

Republic of Turkey

Sivas-Erzincan Development Project

PROJECT PERFORMANCE ASSESSMENT



May 2015



**Republic of Turkey**  
**Sivas–Erzincan Development Project**  
**Project Performance Assessment**

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## ***Preface***

In 2013, the Sivas-Erzincan Development Project was completed in Turkey after eight and a half years of project implementation. The project targeted at the region's poorest people. It aimed to tackle rural poverty sustainably by developing community institutions. This would enable individual and collective access to economic opportunities and the social and economic infrastructure.

Specifically the project was designed to increase agricultural productivity and income levels of the rural poor, expand employment opportunities and encourage smallholder initiatives.

The project reached most of its objectives and was rated as moderately satisfactory with positive perspectives for the future. Activities supporting the communal infrastructure including new irrigation schemes and improvements to dairy-related activities led to a significant increase in agricultural productivity and income levels for the rural poor in the less developed parts of the project area. The project also financed non-repayable grants which created a secure and steady income supply from dairy production.

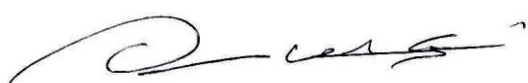
Less successful in some areas was an attempt to operationalize a value chain support approach. In some cases, the project ran parallel structures to those of government and private enterprise that were not integrated. An extensive redesign of the project prompted by low disbursement and a change of direction in government policy led to some of the targeted poor failing to access project benefits.

Where the project really fell short was in the late and incomplete establishment of properly functioning monitoring and evaluation systems so that the analysis of project results was severely hindered. Any attempt at duplicating the project must take this in hand as priority. Training of project support staff also needs attention.

Mr Mark Keating, Evaluation Officer, was lead evaluator for this project performance assessment. He was supported by senior consultant Mr Rauno Zander. Peer reviewers from the Independent Office of Evaluation - Ashwani Muthoo, Deputy Director and Miguel Torralba, Senior Evaluation Officer – provided comments on the draft report.

The Independent Office of Evaluation is grateful to IFAD's Near East, North Africa and Europe Division, the Government of Turkey, and in-country stakeholders and partners for their inputs at various stages of the evaluation and the support provided to the mission.

In closing, I hope the results of the evaluation will be useful and can help improve ongoing and future IFAD operations and related activities in the agriculture sector in Turkey.



*Oscar A. Garcia*  
*Director*  
*Independent Office of Evaluation of IFAD*



**Biological village sewage water treatment facility, Altinyayla-Basyayla village.**

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## Currency equivalent, weights and measures

### Currency equivalent

Currency unit	=	(New) Turkish Lira YTL
1 US\$	=	YTL 2.12
1 YTL	=	US\$0.47

### Weights and measures

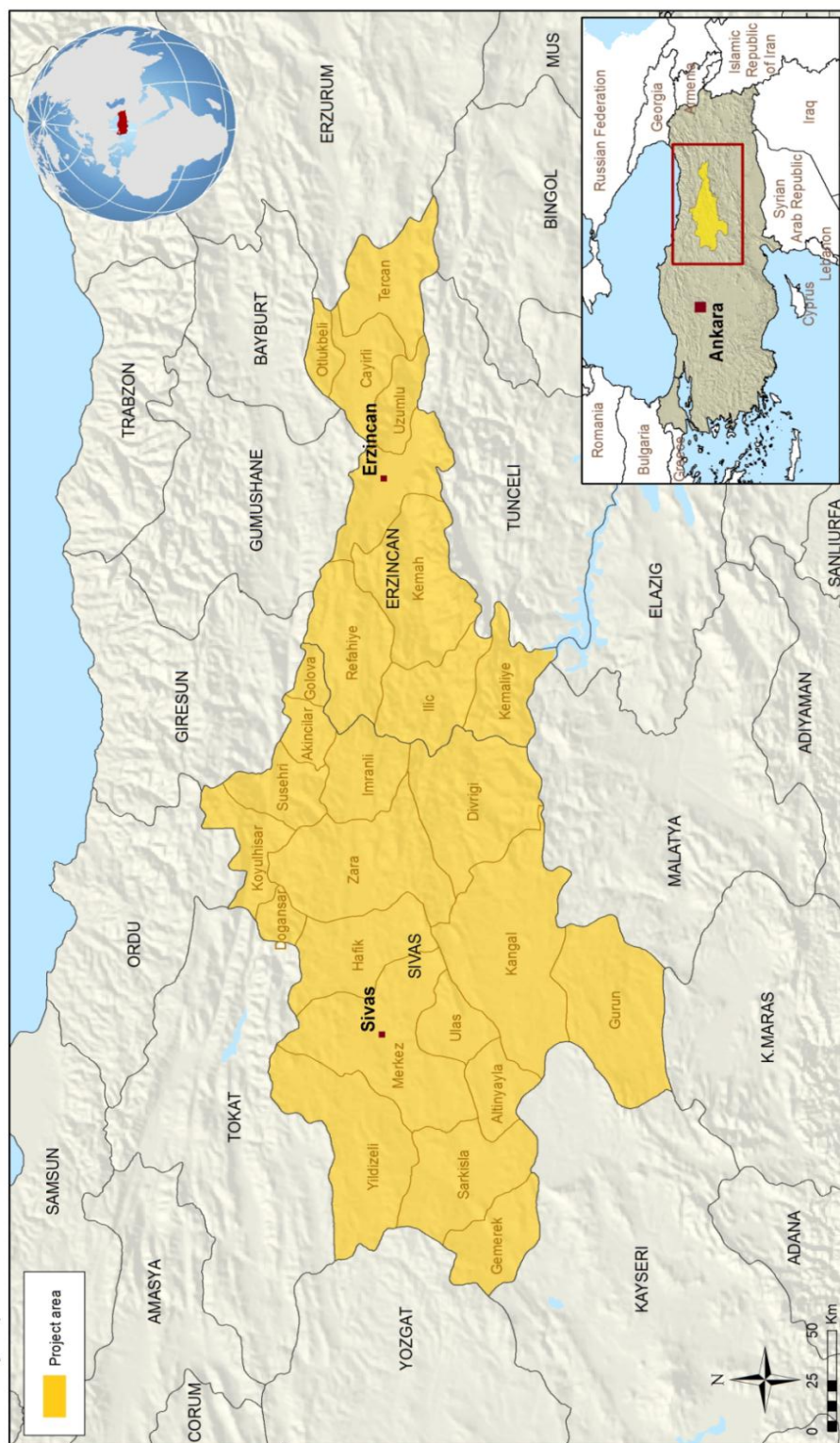
1 kilogram (kg)	=	2.204 pounds
1 000 kg	=	1 metric ton (mt)
1 pound (lb)	=	450 grams (gr)
1 kilometre (km)	=	0.62 miles
1 metre (m)	=	1.09 yards
1 square metre (m <sup>2</sup> )	=	10.76 square feet
1 acre (ac)	=	0.405 hectares (ha)
1 decare (da)	=	0.1 hectare (ha)
1 hectare (ha)	=	2.47 acres
1 quintal (qq)	=	45.3 kilograms
1 gallon (gl)	=	3.785 litres (lt)

## Abbreviations and acronyms

IFAD	International Fund for Agricultural Development
IOE	Independent Office of Evaluation of IFAD
IPARD	Instrument for Pre-Accession Assistance in Rural Development - European Commission
MFAL	Ministry of Food, Agriculture and Livestock
M&E	monitoring and evaluation
MTR	midterm review
PCR	project completion report
PCRV	project completion report validation
PPA	project performance assessment
SCBA	Sivas Cattle Breeders' Association
SEDP	Sivas-Erzincan Development Project
SIP	Strategic Investment Plan
UNDP	United Nations Development Programme



**Turkey**  
Sivas-Erzincan Development Project  
*Project performance assessment*



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.

