v) *Organizations.* (a) define an exit strategy and sustainability strategy involving links with municipal and state governments and institutions; (b) establish the bases for the creation and strengthening of larger organizations; (c) stimulate legalization of civil associations;

- (d) develop dialogue with and advice to state governments to generate mechanisms for institutional collaboration between public and private entities; (e) equip facilitators with better knowledge, qualifications and skills; promote networking among facilitators; and introduce them as service providers to institutional authorities, private organizations, municipalities and state governments.
- (vi) *Actions at governmental level.* (a) the Government will have to provide budgetary credits to allow the use of unused funds from the IFAD loan and the local counterpart resources to complete a series of outstanding activities, many of which are listed above, within a period not exceeding 12-14 months; (b) national institutions and those of Lara and Falcon states, assisted by PROSALFA, should form a minimum organic structure, using their own financial and human resources, to follow up on specific activities and consolidate organizational and economic processes among the population; (c) it is essential that the PEU teams remain fully operational until project completion. In an eventual second project phase, the PEU teams must play an active role in project formulation as counterparts of the international expert teams. It is recommended that the PEU technical teams be kept on board until project completion and beyond, in the event of a transition to a second phase; (d) in particular, to close the project properly or formulate a second phase, a fully operational M&E unit is needed to carry out several unfinished activities. It is therefore recommended that the M&E unit be kept fully functioning to complete the project monitoring and impact evaluation reports and other studies that could serve as inputs for the formulation of a second phase and future projects in Venezuela.



Figure 4. Rural family home in the project area, Falcon State.

SECTION TWO: AGREEMENT AT COMPLETION POINT**ELEVEN INSIGHTS**

This agreement reflects an *understanding* among the core partners at the completion point of the interim evaluation process to *adopt and use* the learning recommendations from the interim evaluation in the implementation of the Support Project for Small Producers in the Semi-arid Zones of Falcon and Lara States and in the design of new projects and programmes.

The core partners included the Minister for Agriculture and Land, the President of the National Institute for Rural Development, the General Director of the Foundation for Training and Applied Research in Agrarian Reform (CIARA), the Director of the PROSALAFSA , the Senior Executive of Operations in Venezuela of the Andean Development Corporation, the President of APROCA (beneficiaries' representative), the General Director of the Ministry of Environment and Natural Resources, the President of FONDAFA (Fondo de Desarrollo Agropecuario, Pesquero, Forestal y Afines), the President of the National Land Institute (INTI) and IFAD (represented by the Latin America and the Caribbean Division and the Office of Evaluation).

AGREEMENT AT COMPLETION POINT

1. A synthetic judgement or evaluation of the project's performance is always necessary even if it does not always strictly reflect all the aspects involved. In this regard, PROSALAFa can be qualified as a project whose performance is more than satisfactory, given the contextual obstacles, but it is still unfinished in terms of consolidating its achievements and fully achieving its original objectives.
2. The overall project objective was stated as to "raise incomes and improve living conditions of the small producers and fishermen in the project area while promoting rational management of natural resources". At this level, the project achieved its objective.
3. PROSALAFa's performance shows that even in the difficult circumstances in the country, the project was able to implement its main activities and components and achieve a significant number of positive results or outcomes, either in terms of the positive impact on the beneficiaries' well-being or in laying the foundations of such impacts in the future.
4. It was found that PROSALAFa has been implemented with great energy and increasing efficiency and effectiveness. Over and above the observations focused on the project components and approaches, it should be noted that PROSALAFa is now well established in the region, with products and effects well disseminated and significant success in establishing the bases for achieving the initial objectives.
5. Briefly, PROSALAFa succeeded in overcoming the main obstacle identified during its formulation, namely the scarcity of water for human consumption, irrigation and animal drinking places (achievement of physical targets from 70 to 140% depending on the subcomponent). This outcome was achieved through efficient and effective management and great success in motivation and grass-roots organization hitherto non-existent in the zone. These significantly facilitated the tasks of generating, validating and transferring technology. Despite the lack of institutional credit (which did not seriously hinder investment in farms) the project instituted a valid alternative for mobilizing resources and access to financial services through the rural banks. All these outcomes made very considerable contributions to the objective of improving beneficiaries' real incomes and led to various positive impacts on their social well-being.
6. However, the project's budget performance was only 70% ten years after its start-up. The political and institutional instability and various public spending adjustment programmes during the years of execution largely explain this under-funding of project activities. The PEU was always able to spend the budgetary credits allocated, both in cutback years and later when allocations were higher, which shows that the financial under-performance did not reflect management weaknesses in implementation.
7. This indicator of under-performance can largely be explained by the lack of implementation of the credit component although it also means the failure to satisfy a number of demands related to water infrastructure works, more widespread adoption of technology, improvements in marketing and lack of consolidation of organizational groups at higher level.
8. The conclusion is that the project area and its beneficiaries need a further period of external support to secure the achievements made and enhance sustainability. A second phase of PROSALAFa would be a highly appropriate instrument to achieve this aim. **It is therefore recommended that the feasibility of executing a second phase of the project be examined, taking into account the findings and recommendations of this interim evaluation.**
9. The Government will have to provide budgetary credits in 2003 to allow the use of still unutilized resources from the IFAD loan and the counterpart local resources to complete a series of

outstanding activities and allow a smoother transition to any second phase of PROSALAFa. **It is recommended that the necessary measures be taken to ensure this provision during the preparation and discussion of the national budget for 2003 and that a final extension of the closing date of the loan be requested.**

