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**External Evaluation for the Investment Plan for: PRORURAL-I
(Sector-wide Productive Rural Development Program)**

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Several documents were received from the governmental *Dirección General de Planificación* from Nicaragua, which were revised to develop this evaluation:

1. Chapter I of the Nicaraguan proposal to GAFSP, which summarizes PRORURAL-I and its Investment Plan.
2. National Human Development Plan 2012-2016
3. Sector-wide Productive Rural Development Program PRORURAL-I
4. Changes to the Investment Plan of the program PRORURAL-I
5. National Rural Agro-Industry Program (PNAIR)
6. Mid-term Evaluation of the program PRORURAL-I

The following review incorporates all areas and content of review recommended by the Guidelines for Review of non-African Country Investment Plans Consistent with the CAADP approach. Therefore, each of the areas is mentioned and analyzed throughout the document.

The revised investment plan is well articulated with several national programs under the broader umbrella of the National Human Development Plan (PNDH) for the years 2012 to 2016, which states as its main objective the reduction of poverty and inequality. This national plan includes among its areas of work a Food Strategy and Food and Nutrition Security and Sovereignty Policy. The investment plan contributes to target poor producers as active participants promoting their inclusion in the discussions of rural government planning and management policies. PRORURAL-I is composed by three national programs: the National Food Program (PNA), the National Rural Agro-industrial Program (PNAIR), and the National Forest Program (PNF), each of which covers different key aspects of food security and nutrition in the country. All of the programs dedicated to overcome poverty and to improve food security and nutrition in the rural areas of the country, and specifically in the Nicaraguan Caribbean Coast, are closely linked to the framework represented by the Government of Reconciliation and National Unity of Nicaragua (GRUN). This systemic structure allows the articulation of a wide variety of actors and sectors working on food and nutrition security at the national and at the provincial level.

The investment plan is based on relatively current information that allows the assessment of the progress and the constraints experienced by Nicaragua in regards to diverse indicators used to evaluate the programs mentioned above. Consequently, the investment plan is built upon past achievements, which provides potential capitalizing on previous lessons and experiences. The statistics presented in the initial paragraphs supporting the Investment Plan show the capacity of

the country to advance in achieving its national objectives towards meeting the Millennium Development Goals. Information shared shows the changes experienced by Nicaragua between 2005 and 2009 with regards to increases in income and poverty reduction, especially in the rural areas and in the Caribbean Coast. In fact, the last report on the State of Food Insecurity in the World by the United Nations' Food and Agriculture Organization (FAO) informs that Nicaragua has basically already achieved the goals of reducing in half the prevalence and the number of undernourished people. In 20 years, Nicaragua experienced a reduction of the number of undernourished individuals (those without the ability to obtain enough foods to meet their daily caloric requirements) by 49.2% and the prevalence of undernourishment in 63.5% (from 55% in the 90's to 20% by 2010-2012). Other countries in Central America haven't experienced such a progress, and actually some of the closest Nicaraguan neighbor countries have experienced a major setback. In spite of such advances, the authors recognize the magnitude of the challenges Nicaragua currently faces with over 40% of the population still living in poverty.

Likelihood for the investment programs to realize growth and poverty reduction

Based on the previous information, PRORURAL-I is aligned with national goals of economic growth and poverty reduction, as well as with the Millennium Development Goal on extreme poverty and hunger reduction by half by the year 2015. PRORURAL-I is clearly aligned with the institutional arrangements around national programs and investments that support the feasibility and sustainability of the proposed investment plan. The Nicaraguan Government has programmed investments of over 580 million dollars in the programs within PRORURAL-I, and reported on indicators used to evaluate the impact of such investments, the way targets were accomplished, as well as the means of verification of the progress achieved by 2011 (compared to 2008). This shows the ability and experience gained in articulating the financial and economic merit of the Investment Plan with specific analytical tools to assess the benefits and efficacy of the plan.

An inclusive review and consultation process

The Nicaraguan government has conducted consultations across the country, including the two autonomous regions in the North and South Atlantic Coast of Nicaragua. These consultations included representatives of a wide diversity of sectors (farmers, communities, local governments, non-governmental organizations, the private sector, and civil society representatives), who were involved to generate a sense of ownership around the program, incorporating the voice of stakeholders in the formulation of the development strategies across the different regions. The consultations resulted in important inputs on relevant productive activities and key issues to promote environmentally sustainable territorial production supported by stronger institutions, organizations and infrastructure, aiming poverty reduction and higher food security levels. These inputs were included in both phases of PRORURAL-I (2005-2009, and 2010-2014). This consultation process resulted in the engagement of the private sector and NGO's.

Consistency of country budgetary and development assistance commitments with the country investment plan

The investment plan associated with PRORURAL-I is consistent with the country's budgetary plan and investments, which are presented in the Investment Plan for the three programs in PRORURAL-I as of March 2013. The investment plan reports on a consistently maintained budget execution with an important share of the national budget invested in the agriculture

sector. The Nicaraguan government has been partnering with external agencies to meet the required budgetary needs. The investment plan recognizes that its program has suffered a reduction of the external funding, and as a result underwent an updating effort of PRORURAL-I using information generated by a mid-term evaluation carried out in 2012. Proposed adjustments to the program are expected to be completed by November 2013. The proposal presents detailed information for all provinces in the country, reporting average provincial investments per producer and the total number of producer for each province. Over 41,000 producers were reached in the two Autonomous Atlantic Regions of Nicaragua. Nevertheless, the per capita investments on the producers in these two regions (RAAN and RAAS) are among the lowest in the country. In addition, these two regions have experienced a reduction in the Productivity Growth Yields for corn and beans, while RAAS also suffered a reduction in the productivity of rice. Thus, this investment plan could have a positive impact in increasing the investments on agricultural production and in the productivity of the Nicaraguan Caribbean Coast.