## Executive summary

1. **Background.** In September 2013, the IFAD-supported Sivas–Erzincan Development Project (SEDP) in Turkey was completed after eight and a half years of implementation. The Independent Office of Evaluation of IFAD (IOE) undertook a project performance assessment (PPA) to assess results and impact and generate findings and recommendations for the design and implementation of ongoing and future operations in the country. This assessment is based on a review of existing documentation and an in-country mission carried out in July 2014.
2. **The project.** SEDP was designed as a US\$30.0 million IFAD-funded intervention to be implemented over an eight-year period. The project piloted an attempt to use pro-poor agricultural value chains to: ‘tackle rural poverty sustainably by developing community institutions that will upgrade collective and individual capacities to facilitate access to economic opportunities and critical social and economic infrastructure.’ The specific objectives of SEDP were to: (i) increase agricultural productivity and income levels of the rural poor in the less developed parts of Sivas and Erzincan provinces; (ii) expand rural employment opportunities and encourage individual and group initiatives of smallholders; (iii) build and strengthen self-sustaining institutions directly related to the rural poor; and (iv) improve the living of the rural poor and especially of women.
3. The SEDP was implemented across the adjoining provinces of Sivas and Erzincan in Anatolia. At the time of the project, these areas suffered from environmental degradation and experienced high levels of rural poverty and out migration with small-scale and emerging farmers having no access to large-scale international agricultural development interventions. The target group comprised the poorest people in the project area and was estimated at about 50,000 people (10,000 households) spread over approximately 200 villages, or 12 per cent of the rural population of the two provinces.
4. The original project consisted of two operational and one project management component, namely: (i) community and cooperative development; (ii) agricultural development; and (iii) project management. Low disbursement performance of the project (11 per cent by May 2007), and the development by the Government of Turkey in 2006 of the National Agricultural Strategy and National Poverty Reduction Policy made an extensive re-design necessary. After the re-design in August 2007 the two operational components, village improvement and farming support and agricultural marketing altered significantly the targeting provisions of the project.

### Assessment summary

5. **Changing priorities.** Altogether, the re-designed objectives reflected the original design propositions, yet they were less relevant in the new political, economic and social context. The value chain perspective could have been emphasized to better shape activities under the re-designed component 2. The general directions of the original project design were partially relevant. Issues resulted from: (i) changing priorities of the Government for agricultural development, no longer based on promoting cooperatives support; and (ii) a lack of clear, uniform and simple project implementation responsibilities and arrangements.
6. **Opportunities missed.** Overall the project achieved most of its re-stated objectives including an increase in agricultural productivity and income levels in the less developed parts of the project area as a result of new irrigation schemes and dairy-related activities. The objective to expand rural employment opportunities and encourage individual and group initiatives of smallholders was only partially effective. As focus shifted away from cooperative development, opportunities were missed to exploit large cooperative networks. With regard to the dairy value chain, eligibility criteria excluded poorer people. The improvement of the social and productive infrastructure was on the whole effective and investments provided by SEDP reached a large segment of poor people and resulted in construction and/or

rehabilitation/upgrading of irrigation schemes, sewerage systems, roads, village bakeries and other infrastructure, benefitting over 100,000 beneficiaries. However, the incentive structure proved inadequate to recruit well-qualified project staff.

7. **Efficiency.** Overall costs amounted to US\$30.04 with total actual cost at completion US\$28.07 million. The original project design covered 10,000 direct beneficiary households which, assuming an average household size of five, is approximately 50,000 people. The cost ratio measured in costs per beneficiary is comparatively high due to a large extent to the project financing communal infrastructure, with benefits accruing to the wider village population. No concrete numbers of overall beneficiaries can be provided given the late and incomplete putting in place of properly functioning M&E systems which hindered the satisfactory measurement of project performance and analysis of project results. Notwithstanding, an effort was made by IFAD and the Government to provide a comprehensive analysis of the project's main results and shortcomings.
8. **Impact on rural poverty.** For village level infrastructure activities supported under SEDP, this impact was, overall, satisfactory. For component 2 activities and some of the priority value chains supported, the impact differed widely; quite a few of these activities did not reach poorer farmers to the extent planned in project design. With regard to dairy farming interventions, while the PPA acknowledges that the dairy value chain has achieved positive gains and increased incomes, this would apply mostly to better off farmers. There is little evidence of expanding rural employment opportunities to benefit poorer households. While there is no question that better-off, medium size farmers have benefitted from project interventions, there is evidence that backward linkages with poorer producers, aimed at employment and income generation for poorer households, did not work in full. Few jobs were created through the milk collection networks, but not to the expected extent. On the whole, in regard to gender equality and women's empowerment, more could have been done to ensure full and equal access, in particular to land, which increased in value as a result of new irrigation schemes.
9. **Sustainability, innovation and scaling up.** Continued government support enhances to some extent prospects of sustainability. On the other hand, sustainability has been negatively affected by limited integration of existing structures. The introduction of irrigation systems represented an innovative approach in the two provinces. The PPA found no evidence of scaling up by the Government of positive features introduced by SEDP in national policies and domestically-financed programmes.
10. **Performance of partners.** IFAD's performance is rated as moderately unsatisfactory as it failed to address two major project design features (i) the implications of the value chain approach to rural poverty outreach and targeting; and (ii) inadequate staffing levels proposed. Action was taken once it became clear that the originally designed SEDP did not perform adequately. The Government viewed SEDP as its own initiative, since it was fully involved in the re-design phase, but failed to respond to the need for adequate incentives to attract high calibre staff. United Nations Development Programme's role as service provider in the areas of financial and human resource management was seen as useful by all concerned.

## Conclusions

11. IFAD-supported investments in Turkey will need to take into consideration the fact that, in future, agricultural and rural development will to a much larger extent focus on post-harvest infrastructure and the processing and marketing of agricultural produce. Effective synergy between SEDP and the IPARD (Instrument for Pre-Accession Assistance in Rural Development) programme, a European Union-financed access programme for agricultural development led to one significant and positive SEDP project effect i.e. in the large Sivas province the approval rate for dairy related value chain support is one of the highest in the country. There are



opportunities for future agricultural value chain based assistance in Turkey as this sector remains surprisingly unexploited.

### **Recommendations**

12. **Fine tuning the SEDP model.** In replicating the SEDP model, M&E must be given priority along with adequate knowledge management, including the transfer of high-level technical expertise in several technical and 'soft skill' areas including, but not limited to, targeting, gender and community development. An ambitious project design requires support staff in the field to properly guide villagers in activities that are mainly new to them, and to provide training and coaching to local trainers, as well as trainers of trainers.
13. **Build on existing structures vs. parallel ones.** Future design of projects based on the SEDP model should place major emphasis on existing markets and market players, ensuring direct collaboration with such players rather than building up parallel structures that are difficult to manage and maintain after project closure. The role of information technology in measuring, monitoring and aggregating data and contributing to better market functioning should be emphasized in the future.
14. **Potential of value chain approach.** The piloted value chain approach has the potential to contribute usefully to the future investment portfolio of IFAD in Turkey. It is recommended to retain and further strengthen this theme with particular focus on (i) the inclusiveness of project-supported value chains; and (ii) careful determination of the selection of the type of value chains and modes of support (production-related or financial).
15. **Managing the learning process.** Emerging learnings from SEDP, Ardahan-Kars-Artvin Development Project and Diyarbakir, Siirt and Batman Rural Development Programme (IFAD) value chain support should be systematically monitored and an emerging model of IFAD support for inclusive agricultural value chains be drawn up based on the experience derived from this pool of projects with a focus on value chain.
16. **Strategic Investment Plans as planning and management tool.** The Strategic Investment Plan route as 'business plan' for an entire value chain is useful. In future, all opportunities that this instrument affords should be utilized, in particular with regard to market and competitor analysis and specification of technical and logistical details of value chains to be supported, value chain actors and intermediate products.
17. **Reinforcing value chains with appropriate value chain financing instruments.** Even though Turkey has a well-developed banking sector, there are still unutilized potentials in strengthening value chains with appropriate financial instruments. IFAD should consider supporting innovative and very diverse value chain financing instruments that are currently gaining importance in Near East and North African countries, including Turkey. Future IFAD-funded interventions should include appropriate instruments and arrangements ensuring that the poorest beneficiaries in the target group are granted access to such financing.