A. Performance of the Project Management

10. *The PEU's management performance was more than satisfactory. The project maintained continuity of management and the majority of professional and technical staff for almost eight years. This continuity, truly praiseworthy given the institutional instability of the period allowed lines of activity to be maintained, consistent approaches and constant actions for the benefit of the target group albeit with material resources significantly below those budgeted. The monitoring and evaluation functions were adequately performed although with some operational weaknesses.*

11. The decentralized execution of PROSALAFa was an advantage in preserving the project from the many changes in institutional authorities and office-holders. This would not have been sufficient if the PEU technical team had not maintained a high level of professionalism and the maximum possible independence from external pressures. In this respect, the importance of the mechanisms for competitive selection and contracting of the majority of its members should be emphasized. Certainly, the change in executing agency [from the ICAP to the Foundation for Training and Applied Research in Agrarian Reform (CIARA)] did not have a negative impact on the performance of the project activities.

12. In its internal organization, the creation and operation of the technical operating units working in nine separate territorial jurisdictions can be considered one of the project's successes, as can the organization of its work through so-called "work paths" which allowed the work of the experts and various co-executing institutions to be harmonized. The training, selection and assignment of 'rural facilitators' as assistants to project services and agents of community change is also considered to be a highly positive management policy which enhanced the positive effects of the project. Certainly, the preliminary review of the available information also shows adequate capacity in contracting of civil works at costs apparently lower than the benchmark.

13. In addition, the project rightly developed a policy of inter-institutional agreements with various public institutions at national or state level, using extra-budgetary resources allocated for the purpose (e.g. the "Sobremarcha" programme). Unfortunately, in recent months, the lack of budgetary resources interrupted many of these activities.

14. Inter-institutional relations with municipal or state bodies were never neglected by the project, but the results reflected varying degrees of success from one area to another and, in general, a balance of still unfinished work.

15. The Monitoring and Evaluation (M&E) system performed adequately, including the baseline study and the establishment of appropriate indicators to monitor the components as well as an excellent systematic analysis of the results. However, there are some operational weaknesses in collecting gender-related information and carrying out full impact studies.

Recommendation A1

16. It is of the utmost importance to maintain the PEU teams fully operational until the completion of the project. Strictly speaking, if a second phase of PROSALAFa materializes, the PEU teams must play an active role in the formulation work as the counterparts of the international expert teams. **It is recommended that the position of the PEU technical teams be confirmed until completion of the project and beyond, in the event of a transition to a second phase.**

Recommendation A2

17. For the purposes of 'closing off the project' properly or formulating a second phase, it is extremely important to have the M&E unit fully operational and carry out several activities which are still unfinished. **It is especially recommended that the M&E unit be kept fully functioning to complete the project monitoring and impact evaluation reports, and to complete the studies which will serve as inputs for the formulation of a second phase, as well as conceptual inputs for the formulation of future projects in the country. In particular, the preparation of an updated baseline study would be extremely useful for the second phase of PROSALAF A.**

B. Exploitation and management of water resources

18. *After almost ten years operating in a difficult institutional and economic environment, PROSALAF A succeeded in overcoming the main obstacle identified during its formulation, namely the scarcity of water for human consumption, irrigation and animal drinking places. This outcome was achieved through efficient and effective management and great success in motivation and grass-roots organization hitherto non-existent in the zone. However, the achievements are not yet sufficient to satisfy either the initial demand or the demand generated during the years of implementation.*

19. PROSALAF A was formulated in the semi-arid region of Lara and Falcon States, covering a vast geographical area (some 12 300 km² in all). Most of the selected area consists of mountainous relief with plains and valleys separated by mountain ranges and a landscape of ridges and hills. The climate ranges from semi-arid to mixed desert and coastal desert in the areas bordering the sea. The extremely severe climatic and agro-ecological conditions have always influenced human settlement. The constraints on agricultural and livestock production are therefore numerous and severe in most of the area.

20. The main constraint identified in improving these people's living conditions and production was the availability of water. In the light of this finding, the project proposed a series of solutions to supply water for human consumption, watering places for the herds of goats and irrigation of small areas of intensive cultivation of cash crops. Organization of the beneficiaries was made a priority as a key activity in ensuring the viability and effectiveness of the project actions.

