Republic of Albania
Programme for Sustainable Development in
Rural Mountain Areas

Project Performance Assessment
90th session of the Evaluation Committee
27 November 2015
Background

Goal: increase household incomes particularly among poorer rural population

3 Objectives:
• additional resource mobilization in and for the mountain areas;
• accelerated economic growth and poverty reduction;
• strengthened abilities of local institutions and organizations;

• 14.2.2007 (effectiveness) – 30.9.2013 (after 1 yr extension)
• Actual costs: 23.35 million $
  IFAD 33%; CE DB 28%; OFID 17%;
  beneficiaries 14%; GoA 9%
Approaches

2 implementing partners (established through SDRMA predecessor project):
• Mountain Areas Development Agency (MADA)
• First Albanian Finance Development Company (FAF-DC)

• Foster sustainable commercial rural activities
• Beneficiary participation in investment planning
• Strategic investment opportunities
• Bundling technical and financial support
• Capacity building of service providers
• Strengthening key institutions to mediate this approach
Findings (1)

• Various activities and outputs reported but no baseline and no targets.

• No outcome indicators quantified in relation to goal and objectives.

• Hard to evaluate the level of achievement.

• No Mid Term review undertaken, hence no corrective measures
Findings (2): outputs realized

<table>
<thead>
<tr>
<th>21</th>
<th>FORAS</th>
<th>= forum of major stakeholders from public and private sector; 10 were active</th>
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</thead>
<tbody>
<tr>
<td>37</td>
<td>Local Action Plans</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Strategic Investment Pgms</td>
<td></td>
</tr>
<tr>
<td>165</td>
<td>Matching grants</td>
<td>for Income Generating Activities</td>
</tr>
<tr>
<td>44</td>
<td>Infrastructure projects</td>
<td></td>
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<tr>
<td>3,100</td>
<td>Local stakeholders trained</td>
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<tr>
<td>2,300</td>
<td>Entrepreneurs + employees trained</td>
<td></td>
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<tr>
<td></td>
<td>Brucellosis</td>
<td>Control</td>
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<tr>
<td>8,770</td>
<td>Loans</td>
<td>76% less than 5,000 $, but now 95% for SMEs</td>
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Findings (3)

- No targeting of poor households
- Poor not able to contribute 30-40% of the matching grants
- Interest rate of loans prohibitive for poor (17.5% - 21%)
- Small number of direct beneficiaries (12,000)
- Gender: Women targeted (35-42%) in training, but no analysis of effects of interventions. No equal gender opportunities as targeted.
- Participatory planning & Local Action Plans
- Small scale economic infrastructure (irrigation, roads)
- Employment from loans: per loan creation of 1.7 full time and 1.3 part time job (unclear if poor beneficiaries)
• No evidence of implicit theory of change taking place: grants and loans would lead to a) replication; b) more investments in mountain areas; c) backward linkages.

• MADA remained a project implementation unit; no influence on policy nor on increasing national budget for mountain areas. Future existence uncertain

• Sustainability of FORA is questioned

• FAF-DC: unable to transform into a commercial bank, hence no mobilization of savings and deposits; targeted coverage not achieved; small scale lending expensive, hence reduced lending for this category. Has not become an effective rural/agriculture lending institution
Conclusions

- Local Action Plans (LAPs) are relevant; Improved rural infrastructure are high priorities in all commune LAPs and benefit villagers; Alleviating key constraints to specific value chains could be successful.

- Partner institutions were deficient in knowledge management and learning.

- IFAD did not address comments by the Technical Review Committee made at the outset and has not shown to be a learning institution in Albania.

- The Government lacked clarity and guidance with regard to the roles and functions of MADA, FAF-DC and FORA.

- After 14 years of IFAD and MADA involvement, an effective mountain area development agency has not emerged.

- Lack of agriculture credit services remains a critical constraint.

IFAD
Investing in rural people

Independent Office of Evaluation
Recommendations

• Value chain analyses and funding to address critical constraints should be scale up in a simplified form, with the inclusion of targeting poor and women

• Economic empowerment of women should be vigorously pursued

• New options to be researched by the Government for effective rural banking services

• IFAD to address the poor and develop a targeting strategy

• IFAD to make M&E a condition for loan approval