# Republic of Turkey

## Sivas-Erzincan Development Project

### Project Performance Assessment

## I. Objectives, methodology and process

1. **Background.** The Independent Office of Evaluation of IFAD (IOE) undertakes two forms of project evaluations: project completion report validations (PCRVs) and project performance assessments (PPAs). PCRVs consist of a desk review of project completion reports (PCRs) and of other official project/programme documentation. PPAs are undertaken on a number of selected PCRVs and include also in-country visits.<sup>1</sup>
2. In September 2013, the IFAD supported Sivas-Erzincan Development Project (SEDP) was completed after eight and a half years of project implementation. Following submission of the Project Completion Report to IFAD by the Government of Turkey, a PCRV was conducted by IOE in May 2014. Upon completion of the PCRV, and in line with the specified criteria for PPA selection, it was decided to carry out a PPA of the SEDP. The rationale behind such decision entailed the following: (i) the PCRV identified areas that required further study and analysis, namely (a) issues concerning emerging approaches of supporting pro poor agricultural value chains in Turkey; and (b) the effectiveness of trickle-down assumptions in value chain and other types of indirect agricultural support; the need to strengthen the evidence-base of the forthcoming Turkey Country Programme Evaluation scheduled in 2015; and the lack of independent evaluative evidence in Turkey, as IOE has not conducted a project evaluation in the country for more than a decade.
3. **Objectives.** The main objectives of this PPA are to (i) assess the results and impact of SEDP, and (ii) generate relevant findings and recommendations for the design and implementation of ongoing and future operations in Turkey. Ongoing operations in the country include two IFAD-supported investments that closely follow the structure and main design components of SEDP, namely the Diyarbakir, Siirt and Batman Rural Development Programme; and the Ardahan-Kars-Artvin Development Project.
4. **Methodology.** A PPA applies the evaluation methodology as presented in the IFAD Evaluation Manual and in the Guidelines for PCRVs/PPAs.<sup>2</sup> It adopts a set of internationally-recognized evaluation criteria and a six-point rating scale, with 1 being the lowest score, and 6 the highest.<sup>3</sup> The analysis in the PPA is based on triangulation, including site visits to selected project/programme activities, and discussions based on semi-structured questionnaires with beneficiaries and key informants,<sup>4</sup> both in Ankara and in the field. With regard to SEDP, a desk review of available official documentation was carried out in April 2014 and the corresponding PCRV finalized in May 2014. The related PPA in-country mission was fielded in July 2014 to collect primary data and to provide an on-site comprehensive assessment of project performance.
5. **Limitations in the methodology and process.** In view of time and resource constraints, no quantitative survey was carried out by the PPA mission; rather, the analysis was based on key data obtained through observations, and individual and group interviews in the project area and in Ankara. There were constraints in data

<sup>1</sup> The selection criteria for projects to undergo a PPAs are as follows: (i) information gaps in PCRs; (ii) innovative or new, less tested approaches in projects; (iii) information needs for forthcoming CPEs or CLEs; and (iv) geographical balance.

<sup>2</sup> Available at [http://www.ifad.org/evaluation/process\\_methodology/doc/pr\\_completion.pdf](http://www.ifad.org/evaluation/process_methodology/doc/pr_completion.pdf)

<sup>3</sup> 1: highly unsatisfactory, 2: unsatisfactory, 3: moderately unsatisfactory, 4: moderately satisfactory, 5 satisfactory, and 6: highly satisfactory

<sup>4</sup> For a comprehensive listing of key persons met, please refer to annex 6 in this report.

availability and analysis, due to an underperforming monitoring and evaluation (M&E) system, which made, among others, impossible to calculate the economic internal rate of return, and also affected provision of important data to be captured in the IFAD Results and Impact Management System (RIMS) database<sup>5</sup> and in Project Status Reports (PSRs).

6. **Process.** Based on the PCRV findings and on desk reviews of key official documents and secondary literature, information gaps were identified and corresponding key issues, to be addressed by the PPA during the country visit, were determined. Furthermore, prior to the in-country visit, meetings were held with the Country Programme Manager in charge of the IFAD portfolio in Turkey to discuss such emerging issues from the PCRV and desk reviews. Specifically, two issues deserved a closer analysis. The first relates to emerging approaches of supporting pro-poor agricultural value chains. In recent years, IFAD has taken a lead role in conceptualizing, operationalizing and implementing pro-poor value chain support, including value chain financing. SEDP constituted an early attempt to use value chains for effective rural poverty reduction. Therefore, the PPA has, among others, focussed on this issue to determine the relevant variables for effective impact on poverty reduction of value or supply chain interventions. A second aspect that required further analysis was related to the effectiveness of trickle-down assumptions in value chain and other types of indirect agricultural support.
7. The PPA mission to Turkey was carried out from 01 to 11 July 2014. Meetings were held in Ankara with the Ministry of Food, Agriculture and Livestock (MFAL), the General Directorate of Agrarian Reform, and with officials from the United Nations Development Programme (UNDP) and the Food and Agriculture Organization of the United Nations. Furthermore, specific issues related to European Union accession criteria by Turkey were discussed with the responsible senior officers in MFAL. A visit schedule to project sites in both Sivas and Erzincan provinces was developed by the PPA team in cooperation with Government officials, ensuring proper coverage of activities under the two main SEDP project components, namely village improvement and farming support, and agricultural marketing. A series of meetings were held with provincial and district MFAL representatives and other government officials, as well as with beneficiaries and other villagers from project sites.
8. Following the in-country mission, further analysis was carried out on data and information collected in the field to finalize the draft report. This was then peer reviewed internally in IOE and thereafter shared for comments with IFAD's Near East, North Africa and Europe Division and with the Government of Turkey prior to finalizing the report.

## II. The project

### A. The project context

9. **Project background.** SEDP was designed as a US\$30.0 million IFAD-funded intervention to be implemented over an eight-year period in a rural and agricultural mountainous region of the country, in line with the IFAD regional strategy of 2002.<sup>6</sup> Parts of Eastern Anatolia experienced high levels of rural poverty and out migration at the time, and small scale and emerging farmers did not have access to large-scale international agricultural development interventions. The purpose of SEDP was to "tackle rural poverty sustainably by developing community institutions that

<sup>5</sup> The Results and Impact Management System (RIMS) provides information on three levels of results: (i) First-level results refer to project activities and outputs; Second-level results relate to project outcomes and reflect changes in beneficiaries behaviour, improved performance and sustainability of groups, institutions and infrastructure; and Third-level results are associated with project impact on child malnutrition and household living standards.

<sup>6</sup> IFAD Regional Strategy Paper: Central and Eastern Europe and the Newly Independent States, IFAD, 2002.



will upgrade collective and individual capacities to facilitate access to economic opportunities and critical social and economic infrastructure”.<sup>7</sup>

10. **Project objectives.** The specific objectives indicated in the President’s Report were as follows: (i) increase agricultural productivity and income levels of the rural poor in the less developed parts of Sivas and Erzincan provinces; (ii) expand rural employment opportunities and encourage individual and group initiatives of smallholders; (iii) build and strengthen self-sustaining institutions directly related to the rural poor; and (iv) improve living conditions of the rural poor and especially of women.
11. **Project area and target group.** The area to be covered by SEDP comprised the two adjoining provinces of Sivas and Erzincan. Sivas, the easternmost province of Central Anatolia with an area of 28,600 square kilometres, is by far the larger of the two provinces and is indeed the second largest province of Turkey. Erzincan, the most westerly of the provinces of Eastern Anatolia, covers an area of about 11,900. At the time of design, these two provinces had a high incidence of rural poverty, suffered from environmental degradation (especially of range and forestlands) and offered few non-agricultural economic opportunities. Despite this situation, the appraisal mission determined that both provinces had a varied agricultural, range and forest resource base; considerable economic potential; and relatively well-developed roads and communication networks.
12. The project target group comprised the poorest people in the project area, whose livelihood system was based on the exploitation of local natural resources, and was estimated at about 50,000 people (10,000 households) spread over approximately 200 villages. This represented 12 per cent of the rural population of the two provinces. The target population of SEDP derived their livelihood from available natural and grassland resources, including forests and their products that are partly under stress as a result of climatic conditions, or over-utilized. Under its original design, the project gave priority to small-scale farmers with limited livestock and to small rural entrepreneurs that were supposed to channel benefits through adequate supply channels to the priority target population of the project.
13. **Project components.** The original project consisted of two operational and one project management component, namely: (i) Community and Cooperative Development; (ii) Agricultural Development; and (iii) Project Management. As a result of very low disbursements and changes in the policy framework, SEDP was re-designed in August 2007. The revised SEDP comprised three components: (i) Village Improvement; (ii) Farming Support and Agricultural Marketing; and (iii) Project Management and Support.
14. **Key institutions.** SEDP was originally designed as a provincial-level project to be implemented by the Ministry of Agriculture and Rural Affairs (MARA), in cooperation with the Provincial Directorates of Agriculture (PDAs) and the General Directorate of Organization and Support (GDOS). The design identified a number of cooperative institutions for implementing the project, including the network of agricultural credit cooperatives envisaged to play a major role in value chain development.
15. **Implementation arrangements.** Following extensive re-design of SEDP in 2007, it was decided that the project would be managed by a Central Directorate in the newly established Ministry of Food, Agriculture and Livestock, while the responsibility for financial management was assigned to UNDP. Communal infrastructure activities were coordinated by project staff in close cooperation with municipal implementers. With regard to the development of Strategic Investment Plans (SIPs), collaboration with professional associations was sought (beekeeping

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<sup>7</sup> Executive Board document EB-2003-79-R-26-Rev-1: Report and Recommendation of the President to the Executive Board on a Proposed Loan to the Republic of Turkey for the Sivas-Erzincan Development Project, page 3.

and dairy producer associations). In line with its newly established supervision modalities, IFAD took over responsibility for directly supervising the project.