21. For *capture and collection of rainwater for human consumption* the project exceeded the original goals by 35% in quantity and volume of water collected. The number of families benefiting was increased (more than six times that originally envisaged), thus reaching 2 700 families and 16 200 people. As regards *rehabilitation and construction of ponds*, 130 mixed ponds were constructed against the targeted 218. It is emphasized that the area of irrigable farm was increased by 26% and the number of goats provided with drinking places by 197%. To these figures should be added the repair of 42 existing but abandoned ponds. For drinking ponds, the target was exceeded (169 against 150) as was the quantity of water collected (by 19%), this because the ponds were made larger than originally planned (9 591m³ instead of 6 500m³). The shallow and deep wells envisaged in the Appraisal Report (APPRAISAL REPORT) were not constructed. This meant a 35% reduction in the envisaged irrigation works and some 490 beneficiaries. Finally, in relation to *community works*, 360 rural latrines were built, using funds external to the original project budget.

Recommendation B1

22. The experience gained in the programming and implementation of surface water sources (including cisterns for water for human consumption) is a remarkable achievement which can and must be replicated in the future in the light of the huge demand present. The adoption of efficient irrigation technologies (e.g. "artisanal" and/or modern trickle, ferti-irrigation and integrated pest control) is another major success. **It is recommended that this be extended during the period remaining up to the completion of the project and in any subsequent phase, which would**

provide the basis for a significant increase in the beneficiaries' incomes. In the case of ponds for animal watering and mixed use, it is important to consider an effective perimeter fence, as originally planned, to restrict access by animals to drinking ponds, prolong their useful life and create an anti-parasite barrier.

Recommendation B2

23. Efforts to collect water are rendered inefficient if irrigation technologies at farm level are primitive. Irrigation by flooding in semi-arid conditions is an enormous waste of the most vital and most scarce resource. In PROSALAFa, trickle irrigation is a technological leap which must be exploited based on the use of black plastic hoses to pipe the water from source to the place of application using natural gravity or pumps. **It is recommended that the transfer of appropriate irrigation technology be enhanced in order to benefit from investments already made and extend the irrigated areas for production.**

Recommendation B3

24. The dearth of experience in obtaining underground water for productive purposes precludes the drawing of lessons on its future feasibility, despite the elapse of years of implementation. At pilot level, at least, the project should have undertaken some such works in selected locations.

25. In the case of deep wells, where considerable investment is needed in drilling, the installation of pumping equipment, and its subsequent operation and maintenance, these characteristics were considered to render this solution non viable for the project's target producers. Moreover, it should be noted that the availability of sustainable underground water is a very complex subject in the Venezuelan semi-arid areas given the great competition for extraction and the current lack of a properly applied legal regulatory framework. However, any other action to exploit underground water at lesser depths was also abandoned. **The project should have undertaken a series of tests to exploit the underground water beneath the beds of streams and rivers through shallow wells and filtration chambers. Such works are very cheap and can be carried out by the producers themselves. It is recommended that such experiments, albeit on a pilot basis, are made during the remainder of the project.**

Recommendation B4

26. The possibility of developing additional irrigated areas through wells, preferably, however, also using available resources to continue with cooperatively managed surface sources using pipelines, could help to improve the distribution which up to now has almost exclusively benefited beneficiaries owning land adjoining the existing ponds. **It is recommended that trials be carried out with these. The results would be useful in complementing the work of the current project and in providing proposals for implementation in a second phase.**

C. Natural resources and environmental management

27. *PROSALAFa demonstrates the need to introduce integrated approaches to environment management in projects to combat rural poverty in the fragile ecological conditions of tropical semi-arid areas. The objective of achieving "rational management of natural resources" was only marginally achieved by the project because of weaknesses in implementation and the approach set out in the project design.*

28. The existence of semi-arid ecosystems in the tropics is generally associated with the presence of populations of rural poor. The interplay between the fragility of the ecosystem and the related low agricultural productivity lies at the root of the poverty found there. It is commonly perceived that the productive practices of small producers are associated with the destruction of natural resources and

desertification. Faced with such a diagnostic, typical proposals concentrate on recommendations of an agronomic nature aimed at intensifying the agricultural activities of small producers and disseminating knowledge and practice on soil and water conservation. It should be added that these proposals do not necessarily include all the elements necessary to achieve an effective balance between the ecosystem and production.

29. PROSALAFa offers an example where this type of proposal is frankly inadequate. Firstly, it ignores the presence of other economic and social actors (e.g. medium and large-scale livestock breeders and agriculture using irrigation; woodcutters; mining, etc.) whose activities (often on a much larger scale) also threaten the stability of the ecosystem. Secondly, reversing processes of desertification which have already started requires interventions in watersheds in which, because of their size, it is beyond the capacity of small producers to undertake works on the scale required. Finally, the necessary coordination of actions between the public sector (legislation, implementation and enforcement, large-scale public works, etc.), the private enterprise sector and small producers must be conducted in smooth collaboration. Otherwise the efforts of each of the parties may prove fruitless and vain.



Figure 5. Goat yard typical of the project zone.