Technical realism (alignment of resources with results) and adequacy of institutional arrangements to implement

A financing plan is presented for the three programs in PRORURAL-I identifying governmental sources, external sources, and the role of the private sector, while identifying the existing financial gaps to fulfill the planned investment plan. The 2012 mid-term evaluation generated recommendations on how to update the funding arrangements to ensure meeting the program goals and expected outcomes, which include a stronger decentralization in planning, capacity building, and budget management. Thus, each of the programs has been assigned its own budgetary investments, as they are planned to come from different sectors (public, private, external). The PNA is identified in this investment plan as the priority in terms of the budgetary allocation, taking around two thirds of the total budget, while having the lowest financing gap in relative terms. The financing gap identified for each program represents clear areas for donor programming commitments. Great emphasis is made in the promotion of gender equality reporting that in PRORURAL-I (2008-2011) the majority of all beneficiaries were women, especially in the National Food Program. It is to expect, that this aspect will be strengthened in the two other programs. In addition, PRORURAL-I targets vulnerable populations by focusing on poor undercapitalized producers as participants in their own development in order to achieve food security.

Adequacy of institutional arrangements for effective and efficient delivery

The revised investment plan describes inter-agency and intersectoral coordination among diverse actors. In this regards, PRORURAL-I is a program integrating the Ministry of Agriculture, Livestock and Forest (MAGFOR), the Nicaraguan Institute of Agricultural Technology (INTA), the National Forestry Institute (INAFOR) and the Ministry of Family, Communal, Cooperative and Associative Economy (MEFCCA). Additionally, it is stated that the program implementation entails the involvement of the Nicaraguan Institute of Fisheries and Aquiculture (INPESCA), as well as the Ministries of Health and Education, the Bank Produzcamos, the National Food Distribution Company (ENABAS), the Atlantic Regions', RAAN and RAAS, Regional Councils and Autonomous Governments, and private agencies, associations and farmers' cooperatives.

Coherence and or consistency between policies, implementation arrangements and delivery mechanisms, and investments areas, priorities or program objectives

The reviewed investment plan presents a coherent and consistent arrangement between policies, institutions, and agencies. The program objectives are clearly aligned with PRORURAL-I and with each of its three programs, and establishes the priorities and investment areas, based on country policies, as well as previous achievements and outcomes. The decentralization effort, which will determine the success and impact of the project in the Caribbean Coast, requires to be implemented to guarantee the effective implementation of the investment plan. The identification and inclusion of the Atlantic Regions' community institutions, and civil society seems to constitute a solid ground for achieving the desired change proposed. The investment plan takes into consideration country policies and national program objectives.

Appropriateness and feasibility of the indicators for impact and system for capacity improvement and accountability

Diverse indicators are presented that are appropriate to assess the impact of the investment plan. Previous evaluations, such as the mid-term evaluation of 2012 provide with a set of indicators that will allow the assessment of the achievements and change. The lines of action of the three programs integrated within PRORURAL-I, presenting the main constraints, the opportunities of action, and the proposed activities are well described. It is recommended to include in Chapter I a table showing anticipated results, and targets, as well as a brief description of the data collection and analysis to monitor and evaluate the progress achieved by the program.

Extent and quality of dialogue, (peer) review and mutual accountability system

The investment plan incorporates a description of the institutions responsible for its implementation. It seems like the links between all different actors have been established, as well as the responsibilities for implementation and evaluation. The plan should also incorporate arrangements to carry out peer review evaluations.

It is obvious to the reviewer that the investment plan integrates an increase in agricultural productivity, while supporting food producers and rural agribusinesses to market their products, reducing their vulnerability to poverty and food insecurity, and improving non-farm rural livelihoods. The integration of several Ministries and governmental agencies, as well as other actors will allow the provision of the required technical assistance to the regions in the Nicaraguan Atlantic Coast. It is recommended that this investment plan states in a clearer manner how the improvement in food production, and the other components of the program, are linked to nutrition and health outcomes. Finally, PRORURAL-I has also assisted farming families transferring "climate-smart" technologies, recognizing the need of the country to adapt to climate change, and promoting "*Sustainable Development based on Environment Advocacy, Protection and Restoration*". The investment plan proposes the design and execution of a climate change adaptation plan.

This external evaluation concludes that the reviewed investment plan meets the long-term agenda of the Global Agriculture and Food Security Program (GAFSP), since it focuses on improving the income and food security status of low-income people in Nicaragua. It incorporates public and private sector investments to increase agricultural productivity, while linking farmers to markets, reducing their vulnerability, and providing adequate technical assistance. Financing

gaps are clearly identified for the country and regional agriculture and food security strategies that require to be filled in order to continue generating achievements reached previously. It clearly contributes to meeting the Millennium Development 1, while focusing in an area of Nicaragua that still lags behind in the required investments in agriculture. The inputs of stakeholders gathered through community consultations are included, which in the Atlantic Coast Regions incorporated local indigenous councils. The reviewer concludes that this investment plan shows the ability and readability of at Nicaragua to implement the proposed activities.

This review was conducted by the McGill Institute for Global Food Security. In case of questions please do not hesitate in contacting the director's office at the contact information below.

Best Regards,

A handwritten signature in black ink, enclosed within a hand-drawn oval. The signature is stylized and appears to read 'Hugo Melgar-Quinonez'.

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