16. **Changes in the project context.** Low disbursement performance of the originally designed project (11 per cent by May 2007), along with the redefined rural and agricultural development priorities of the Government made a re-design of the original project necessary. Specifically, the Government had developed in 2006 a new National Agricultural Strategy and National Poverty Reduction Policy, to which SEDP needed to align. More importantly, the technical and implementation arrangements as per original design were not well understood and thus had not been fully adopted. The project was re-designed with two operational components as described in paragraphs 16 and 17.
17. The **village improvement component** (revised US\$13.6 million – 48 per cent of total costs) evolved out of the original community and cooperative development component. Originally,<sup>8</sup> four activities were foreseen: (i) training of villagers in cooperative and community development; (ii) starting of new cooperatives and producer groups; (iii) building links with traders and financial services providers; and (iv) financing of cooperatives and community initiated development, including basic village infrastructure and commercial activities at the village and group level. Under the revised design, component 1 mainly, and on the whole adequately, engaged in the financing of community-owned infrastructure. The original main focus of component 1 - dealing with support to cooperatives - was no longer pursued in the re-designed project. Furthermore, implementation responsibility for SEDP moved from the smaller MFAL Directorate for Cooperative Support to the larger General Directorate of Agrarian Reform. This Directorate managed a large number of foreign partnership projects, and the shift promoted the acceleration in the implementation process of SEDP following re-design.
18. The second operational component, **farming support and agricultural marketing** (revised US\$11.8 million – 41 per cent of base line costs), evolved out of the original agricultural development component. Originally envisaged were the following activities: (i) technology transfer and participatory extension approaches; (ii) closer integration of crops and livestock; (iii) improvements in crop outputs; (iv) agro-forestry; (v) soil and water conservation; (vi) range improvement; and (vii) formation of processor groups for milk and honey production. Under the re-designed component, SEDP was expected to: (i) generate opportunities for establishing new rural businesses; (ii) expand and improve the performance of existing rural businesses; (iii) diversify the marketing opportunities for these enterprises; and (iv) increase opportunities for local employment and income.
19. As in the case of component 1, the re-design of component 2 also altered significantly the overall targeting provisions of SEDP. While the original project had specific geographical and social targeting mechanisms in place, the re-designed project gave access to project benefits to all areas of the two provinces. The Project Completion Report (PCR) stressed that the eligibility criteria for accessing these benefits were, for many activities, specified in such a way that they excluded the poorest sections of the productive rural population.<sup>9</sup>

## **B. Project implementation**

20. Project performance was assessed during field visits of the PPA mission in both provinces. In order to derive a balanced view of project performance and achievements, the PPA mission also included in its visits control groups, that is, villages that were not covered by SEDP for attribution purposes.

<sup>8</sup> IFAD. SEDP Appraisal Report, Vol.1, 2003

<sup>9</sup> The matching grant policy requires beneficiaries to contribute some 25% of cost, hence limiting access to these benefits to those capable to do so.

21. **Communal infrastructure in the Sivas Province:** Small-scale irrigation schemes took the largest share of the costs, and the longest time to complete. Other large-scale costs for communal infrastructure included, above all, several village-level decentralized sewerage systems.
22. Table 1 summarizes project achievements at the time of project closing in July 2014:

Table 1

**Communal infrastructure investment activities in Sivas**

<i>Supported item</i>	<i>Number of facility/village</i>	<i>Number of beneficiaries</i>	<i>Investment costs</i>	<i>SEDP contribution</i>
Sewerage systems with natural treatment	16	6,797	5 307 628,53	4 898 256,84
Drinking water tank	1	110	29 766	24 800
Village bakeries	3	404	68 156	63 897,87
Road grading for reaching agricultural land	4	998	139 443	139 443
Trough for animal drinking water	250 units, 149 village (250x4=1000 pieces)	46 766	92.361	92 361
Soil analyze laboratory	1	20 000	12 476	8 242
Design for large scale closed pipe pressurized irrigation projects	2	3 500	5 545 887,23	5 537 326
<b>Total</b>	<b>277</b>	<b>78 575</b>	<b>11 195 718</b>	<b>10 772 888.23</b>

Source: SEDP Project Management Unit, 2014.

23. The table indicates a generally high share of SEDP project contributions to overall costs. In other words, most of the costs for project-supported items were advanced as grants, handed over to beneficiaries on a non-repayable grant basis. The 16 **sewerage systems**, constructed in as many villages, utilized an organic treatment process that cleans waste water to a level that it can be used for agricultural irrigation, a notable success.
24. The locations of the five **closed pipe pressurized irrigation schemes** that were constructed or upgraded from previous gravity-based systems were selected prior to SEDP re-design and as such, were subject to a screening in terms of poverty status of the location. The PPA acknowledges that these schemes function very well. Issues affecting performance in this case relate to the generally late completion of these schemes, and the sometimes complicated management arrangements through water user associations and cooperatives that are organized more along political considerations and create some duplication of efforts, whereby one single association would be more effective to manage the scheme.<sup>10</sup> Notably, the irrigation system in the control village visited by the PPA team was open and did not operate through pressurized tubes. Repeated flooding damaged the open secondary canals and, as a result, the facility is not functioning properly.
25. With regard to the **village bakeries** the PPA concurs with the findings of the PCR that these are innovative, demand-driven types of infrastructure. Although there was a concern of a smaller sense of ownership and responsibility, in reality

<sup>10</sup> See case example "Water User Coop for Yıldızeli-Çağlar Small Dam: Concept and Reality" in the box under project impact.



however, the PPA found that these bakeries are fully functional, in use and accessible to all villagers, and well maintained by their communities.

26. The single **drinking water tank** was constructed on a high altitude location and off the communal water supply. The PPA found it well maintained, fenced and appreciated by the villagers. A minor issue here concerns some deficits in the finishing of the civil works that needed to be sorted out with the local sub-constructors that put the facility up.
27. The **troughs for animal drinking water** were comparatively expensive. Their value added derives from the fact that they are made out of aluminium alloy and are climate resistant and easy to carry around in systems of transhumant small ruminant and cattle herding that characterize part of the Eastern Anatolia animal production systems. At the same time, farmers and migrating pastoralists highly appreciated the introduction and quality of these troughs.
28. **Communal infrastructure in the Erzincan Province.** Table 2 summarizes project achievements at the time of project closing. As a much smaller province, Erzincan benefitted from SEDP intervention at a larger extent, totalling 40.1 per cent of total SEDP project contributions. Overall, the interventions composition by SEDP in Erzincan in terms of financed communal infrastructure is broadly similar to the Sivas province, with the exception of troughs which were required to a much less extent given differences in the terrain and the livestock production systems.

Table 2

**Communal infrastructure investment activities in Erzincan**

<i>Supported item</i>	<i>Number of facility/village</i>	<i>Number of beneficiaries</i>	<i>Investment costs</i>	<i>SEDP contribution</i>
Sewerage systems with natural treatment	14	4 081	3 509 880.48	3 239 167.16
Drinking water tank	1	230	4 800	4 800
Village bakeries	1	397	39 375	37 500
Road grading for reaching agricultural land	2	410	46 200	44 000
Trough for animal drinking water	4	998	139 443	139 443
Soil analyze laboratory	35 units, 34villages (35x4=140 pieces)	16 000	16 520	16 520
Design for large scale closed pipe pressurized irrigation projects	5	4 920	3 944 786.71	3 944 786.71
<b>TOTAL</b>	<b>60</b>	<b>27 238</b>	<b>7 784 670.1</b>	<b>7 426 216.87</b>

Source: SEDP Project Management Unit, 2014.