Recommendation C1

30. A series of actions should be implemented before the end of the project to ensure that the activities undertaken take a more integrated approach to soil, water and biomass management in semi-arid areas. **It is particularly recommended that a survey of the productive capacity of the existing natural grazing be undertaken using satellite techniques which are low cost in relation to the benefits.** Calculating the production of biomass is the only way of determining the necessary adjustment of the current burden of animal grazing in the project areas and, as far as possible, by watersheds and micro-watersheds. This would allow an initial estimated zoning of the project area taking account of the fragility of the environment in terms of resource constraints, water and vegetation, in order to set priorities and focus watershed management efforts on future animal grazing.

Recommendation C2

31. Likewise, **a study needs to be done in the near future on the resilience of feed biomass, both grasslands and natural and introduced woodlands, in order to measure the potential support for livestock based on feed balances and consistent with the climatic data collected at the same place.**

Recommendation C3

32. It is important for the project to open up a range of assistance to goat-farmers who have not adopted the currently offered intensive or semi-intensive technological package, which by its nature concerns only a minority of producers. As well as a vision centred on technical-production aspects, an alternative way of managing the natural grazing of the semi-arid areas should also be provided. By no means should what has been achieved be abandoned, but at the same time, **it is desirable that the approach to technology transfer be redirected to this kind of livestock farming.**

Recommendation C4

33. The successful experiments in conservation of micro-watersheds (especially in Falcon) are an achievement whose extension and replication in other project areas would make the interventions more sustainable. **It is recommended that the pilot surface areas be extended by constructing larger water collection zones using rainwater harvesting techniques.**

Recommendation C5

34. It is of the utmost importance to involve more social and institutional actors with the necessary awareness and capacity for action to halt and reverse the process of soil degradation. **It is recommended that the Environment and Natural Resources Ministry (MARN) and state and municipal authorities be involved in these actions. In particular it is recommended that (a) an agreement be concluded with the normal education system with a student population of over 8 000 to introduce the environment and its protection as a core subject for the youth of the region; (b) the PEU and producers should undergo training in basic techniques on management of natural resources for grazing in the semi-arid areas of Falcon and Lara States. Becoming familiar with these aspects is a necessary step in being able to have a significant impact in the project area in the next few years; (c) strengthen relations with and request support from the specialized international agencies in this field, in particular, the Global Mechanism to Combat Desertification, the Global Environment Facility (GEF) and the Food and Agriculture Organization of the United Nations (FAO), drawing on the actions already initiated by CIARA in this regard.**

D. Training

35. *PROSALAF*A has reached almost 6 500 families in the area with various services, albeit primarily with activities to promote organization and training. These results are a remarkable achievement compared with the initial situation. The training of producers is considered to be one of the most significant achievements of the project and a key factor in the increase, not only in the population's technical capacity, but also fundamentally in its self-confidence and organization.

36. *Training for producers and other beneficiaries* achieved significant results. There were 466 events aimed at producers, involving 3 489 men and 3 411 women. These results were better than programmed. Many of these activities were undertaken with other institutions under agreements with the PEU.

37. In particular, the establishment of the "rural facilitators" group should also be highlighted as an additional system for training and transfer of technology in the communities. Seventy people were selected and specially trained to become permanent trainers and facilitators in the communities.

38. However, *PROSALAF*A, like other projects, started with a very broad range of subjects generally linked to project promotion actions. This process later results in 'stagnation' in institutional provision and the possibility of satisfying the beneficiaries' more structured demands at lower cost is lost.

Recommendation D1

39. **It is recommended that training be re-oriented as a modular training process with strategic subject areas taking into account both the identified demand and the capacity of existing institutions to provide such training.** The identification of training provision should take account of demand from the regional environment and not confine itself strictly to the project areas so as to increase the competitiveness of the local labour force which, inevitably, will migrate temporarily to those destinations. It is recommended that a start be made on designing mechanisms to include these training requirements. This approach will be much more effective and efficient than a series of totally unconnected events highly relying solely on what is on offer from institutions.

Recommendation D2

40. With respect to the rural facilitators' group, **it is recommended that the publication of the rural facilitators' journal "El Semiárido" be strengthened in coordination with FUNDALECTURA, and a similar experiment tried in Lara State. Additional training should be also designed and implemented for rural facilitators to qualify them as capable of providing services.**

E. Generation and transfer of technology

41. *Given the competitive advantages of the region in the production of fruit and vegetables under irrigation, both irrigation and the adoption of appropriate technologies to ensure viable productivity are an essential requirement if production is to be increased. PROSALAFa has contributed successfully to providing irrigable areas and the necessary technologies to the project beneficiaries even though the coverage is so far limited.*

42. Indeed, fruit and vegetable production under irrigation in Lara State supplies almost the entire national demand for onions, tomatoes and peppers, and large percentages of melons and watermelons. The region's production of pineapples and other crops (e.g. *zabila*) is also the highest in the country. Large agricultural enterprises with major investments in irrigation systems are the main producers. Of course, they are also one of the main sources of non-farm employment for the rural poor in the region. This structural situation provides and will provide a permanent "market niche" for small producers to the extent that they can overcome technological constraints and improve marketing channels.