29. **Farming and marketing activities in the Sivas Province:** SEDP project activities were designed to follow on SIPs to be drafted for priority pro-poor value chains<sup>11</sup> to be promoted through the project.

<sup>11</sup> Referenced in SEDP project documentation as "agricultural supply chains". Only after the work of FAO / Calvin Miller did the term value chain finance spread for the past five years and is now the accepted terminology to refer to chains of value addition for products at the level of a firm or a farm (see Miller, Jones, 2010)

Table 3

**Farming support and agricultural marketing activities in the Sivas Province**

<i>Supported item</i>	<i>Number of beneficiaries</i>	<i>Investment costs</i>	<i>SEDP contribution</i>
Pilot works	3 630	281 040.41	195 289.63
Milk collecting organizations	9 295	483 203.24	341 798.43
Mobile milking machines	16	10 200.73	7 753.58
Construction of semi-open modern barns w. free stops	69	1 783 705.30	1 267,792.63
Barn rehabilitations/modernization	36	776 429.13	574 749.24
Agricultural tools and equipment for dairy Strategic Investment Plans	47	92 393.87	70 228.61
Beehives with pollen and propolis traps	95	423 700	304 291
Beekeeping tools and equipment	15	64 644	48 152
Shelters for beekeepers	8	26 229	18 894
Feed preparing machines	274	2 008 448.28	1 527 377.53
<b>TOTAL</b>	<b>13 485</b>	<b>5 949 993.96</b>	<b>4 356 326.65</b>
<b>Supported number of farmers within project period</b>			<b>113 756</b>

Source: SEDP Project Management Unit, 2014.

30. Out of the different pro-poor value chains that were proposed as a basis for implementation under component 2, dairy-related and beekeeping emerge prominently as investments financed at farm level. The provision under **Pilot Works** was used by the project management unit for different types of value chain training support measures. The project management unit shared the example of these works in the village of Çınarlı in the Sivas Province, where farmers underwent training on dairy farming.
31. Support to **milk collecting organizations** refers to the substantial strengthening of the Sivas Cattle Breeders' Association (SCBA). From 2009 onwards, SCBA was strengthened and became an important and sustainable hub for different types of dairy value chain support services. This went hand in hand with the expansion of barns, installation of milk storage facilities and the consequent considerable increase in dairy production in the province.
32. SCBA coordination roles and contributions were many; among the latter, their crucial role in the acceleration of an artificial insemination programme and in providing milk storage. A total of 1,350 doses of high quality semen were provided to members to increase production characteristics of local breeds. The costs of these and the services of an artificial insemination specialist were provided to 150 member farmers by SCBA for a total of 1,200 cows. Additionally, 7,000 doses of semen were provided for 2,850 cows belonging to 500 members in 2010 for programme expansion. Artificial insemination support changed production characteristics drastically. Calving was not reduced to the natural time periods any longer, but could be spread within the entire year, taking advantage of additional

barns that enabled protected calf births at any given time. As a result, the “dry periods” of a lactating cow in a herd were dis-synchronized and dairy production could be carried out throughout the seasons.

33. This programme has undoubtedly boosted dairy development in the province considerably; yet, it was a general support to all strata of the farming population, with poor and very small farmers owning few heads not likely to be members of SCBA and therefore not profiting from the barns construction and expansion programmes provided by SEDP.<sup>12</sup> On the other hand, the PPA noted that the improved availability of fresh milk in the winter season resulted in a positive impact on household nutritional and food security status, above all in remote mountain villages cut off during winter time.
34. Storage of milk through SEDP was promoted through milk tanks of different sizes, installed mostly for use of more than one farmer, ranging from 500 liters to 15 tons capacity, in a cold chain environment. The larger tanks are now used centrally by the SCBA, while for the smaller tanks, there is a tendency to have these owned by individual farmers. As dairy-related supply chains became more firmly established in the project villages and competing private traders and produce buyers started to enter the market, some of the farm level units were not used anymore in the villages. Some of them were never fully used in the first place since all milk was immediately collected at the farm gate with no need for farm-level storage. The four **mobile milking units** supported production intensification in larger dairy farms.
35. **Construction and rehabilitation of barns.** Keeping dairy, fattening bulls or breeding stock was a major activity as well as expenditure item of SEDP. For those farmers that received new, or were able to modernize existing barns, the activity provided considerable value added. In a few cases, the standardized modules of the contractors posed some issues: they were not adequately isolated against the harsh winters common in the province, and farmers were forced to put additional styropor expandable polystyrene layers under the roof to keep the cold out. Barns rehabilitation or construction went together with the above mentioned artificial insemination programme resulting in calves available all throughout the year. A total of 1,200 farmers benefitted from either new or rehabilitated barns; 85 per cent of the costs of these were provided as a grant, and 15 per cent as farmer contribution.<sup>13</sup> This ensured an immediate additional income flow generated out of the new barns and cooling centers.
36. The honey-related value chain investments were smaller and focused on far fewer recipients. Notwithstanding the positive increase in the production of honey, pollen and propolis, the distribution of beehives remained below target. Furthermore, honey processing units were not rehabilitated as envisaged and the marketing of honey and related products did not reach full commercial scale.
37. **Farming and marketing activities in the Erzincan Province.** Expenditure profiles under component 2 in this smaller province are broadly similar to the one in Sivas, with one notable exception: the **dry bean value chain support** activities. Expansion opportunities were identified by a Strategic Investment Plan. Run as a joint enterprise of villagers, SEDP supported the construction of a dry bean processing factory unit. The villagers had no experience running the rather complex drying facility, which was serviced by a well-trained for a short period of time. With the departure of such technician, no suitable replacement was found and the production unit lay idle. At the time of the PPA mission, the situation remained unresolved; the factory was not in operation, a capable technician not yet in place and bean supplies of local producers still being purchased by competing private traders. A private company operating similar drying facilities in other

<sup>12</sup> A point made repeatedly and laid out in detail in the SEDP Project Completion Report.

<sup>13</sup> The farmer paid for the transportation of the veterinarian to the farm.

locations in the Erzincan province has offered to take possession of the factory in exchange for paying all over dues of the farmers. In other words, the entire grant complement provided by SEDP to the factory would have been wiped out and this private company would have taken possession of the dry bean processing factory unit.

38. The absence of a more thorough market analysis of the SIP was identified as one cause for this failure during implementation. Important market opportunities and constraints were missed by not bringing in international and highly specialized expertise, and the financial management provided by UNDP proved to be not entirely sufficient. An additional cause for under-performance concerns the positioning of project support measures vis-à-vis what exists already in terms of structures from the private sector and also local and municipal governments. Instead of identifying appropriate private and public sector partners for pro poor value chains for joint action, SEDP built up **parallel structures that were not integrated and are thus risking not to be viable** without follow up and maintenance by the project management unit.

Table 4

**Farming support and agricultural marketing activities in Erzincan**

<i>Supported Item</i>	<i>Number of beneficiaries</i>	<i>Investment costs</i>	<i>SEDP contribution</i>
Pilot works	1 099	142 559.67	99 062
Milk collecting organizations	2 600	139 515.76	98 687.81
Mobile milking machines	62	55 994.62	42 561.53
Dry bean sorting, decortications and packing facility	15 000	386 142.27	197 581.62
Agricultural tools and equipment regarding dry bean Strategic Investment Plan (SIP)	115	379 221.47	297 688.80
Construction modern barns with free stops	23	576 431.57	391 151.44
Baling preparation units (baling machine)	6	132 841	104 551
Concentrated feed crushing and mixing units	6	59 347	46 708
Agricultural tools and equipment re. dairy SIP	94	343 536.99	269 676.49
<b>TOTAL</b>	<b>19 005</b>	<b>2 215 590.35</b>	<b>1 547 668.69</b>
<b>Supported number of farmers within project period</b>			<b>56 884</b>

Source: SEDP Project Management Unit, 2014.

39. Such situation is not limited to the dry bean facility that will eventually be purchased by a competing private company at substantial reduced price. It can also be observed for some of the component 1 activities. Communal sewerage systems in control villages are owned and operated by the SAP. Regular cleaning and maintenance visits are an integral part of the public service infrastructure. For the SEDP installed organic public sewerage systems, it is the village mayor that has to organize for the clean-up and maintenance of the system. The PPA noted that, owing to the changing of mayors and to SEDP reaching project closure, all of the sewerage systems are in urgent need of maintenance and repair. This situation was



brought to the attention of the provincial and central authorities to ensure that action will be taken to safeguard the high-quality achievements of these systems. For the future, these water cleaning systems should be under the control and supervision of SAP, as for other village or municipal sewerage systems.