43. As to *generation, validation and transfer of technology to farms*, PROSALAFa was programmed to reach 5 200 producers through 100 validation trials and 300 workshops on the main crops and livestock in the region. The results far exceeded these targets. Over 6 000 producers were reached through 329 validation trials and over 6 700 technology transfer activities. During the implementation of PROSALAFa, new methods of technology validation and transfer were developed with the UDRT, CIAL and the introduction of rural facilitators (180). The validation of intensive or semi-intensive goat-farming models is a positive achievement even though there has so far been only limited take-up by producers.

44. Indeed, it is estimated that only half the beneficiaries have incorporated the project suggestions and improved their farming practices. The sector of activity with the highest acceptance was conservation of water resources (74%) followed by goat-farming and vegetable production (47 and 44% respectively). As well as the water constraints, the adoption of technologies by more producers seems to have been hampered by the shortage of time to mature transfer activities, since it is only since 1998 that more efficient and innovative instruments, e.g. rural facilitators, UDRT and CIAL, have been included.

Recommendation E1

45. It is important not to leave the different methods of technology transfer without funding. **It is recommended that the agreements with the Agricultural Research National Institute (INIA), the Lisandro Alvarado Midwest University (UCLA) and other organizations with successful experiences of transfers be renewed up to the end of the period of implementation of this phase of the project and sufficient resources allocated to allow the UDRT and CIAL activities to continue.**

Recommendation E2

46. The adoption of productive technologies has been enhanced when there are sufficient water resources to meet production targets at individual farm level. In this respect, **it is recommended that the transfer of trickle irrigation technology and other water-saving practices be increased.**

F. Marketing of inputs and products

47. *The marketing of agricultural inputs and products is still an obstacle to achieving higher agricultural incomes among the beneficiaries. While there are stable and expanding markets for most of the market garden products, the marketing channels are still imperfect and allow intermediaries to make extraordinary profits. "Non-traditional" agricultural and animal products and artisanal products still require support to develop markets and more effective marketing channels.*

48. In general, the project far exceeded the targets for studies, training and technology transfer on market and product-related subjects as well as support for the creation of rural micro-enterprises.

49. The project's efforts were thus centred on the local context and training. Through participation in local fairs and exhibitions, the work of identifying markets was begun, and at the same time it was possible to launch forms of artisanal organization and strengthen the organization of productive activities.

50. Feasibility studies were carried out into goat products and marketing of some vegetables, sisal, *cocuy* brandy, *zabila*, milk conserves, etc. Based on the analysis of these small studies, a daily information service was launched on agricultural market prices and seasonal analysis of some agricultural products and live animals.

51. However, the wide geographical spread of the small farms, the remoteness from "market centres" and the lack of organization of small farmers generate conditions in which intermediaries who approach the farms have a disproportionate bargaining power.

52. The marketing and microenterprises subcomponent now needs more specific attention. Up to now, training in marketing has been in fairly general terms.

Recommendation F1

53. Far from recommending that farmers should turn themselves into traders, the project should undertake activities to increase their bargaining power with marketing agents. In addition to current actions (e.g. information on prices of inputs and products in nearby markets), the project should extend the range of support activities. In this regard, for traditional horticultural products, **it is recommended that the project should strengthen its actions to organize producers so as to increase their bargaining power, e.g. joint purchases of inputs, sale of larger quantities in strategic outlets, etc.** It is hoped that, as in other similar situations, that the advantages of this type of organization will also involve intermediary agents (e.g. with lower haulage and transport costs, greater security of supply, etc.).

Recommendation F2

54. **It is recommended that the project should provide on-going support to producers on these matters as a permanent management function. In formulating the second stage, special attention should be paid to these aspects, considering effective options, e.g. formation of a central marketing unit for the two states, Falcon and Lara, in addition to the states' responsibilities.** In particular, actions should be refocused on the products of local microenterprises and reinforced.

G. Artisanal fishermen

55. *The results obtained in relation to artisanal fishing fell far short of those envisaged in the APPRAISAL REPORT. The main activity programmed, the construction and provision of 30 boats to some 180 associated families, did not happen. In fact, only two boats were provided to only four families. This particular group of project beneficiaries continues to display situations of extreme poverty and marginalization.*

56. Constraints of a cultural nature and a network of power relationships involving intermediaries and shipowners appear to create strong barriers to association of artisanal fishermen, especially the poorest who are piece-workers.

57. This group would be the project target-group because the failure to organize them in autonomous groups would explain the poor results. It should be noted that the arrears in credits granted to fishermen are almost four times higher than the average for Falcon State. This behaviour is also associated with the particular idiosyncrasies of these social groups in which bringing about cultural change requires more effort and appropriate and specific approaches.

Recommendation G1

58. For reasons of equitable distribution, it is important to not overlook this population group in the project area. **It is recommend that a specific study be undertaken on the functioning of this productive and social subsector in order to design more appropriate interventions to combat poverty and promote their economic and social development before the conclusion of the project.** This study should be entrusted to an institution specializing in the sector. The results of this study should be used as inputs for the formulation of more effective actions in any second phase of PROSALAFa as well as other institutions (e.g. INAPESCA) to allow them to formulate projects and/or activities specifically designed for the benefit of these groups.