#### **Key points**

- SEDP carried out a higher proportion of project activities in the much larger Sivas Province. Notably, project-supported investments in communal infrastructure (component 1) took a much higher share than the ones allocated for farming support and agricultural marketing activities (component 2);
- Contributions of component 1 activities to village level communal infrastructure were highly significant;
- Contributions of component 2 activities differed by value chain. On the whole, the ambitious objectives of dairy development were largely met; beekeeping was partly successful, while the dry bean value chain did not perform as intended;
- The project focused on small farmers with growth potential. Detailed targeting involving the access of very small farmers was not pursued any longer following project re-design.

### **III. Review of findings**

#### **A. Project performance**

##### **Relevance**

40. **Relevance of objectives.** At the time of project design, the Government of the Republic of Turkey had placed major emphasis on cooperative development and on the utilization of different types of producer and service cooperatives as a prime vehicle for rural transformation and wealth generation. This is reflected in the original loan agreement, where the entire component 1 consisted of three different types of cooperative development activities (capacity building, cooperative development, and, community and cooperative initiatives).
41. The National Rural Development Strategy (NRDS) of 2006 had at its core policies aimed at lowering migration and unemployment pressures caused by to the labour force moving out of the agricultural sector towards urban areas. The Government's main objective in rural development as per the NRDS was therefore to improve and ensure the sustainability of living and job conditions in rural areas. Hence, the relevance of the re-designed SEDP is considered against such main objective.
42. Following an only partially successful re-engineering of the Agricultural Credit Cooperative system in the mid 2000's, in the re-designed project objectives were left unchanged, even though the focus shifted away from cooperative support to a broader support strategy. Concerning objective one, the emphasis after re-design shifted from production towards a stronger focus on supply chains, marketing and processing aspects for agricultural produce. On the other hand, the focus of objective two, namely the expansion of rural employment opportunities and promotion of smallholders' group initiatives could have shifted towards promoting individual action, rather than cooperative-based approaches. Objective three, improving social and productive infrastructure remained an important one and continued to be relevant up to project completion; while objective four, to build and strengthen self-sustaining institutions directly related to the rural poor was given less consideration following re-design. While this fourth objective no longer catered to the creation or strengthening of cooperatives, it remained however important given the importance of producer associations, water user associations and cooperatives that regulated water usage of the newly-constructed irrigation schemes.

43. Altogether, the re-designed objectives reflected the original design propositions, yet they were less relevant in the new political, economic and social context. The value chain perspective could have been emphasized in the way the objectives were formulated to better shape activities under the re-designed component 2.
44. **Relevance of design.** The main general directions of the original project design were partially relevant. Issues resulted from: (i) changing priorities of the Government for agricultural development, no longer based on promoting cooperatives support; and (ii) a lack of clear, uniform and simple project implementation responsibilities and arrangements. Up to 2007, proposed arrangements could not be put in place, and the Village Development coordinators were left as the last layer in the chain of responsibilities without adequate support from project staff. The re-designed project shifted its attention from cooperative development towards support for community infrastructure. It also had more specific outcomes envisaged for component two with its value chain focus. A useful element in the original design which was largely kept in the re-designed SEDP was the assignment of financial management related tasks within the project to UNDP.
45. **Overall assessment of relevance.** The 2006 NRDS constituted new “marching orders” of the central government in terms of directions for agricultural and rural development. At the same time, low disbursements of component one before re-design indicate that project objectives and activities were not accepted as relevant by the target population. This situation changed with a new orientation of component one towards development of village infrastructure. These activities were considered important and responded to the needs of the target population.
46. The relevance of component 2, on the other hand, has to be viewed less favourably. After reformulation, this component identified a “secondary target group”, namely middle income rural entrepreneurs operating in the selected value chains along with the “primary target group”, the poorer rural households. The latter were to be reached through a supply chain management approach. Specifically, it was planned to focus on those agricultural supply chains holding major relevance for rural poor people. In reality, component two turned out to be hardly relevant for income and employment generation. The PCR is candid and correct in observing that already financially stable entrepreneurs derived the highest income benefits from component 2 with no trickle down effects to poorer village population segments.
47. On the other hand, the PPA should also stress the principal and strategic relevance of applying a value chain concept for promoting balanced and inclusive agricultural development. Several design features and intentions related to component two were relevant and still potentially useful for future project design as well as implementation of the ongoing IFAD-funded interventions in Turkey, AKADP and DKRSP. These include: (i) identifying value chains with a potential to stronger benefit lower income and smaller farmers; (ii) design strategic investment plans around these identified value chains, setting concrete and measurable outputs and achievements that constitute value added for the primary IFAD target group; (iii) support this process through specialists at the project management unit, municipal level and with the support of national and international technical expertise; and (iv) leaving behind concrete improved marketing, processing and payment arrangements within the value chain that are self-sustained and will continue to benefit smaller producers.
48. With the benefit of hindsight, these useful outcomes would have been better achieved by: (a) a strict focus on monitoring and assessing SIP objectives targets and achievements, based on logical frameworks specifically designed for each priority value chain, (b) better supporting start-up arrangements through competent and specialized project management unit staff; (c) including outside expertise to accelerate knowledge transfer, as well as International Technical

Assistance, (d) conduct realistic initial market analysis and SIPs with more focus on competitor analysis, market entry conditions, and opportunities of partnering with existing private and public sector structures, and (e) managing value chain developments pro-actively by adjusting targets and activities to changing market and institutional framework conditions. Overall, the relevance of SEDP at PPA is rated as moderately satisfactory (4), same as the rating provided by PMD.

## Effectiveness

49. Project effectiveness is assessed by examining to what extent the intended project objectives were achieved at the time of the evaluation. The PPA notes that, overall, the Project achieved most of its re-stated objectives, with positive perspectives for the future. The following paragraphs present a review of achievements for each objective.
50. **Objective one.** The increase in agricultural productivity and income levels of the rural poor in the less-developed parts of the project area is due, above all to the dairy-related activities as well as to the new irrigation schemes that significantly improved productivity. Prior to SEDP, the existing irrigation systems were inefficient, suffering of leakages and evaporation which would negatively affect farmers. The construction of the closed pipe pressurized irrigation schemes, which are functioning very well, has resulted in minimizing water losses due to evaporation and leakages, leading to an increase of water availability. The PPA noted that, as a consequence, there was a reduction in irrigation costs, an expansion of irrigated land and, in several cases, a shift towards high value crops, leading towards higher agricultural productivity and raising farm and households' income.
51. With regard to dairy-related activities, the PPA noted that the substantial support provided by SEDP in strengthening cattle breeding associations, along with the construction of barns, the introduction of mobile milking machines, the acceleration of the artificial insemination programme and the provision of milk storage facilities, all contributed to boosting dairy development in the project area, resulting in a positive impact on household nutritional and food security status.
52. Concerning beekeeping activities, as described in paragraph 34, these activities yielded moderate results. Notably, the total market size for honey in the Sivas province alone is considerable – 2,700 tons produced by 1,865 bee keepers throughout the province. As a result of SEDP, beehive pollen and propolis were harvested systematically and the local market strengthened at supply and buyer side with these diversified value chain products. Activities under this value chain were useful yet, given the size of the market and its potential, more could have been done; furthermore, constraints should have been addressed not just at the production side, but also as far as opening additional marketing channels.<sup>14</sup>.
53. As for the dry bean value chain support, in line with the narrative provided in paragraph 35, this activity did not achieve the expected use and profitability targets; moreover, the facility did not attract farmers to become part of its corresponding association, thus hindering its sustainability.
54. **Objective two.** With regard to objective two - to expand rural employment opportunities and encourage individual and group initiatives of smallholders - the project was partially effective. With the focus shifted away from cooperative development, opportunities were missed to exploit the large cooperative networks for the marketing of honey and dairy products, and to introduce new and better differentiated agricultural brands in the market. Specifically, with regard to the dairy value chain, SEDP benefitted mostly middle-size milk producing households

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<sup>14</sup> The high quality, non-diluted honey produced with beehives being in the open, along with pollen and propolis, would qualify for premium prices if the products were properly branded, labelled and marketed in a differentiated product approach. Sold as is, in the provinces best quality honey receives the same price as sub-standard one.

and enterprises, leaving out poorer producers; this was in consequence of the eligibility criteria set for the grant recipients, along with the choice of institutions to support the Cattle Breeder Associations. Furthermore, the trickle down of benefits through employment and income generation to the poorer people – an issue identified at the outset of the PPA as mentioned in paragraph 6 in this report – did not yield the expected outcome. The PPA found that local employment generation has been very modest, in that only few employment opportunities were created through the development of milk collection networks and in the dry bean processing facility.