H. Land titling

59. *The results for cadastral surveys and titling were meagre. The programme envisaged obtaining title to all the land covered by the irrigation and watershed management component, but less than 160 cases could be regularized out of an estimated demand of over 1 100 farms. It remains important to continue to regularize the precarious land tenure of the small farmers.*

60. The legal uncertainty as to land property rights persists in the project area. This situation could, in other circumstances, have been a major obstacle to the construction of water infrastructure works and other permanent improvements but, in reality, this does not seem to have been the case. The "de facto" possession of the improved land is respected by the communities and no cases of disputes were recorded. The PEU, rightly, decided to proceed with works even on farms without perfect title but with duly accredited evidence of possession.

61. Nevertheless, the absence of title of ownership is a considerable obstacle to guaranteeing formal credit transactions.

62. The project carried out the necessary administrative actions efficiently, but unfortunately the context in which it had to operate, with constant changes in policies and strategies on this subject, prevented it from achieving its targets.

63. Given that the institution replacing the IAN, under the new Land Act, is the INTI which recently commenced its work, the PROSALAFAs management initiated contacts with the INTI regional office in Lara State to continue the process of titles of use, enjoyment and possession.

Recommendation H1

64. **It is recommended that titling actions in progress be continued and new ones be adapted to the forms of presentation sponsored by INTI.** Indeed, the legal and regulatory changes adopted in the last two years provide favourable conditions for clearing the hold-ups in these proceedings.

I. Rural financial services

65. *The credit and financial services component was executed in a substantially different way from the original design which contained serious weaknesses both in estimates of demand for financing and the supply and channelling of credit resources. In financial terms, implementation achieved only 18% of the amount originally programmed. PROSALAFAs continued to reformulate the component throughout its execution so that there are now three co-existing modalities of credit [e.g. rural banks, FRAC and agreements with state funds]. Analysis of experience and careful formulation of a sustainable rural financing strategy are critical aspects for the future.*

66. PROSALAFAs executes the component through three parallel and simultaneous lines of action. These lines were substantially different from those envisaged in the APPRAISAL REPORT which, in the view of the interim evaluation, is an appropriate, although not necessarily complete, adjustment to changes in the environment and the beneficiaries' actual needs. In reality, no loans were ever made through ICAP (which granted high subsidies through negative real interest rates). A FRAC was funded by the project and agreements were signed with state funds with similar characteristics to ICAP (FONDAEL and FONECRA). The most novel and effective was the establishment of rural banks [similar to the Economic Development of Poor Rural Communities Project (PRODECOP) model].

67. In all, some 1 400 producers in the two states were assisted, less than the number of 2 454 identified in the appraisal report, meaning that only 57% of the envisaged population could be covered. Credits of USD 963 000 were placed in all, only 60% of which came from project funds, the remainder being financed from producers' savings in the rural banks.

68. In more specific terms, the rural banks offer a fairly considerable capacity in terms of the relevance, efficiency and sustainability of their services. The model's strength lies in various factors which deserve analysis together with the weaknesses found. The strengths include:

- (a) It is a model that meets individual needs by circulating resources resulting from surpluses or deficits among households, especially those with scant resources.
- (b) The rural bank is an accessible and attractive alternative to other kinds of lender which charge high (usurious) interest rates, such that the economic security of poor households is directly threatened in cases of emergency.

- (c) It is a cycle in which strict conditions and social control guarantee repayment of the loans.
- (d) In the local environment, there is a basis for controlling the management of the rural banks involved in the management of financial resources.
- (e) The rural bank is a legally valid model which has the potential to stimulate rural savings, especially in places where access to formal intermediaries is scarce and unattractive.
- (f) In the case of external funds, such as those of PROSALAFA, the rural bank is a channel with a certain potential to facilitate the implementation of the credit component.
- (g) In cases where the rural bank manages to embed itself as a local financial institution, there arises the possibility of linking it to the formal financial system through banking institutions.

69. On a par with their potential, the weaknesses of these instruments should also be borne in mind, namely:

- (a) The resources are generally managed by trustees who are hard to replace, either because of their good performance (and there is no one else) or their poor performance (and they do not want to relinquish the position). Problems of management succession often arise.
- (b) As the rural bank grows, the accounts administration requires a certain degree professional expertise which in turn requires training and external advice which can only be provided through projects or external organizations.
- (c) Where constant growth of the rural bank is achieved, problems often arise between the bank's management, which has created and developed it on a voluntary basis, and the technical staff who work for remuneration. Harmony between the 'volunteers' and the 'professionals' is not always guaranteed.
- (d) The rural bank model relies on social control for the repayment of loans at local community level, which means that there are limits on the increase in the number of members. Outside the community, the social control does not have the same force.
- (e) Where external support for management and accounting is withdrawn, the continuity of the rural banks is perceptibly reduced and at the same time the "mortality" rate rises. As each rural bank is regarded as a "system", there is a strong dependence on an external body.
- (f) Links between the rural banks themselves are difficult to achieve, since these are created by an external body – project or NGO – whose raison d'être is not always to consolidate the rural bank system but to ensure its own operational continuity.

70. In short, it should be noted that great interest has been aroused among many people and organizations in the project's contribution to setting up a sustainable rural financial system, beyond the mere placement of financial resources.

Recommendation II

71. **It is recommended that a moderate amount of the project credit resources be concentrated in external financing of the rural banks.** These are the soundest bases for proper

allocation and collection of loans. This does not mean that the FRAC's operations should be curtailed but that they should be exclusively linked to the rural banks or their associates.

Recommendation I2

72. With respect to rates of interest collected for the use of PROSALAFAs resources, **it is recommended that only positive real interest rates be used.** Any rate that charges less than the rate of inflation will tend to confirm the "heterodox" practices which have been implicitly allowed in the project since its formal start-up in 1993. No lender should accept the loss of the real value of the resources lent, whether inside or outside the project area.

Recommendation I3

73. **To consolidate the system of rural banks, it is recommended to open a dialogue with representatives of the banks in both states, with a view to forming a second level entity (union, federation or association)** which can take responsibility for aspects crucial to their development, such as: (a) channelling and administration of external resources, both of PROSALAFAs and from other sources (possibly at national level); (b) maintenance of the accounting records of small or relatively weak rural banks which do not have the capacity to take charge of this themselves; (c) monitoring and control of rural banks, with a view to standardizing financing criteria and accounting records; (d) training of management at board and credit committee level on subjects such as evaluation of requests and financing proposals, collection, financial management (interest rates), management of savings and formulation of expansion strategies.

Recommendation I4

74. **It is recommended to carry out immediate studies to analyse the feasibility of developing a formal financial institution in Lara and Falcon States,** created and oriented on the basis of self-management and financial and institutional sustainability. This study would be a key input in the formulation of the related components of a second phase of the project.

J. Organizations and formation of social capital

75. *The establishment of grass-roots organizations, virtually non-existent at the start of the project, has been extremely successful. There are now over 900 organized groups based around water sources and some 270 organized settlements around other services. Consolidation of the more highly developed organizations (e.g. formation of a second level of organizations at municipal or regional level) is so far at an embryonic stage. Certainly, the sustainability of the actions and achievements to date will depend on establishing organizations at this level.*

76. It has been found that, at present, communities have organizational structures able to identify their needs, put forward their requests in the form of applications to development agencies, promote activities to solve their problems, possess a satisfactory level of appropriation of the methods and processes they promote and maintain a positive and pro-active policy in relation to the political and administrative authorities. The communities are making progress in obtaining services from state and private agencies due to their organizational capacity supported by PROSALAFAs creation of the necessary conditions, providing logistical and financial support in carrying out activities deriving from this kind of institutional relationship.

77. However, there has been no progress in higher level organizational models which unite producers and grass-roots organizations in the management of specialized services, such as marketing of inputs and products and financial services. Indeed, there is a fragmentation of small producers' organizations, often under the same heading, united on the basis of individual works, mainly ponds, which limits their involvement in economic activities on a more dynamic scale.

78. One of the causes, probably, is that there has been no proper monitoring of the execution of activities under agreements with state institutions and the impossibility of giving effect to the ideas generated by training. Thus producers are not much involved and have little impact in official decision-making bodies at local, municipal and state level.

Recommendation J1

79. **It is recommended that an “exit strategy” and organizational sustainability strategy be devised by the PEU based on the available time and resources, in consultation with producers’ organizations, involving links with municipal and state governments and institutions.** This will mean allocating time and resources to the preparation of a programme of activities to be implemented before the completion of the project. This programme will need to include, as a minimum: (a) bases for establishing relations between producers’ organizations and municipal, state and national institutions after the project ends in order to obtain commitments to support the population themselves or through other future initiatives; (b) encourage the legalization of civil associations which are still not registered with the municipal authorities; (c) improve mechanisms of coordination, communication and monitoring in the execution of activities carried out under institutional agreements, involving municipal and state governments in community-institutional relations.

Recommendation J2

80. **It is recommended to establish the bases for the creation and strengthening of larger organizations for the purpose of: (i) management of specialist services such as marketing on inputs and products; and/or (ii) associations based on economic activity, at community and municipality level.** These tasks should be started in the near future as a crucial input to any second phase of the project. They should include: (a) contracting of specialist staff; (b) promotion of better linkages with community bodies (neighbourhood associations), municipal and state authorities in the formulation of proposals and management of resources; (c) more dialogue and advice to state governments to generate institutional collaboration mechanisms between public and private entities in seeking to rationalize provision and channel the demands of the population.

Recommendation J3

81. **It is recommended to continue to strengthen human resources in the existing grass-roots organizations in the light of future objectives contemplated.** In this respect, the project should take immediate steps to: (a) establish legal and regulatory measures to provide greater opportunities for new community leaderships, with emphasis on those with least experience of decision-making – women, young people – with training support; and (b) equip facilitators with better knowledge, qualifications and skills, promote networking between them and present them as service-providers to institutional authorities, private organizations, municipalities and state governments.