55. **Objective three**, to improve social and productive infrastructure, was on the whole effectively pursued by the project. The investments provided by SEDP on village infrastructure did reach a large segment of poor people. This hold true with regard to the construction and/or rehabilitation/upgrading of irrigation schemes, sewerage systems, roads, village bakeries and other infrastructure, benefitting over 100,000 beneficiaries.
56. As mentioned in paragraph 24, the locations of the closed pipe pressurized irrigation schemes were selected prior to SEDP re-design and, as such, subject to screening in terms of poverty status of the location. As a result of the conversion of the existing systems to closed pipe pressurized irrigation, losses in terms of evaporation and leakages diminished considerably, resulting in an overall improvement in terms of water availability, allowing addition to the irrigated land, and shift to high value crops.
57. The sewerage systems also resulted in being very relevant and effective, especially in terms of improving health and sanitation standards. Such systems are gravity-based with low-energy consumption, requiring no special qualification for maintenance. Furthermore, they utilize an organic treatment process that cleans waste water to a level that it can be used for agricultural irrigation, a notable success.
58. Concerning the construction of new barns, or modernization of existing ones – with an overall 1,200 farmers benefitting from this investment - this activity provided considerable value added as described in paragraph 49 above.
59. On a less positive side, the organization and management structure stipulated for the redesigned SEDP was not realized; the recruitment of contracted staff positions proved very problematic, as the incentive structure proved inadequate to attract well qualified and experienced staff to work in the remote and disadvantaged project area.
60. **Objective four**, to build and strengthen self-sustaining institutions directly related to the rural poor was carried out less effectively. For example, the governance arrangements for the irrigation schemes would have required a better working and more effective infrastructure. As an example, the PPA found that in the Yıldızeli municipal irrigation scheme - the largest of all seven irrigation schemes now operating as a result of SEDP - water use of participating farming families was to be regulated through a formal cooperative. Although the scheme was completed in 2012, its governance is not effective as, instead of one water user cooperative, two were formed. These reflect the two opposing political parties in the area, and to some extent also the location of the households in the scheme, whereby more upstream farmers tend to be in one group, and downstream ones in the other. Municipal authorities refused to register any of these two cooperatives-in-waiting; hence, when water scarcity occurred, it resulted in the downstream households receiving less or little of the allotted irrigation water. This situation resulted in farmers digging wells into the ground to supplement the existing resources from the irrigation scheme. Unfortunately, this practice results in the water exiting from the ground under considerable pressure and damaging the closed pipe transmission system that characterizes the SEDP irrigation schemes.



61. With regard to component 2, results could have been more pronounced, even though the producer associations for both dairy and for bee keeping include in general smaller producers as well.
62. **Overall assessment of effectiveness.** Overall, based on the above analysis, project effectiveness yielded moderately satisfactory results. The overall rating for effectiveness by the PPA is moderately satisfactory (4), in line with the rating provided by PMD.
- Efficiency**
63. The project overall costs amounted to US\$30.04. At the end of the project, total actual cost amounted to US\$28.07 million. The original project design covered 10,000 direct beneficiary households. Assuming an average household size of five, this would then translate to approximately 50,000 people.
64. Efficiency, that is, the measure of how economically project resources were converted into results, is analyzed with regard to (i) project management costs in relation to total project costs, (ii) time elapsed between project approval and project effectiveness, (iii) the cost of major SEDP-financed investments, (iv) the cost ratio measured in costs per beneficiary; and (v) extension of the original project closing date.
65. Ratio of project management costs to total project costs. The revised project management costs (as of amended Loan Agreement of 28 August 2008) amounted to US\$3.3 million, or 11 per cent of total costs. This figure is lower than the one estimated at appraisal, which amounted to US\$3.46 million, or 13 per cent of total costs. The PCR indicates that the target of 11 per cent of project management costs as a percentage of total costs has been met. This appears in line with ratios in comparable projects in the region.
66. **Time dimension.** Concerning the amount of time elapsed between project approval and project effectiveness, a review of the official documentation shows that that the loan for SEDP, approved by the IFAD Executive Board in September 2003, became effective 8 months after approval (May 2004) and 8.5 months after the signing of the loan agreement (January 2005) corresponding to an overall effectiveness lag of 16.5 months.<sup>15</sup> This overall figure is lower than the IFAD average (19.8 months, broken down into 12.1 months after approval and 7.7 months after the loan agreement signing), as well as the average for the Near East, North Africa and Europe Division (NEN), which corresponds to 11.3 and 8 months, respectively. The first disbursement was delivered at the end of June 2005. Corresponding figures for other, more recent IFAD-funded interventions in Turkey show lower effectiveness lag figures (12.3 months for the Diyarbakir, Batman and Siirt Development Project, and 6.6 months for the Ardahan-Kars-Artvin Development Project
67. Costs of major SEDP financed investments. With regard to component 1, the project has helped to construct and/or convert less efficient existing gravity-based irrigation systems into modern, efficient ones, improving water availability and increased water use efficiency from an average of 40-50 per cent prior to project implementation to an average of 80 per cent following project closure. An additional indication of efficiency is that the costs per ha per irrigated hectare is comparable with similar irrigation network elsewhere in the Near East region. Cost of off farm irrigation works and equipment per hectare has been calculated on average to be approximately US\$3,000. Based on a review of IFAD's portfolio in other NEN countries, this cost is comparable with similar irrigation schemes in North African countries. For component two activities, 85 per cent of project costs went into the dairy value chain with overall satisfactory results as discussed in the previous paragraphs.

<sup>15</sup> SEDP Project Status Report. IFAD, June 2013.

68. The cost ratio measured in costs per beneficiary is comparatively high. This is due to a large extent to the project financing communal infrastructure, with benefits accruing to the wider village population. The number of 10,000 households to benefit from the project stated at appraisal was an estimate; notably, the PCR notes that this number keeps increasing, as more people benefit from the recently completed irrigation infrastructure. No concrete numbers in terms of overall beneficiaries can be provided<sup>16</sup> given the very poor performance of the project M&E system. Assuming a total of 50,000 beneficiaries, the costs per beneficiary would have resulted in US\$455, a comparatively high amount. This issue was not captured in the documentation produced by implementation and support missions during project implementation. At the time of the PPA in-country mission, no data was available to calculate the cost per beneficiary at completion.
69. Lastly, the extension of the original closing date of one year until September 2013 appears in line with similar projects in the region. In particular, the construction and rehabilitation of the seven irrigation schemes was challenging to complete within the given time frame. At completion, IFAD's disbursement stood at 99 per cent and the OPEC Fund for International Development one totalled was 100 per cent.
70. In consideration of these different dimensions of project efficiency for SEDP, efficiency is rated as satisfactory (5), same rating as PMD.

## **B. Rural poverty impact**

71. Turkey has been experiencing a solid growth in recent years; the agricultural sector is and will remain one of the main stays of the Turkish economy. According to TurkSTAT, the Turkish Statistical Institute, the agriculture sector constituted 7.9 per cent of total GDP in 2012, while it was 8 per cent and 8.4 per cent in 2011 and 2010, respectively. The agricultural exports of Turkey in 2013 reached US\$17.74 billion (35 per cent of total agricultural GDP) with an export coverage rate of 104.9 per cent. In addition, agricultural employment has a share of 23.6 per cent of total employment as of end 2013. An agricultural development project in a geographically disadvantaged and poorer region of Turkey can bring major impact on improving livelihoods in the villages and on increasing rural wealth.
72. Turkey is a middle-income country with annual incomes of about US\$11,000. Poverty has a different connotation, and challenges are not those that are faced by lower income countries in their battle against poverty. It should be noted that poverty in Turkey has substantially decreased from 28.1 per cent in 2003 to 18.9 per cent in 2009 and is expected to have fallen further since then.
73. Against this background of a strong and influential agricultural sector and a lower general incidence of rural poverty in the country, impacts on poverty have to be viewed differently in this middle-income country than in some of the other IFAD recipient countries in the region.
74. **Household income and assets.** As presented on tables 1, 2, 3 and 4, the project contributed substantially to the creation of physical assets for the rural poor, both individually and at the village level in the two provinces covered by the project. According to discussions with project beneficiaries, these assets have provided significant impact on their lives as well as on day-to-day activities.
75. A review of the SEDP-supported irrigation infrastructure illustrates the general impact of the newly established schemes. The seven irrigation schemes brought an additional 8,892 hectares of land under irrigation. This impact is shown in table 6 below. Likewise, the provision of pressurized close pipe irrigation improved the irrigation quality of existing plots considerably and increased soil productivity. In addition, the irrigation schemes have increased land value by 1.5 times. Demand

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<sup>16</sup> See Project Completion report, paragraph 164, pp.47-48.

for irrigated land has greatly increased, and annual rent now range between Turkish Liras (TL) 500 up to TL 5,000 per hectare. Furthermore, SEDP has contributed to the establishment and modernizing of 150 barns; it has also helped in acquiring farm machinery and equipment.