K. Gender

82. *The gender approach was successfully adopted by PROSALAFa despite the persistence of some conceptual and operational shortcomings. Although the project design addressed the gender theme through the "women in development" approach current at the time when it was formulated, the project itself aligned itself with the new gender in development approach, which indicates PROSALAFa’s ability to adjust to progress in this subject.*

83. The work on the gender approach was successful from the project perspective of providing women and men with access to services and achieving greater family integration in productive activities, crafts, micro-enterprises, credit and more equitable forms of family and social relationships.

84. The results were satisfactory: (a) women's involvement is most significant in microenterprises and crafts, at 54%, followed in descending order by rural banks and neighbourhood associations (42%), cisterns (22%) and finally producers' associations (17%); (b) out of the total participants in training events for producers during the project life, 49.4% were women; (c) PROSALAFa supported the formation through training, technical assistance and credit of 58 microenterprises to the benefit of 357 associates, 193 of whom (54%) were women; (d) PROSALAFa provided financial support and time-saving technology such as cisterns to store rainwater and water supplied by the municipality, latrines and improved stoves for the benefit of the family as a whole and women in particular; (e) in the *rural banks*, women make up 42% of the membership and participate actively as shareholders and applicants for credit, and hold the majority of management posts; (f) monitoring and evaluation: the PEU has developed a satisfactory model for annual operating reports, which give a breakdown of activities for men and women, allocating financial and technical resources and clearly defining the scope of each component in quantitative terms.



Figure 6. Multifamiliar cistern, Falcon State.

85. However, the project did not develop a concerted strategy among those involved clearly and specifically setting out a gender strategy, with a conceptual framework, performance indicators, methodology and other forms of operation for the application of the gender approach and a monitoring system to measure progress and make adjustments. Nor were sufficient training sessions held for technical staff and there were no such events for grass-roots producers.

86. Shortcomings persist, among them: (a) although there has been progress, there are still problems in the information system in differentiating component activities by sex and a set of indicators for monitoring purposes is lacking; (b) there is little participation by women in the rural facilitators programme and no women heads of households are facilitators, although in practice some spouses and daughters support the facilitator's work in specific activities; (c) men and women are still little involved in municipal and state bodies, and in the case of women this is even more limited.

Recommendation K1

87. It is important to correct some of the existing operational weaknesses. In particular, **it is recommended to have a gender specialist, expert on standardizing these aspects, in order to introduce a specific gender strategy in PROSALAFa during the second phase of execution.** This expert should develop methodological mechanisms for reaching the family and an information system to show a breakdown of the participation of women and men.

Recommendation K2

88. **It is recommended that in collaboration with CIARA the experience of work in the field on gender be consolidated, selecting a case study of complementary roles in the family or a line of action (microenterprises or rural banks) and from there disseminate the results among those concerned.** Standardization could be an input in defining a regional gender strategy, establishing the basis for the design of these aspects in a second phase and serving as a lesson that could be valuable to other projects and countries.

Recommendation K3

89. It is important to use successful models of training at grass-roots level. In this respect, **it is recommended that the families of rural facilitators be involved in gender training activities, as some of them do in practice.** This would allow the household and the farm to be considered as an illustrative example and permit an analysis of the incentives which could benefit all members of the family.

Institución/Organización

Representantes, Firmas


Ministerio de Agricultura y Tierras (**MAT**)


Efrén Andrades Linares
Ministro

Instituto Nacional de Desarrollo Rural (**INDER**)


Cnel. (Ej) Jairo Llanos Morales
Presidente

Fundación **CIARA**


Leonardo A. Gil Mora
Director General

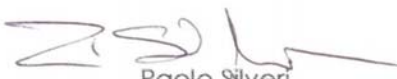
Proyecto de Apoyo a los Pequeños Productores
de la Zona Semiárida de los estados Lara y Falcón
(**PROSALAF**)


Rafael Rangel
Director

Fondo Internacional de Desarrollo Agrícola (**FIDA**)


Jean Jacques Gariglio
Director de Operaciones ALC

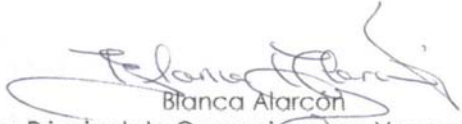
Fondo Internacional de Desarrollo Agrícola (**FIDA**)


Paolo Silveri
Director de Evaluación

Fondo Internacional de Desarrollo Agrícola (**FIDA**)


Ruy Villalobos
Consultor en Evaluación

Corporación Andina de Fomento (CAF)


Blanca Atarón
Ejecutivo Principal de Operaciones en Venezuela

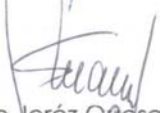
Beneficiarios


Linda Rodríguez
Presidente de **APROCA**

Ministerio del Ambiente y de los Recursos Naturales


Rodolfo Roa
Director Gral. Cuencas Hidrográficas

FONDAFA


Sixto Jeréz Quesada
Presidente

Instituto Nacional de Tierras (INTI)


Adán Chávez
Presidente