Table 5  
Impact of SEDP on total irrigated area in the two provinces

	<i>Irrigation area before the project</i>	<i>Irrigation area after the project</i>
Sivas	6 740 ha	14 825 ha
Erzincan	13 142 ha	13 886 ha
<b>TOTAL</b>	19 882 ha	28 711 ha

Source: SEDP Project Management Unit, 2014.

76. Concerning dairy value chain activities, the PPA team noted that there is evidence that people benefitting from this intervention have achieved positive gains and increased their income. The contribution of SEDP has been in organizing and stabilizing existing buying arrangements that had prevailed prior to the project. Dairy plants often experience difficulties in securing adequate and steady supply of good quality raw milk. SEDP intervention addressed these two crucial variables – supply shortages and irregularities, and the low quality of supplied raw milk. Action areas for the intensification of dairy production that SEDP promoted included: the artificial insemination programme, the spreading of calving throughout the entire year and the introduction of semi open barns with longer holding periods in the barn throughout the year. Agricultural tools and equipment promoted higher ration fodder and silage, specialized fodder crop production, etc.
77. Overall, smaller and emerging farmers were put on an essential growth path with SEDP and its dairy intensification programme. In the main, interviewed beneficiaries reported an increase in herd size, and in milk production, resulting in higher income derived for marketing milk through the Cattle Breeders' Associations. According to available data, as a result of SEDP's intervention, the average dairy farmer has increased herd size from 9 to 12 cows, milk production has increased from about 1 800 to 2 400 liters per cow per annum and income derived from marketing milk production through the Cattle Breeders' Association has raised from TL 653 to TL 2 225 per annum. It is estimated that overall milk sales to processors have increased from TL 506,922 in 2009 to TL 2,957,426 in 2012. At the same time, it would seem that those that are benefitting the most would be the better-off, rather than the poorest people.
78. With regard to bee keeping activities, targeted households were small-scale farmers and low income rural households. Positive income impacts could have been achieved through promotion and creation of markets for bee keeping by-products, such as pollen and propolis. Quite significant, other value chain promotion objectives that could have substantiated the gains made through SEDP were not however achieved. The pulling out of cooperatives that were a mainstay of the original project design were particularly felt in the promotion of this value chain: agricultural credit cooperatives that were meant to rehabilitate the Imranli honey processing plant and develop a brand for Sivas honey, had withdrawn from the project and the re-design had to work with only primary producers and the rather small provincial beekeeper associations.
79. As for the impact of this value chain on the targeted rural population, an internal SEDP document<sup>17</sup> observes that there was a direct positive income impact on households relying on bee keeping. Attracting additional family labour into the

<sup>17</sup> SEDP. Impact Assessment Report. Ankara, 2011.

production, processing and marketing of honey and its by-products was also considered as partially successful, leading to a moderately successful overall impact assessment.

80. With regard to village infrastructure, the main beneficiaries of these investments were the poorer inhabitants of the villages. These villages were selected as part of original design and based on defined poverty criteria. A closer look at the impact of the sewerage systems on village toilet status confirms that the number of villages that could move from detached outside latrines to toilets within their houses with fixed facilities increased considerably. A tabular overview on this, made available by the project office illustrates this useful impact:

Table 6

**Toilet status in selected villages with SEDP organic sewerage support**

Village name	Before SEDP		After construction of sewerage systems	
	Number of households	Number of detached temporary outside toilets	Number of detached temporary outside toilets	Number toilets inside houses
Yellice	100	90		100
Mutubey	60	60		60
Yukariekecik	80	30		80
Saygili	50	20		50
Sarikaya	50	45	1	49
Akyurt	75	60		75

Source: SEDP Project Management Unit, 2014.

81. With the sewerage systems in place, the unhygienic outside toilets with their own challenges during the heavy winter snow were reduced from a total of 305 to just a single one.
82. In terms of access to financial resources for investment by individual households, the project contributed directly through SEDP's grant programme, as well as through raising awareness among beneficiaries of alternative financial instruments, such as the government grant programme, the government interest-free credit for the acquisition of improved breed cows, interest-free loans from the Agriculture Bank of Turkey, and the Instrument for Pre-Accession Assistance in Rural Development - European Commission (IPARD) grant programme.<sup>18</sup>
83. Based on the above narrative, the PPA rates this impact domain as moderately satisfactory 4, same rating as PMD.
84. **Human and social capital and empowerment.** The project yielded good results in this impact domain. SEDP ameliorated the lives of villagers through investments in village infrastructure, including drinking water works providing access to clean water, feeder roads, communal bakeries, and sewage systems, all interventions contributing to better village life and resulting in improved hygiene and health conditions, especially for women and children. Training was provided to farmers in relation to irrigation, agricultural production, dairy skills, and beekeeping (although to the latter to a lesser extent).
85. SEDP provided support also to several farmers organizations, including two Cattle Breeders' Associations (although these associations do not favour poor farmers in terms of membership eligibility), one rural development cooperative, one bee-keeper association, one dry beans association and seven irrigation cooperatives/

<sup>18</sup> On the latter, please refer also to paragraph 102 in this report.

associations. Such support differed in nature: it included the provision of grants for equipment and transport vehicles as well as technical assistance.

86. Based on previous narrative, this impact domain is rated satisfactory (5), in line with the rating assigned by PMD.
87. **Food security and agricultural productivity.** As mentioned before, there is no notable pressure on food security within the two provinces. The PPA tends to agree with the findings of the PCR, based mainly on observations as quantitative figures on increased productivity are scarce due to the poorly performing project M&E system. At the same time, some data available show, for example, some increase in crops, such as grapes, tomatoes, beets, cherry and other fruits, and an increase in net revenues. The reasons are to be found mainly in an increased productivity per hectare, in an expansion of the command irrigated area (from 1,447 hectares to 2,871 hectares following the construction of the new irrigation systems, twice the original size), and in a reduction in production costs for most crops due to improved water delivery.
88. In addition, increased incomes for the main value chains of dairy and beekeeping enabled farmers to balance their diet and not be too dependent on the seasonal and locally produced field crops. For example, the dairy intensification programme resulted in a substantial increase in cattle (from 17,470 cattle before the project to 47,275 in December 2012), in milk production per cow (from 4.5 liters to 14-15 liters) and in dairy products being produced over the entire calendar year and at much better quality and in line with the high quality standards of structured value chains.
89. To conclude, the overall lack of M&E data resulting from a poorly-performing system, along with the understanding that some positive results have started showing recently, yet not in all areas, results in rating this impact domain as moderately satisfactory (4), one point lower than the rating by PMD.
90. **Natural resources, the environment and climate change.** The 36 SEDP installed organic sewerage systems improved the quality of waste water and the pressure of waste water management at municipal level. The filtered water is being used for irrigation purposes. Furthermore, waste water is no longer dumped in the immediate environment, where it would cause health problems to poultry and fruit trees. Moreover, at project completion, nearly all houses have been refurbished to include toilets and bathrooms.
91. The intensification of fodder crops for dairy production increased the carrying capacity of the resource base for the local dairy herd significantly without increasing pressures on the environment. Moreover, the adoption of the seven new irrigation schemes, including the use of gravity water schemes as opposed to fuel pumps has brought positive impact in terms of reduction in pollution and more sustainable water management.
92. Based on the above observations, the PPA rates these achievements as moderately satisfactory (4), in line with the rating provided by PMD.
93. **Institutions and policies.** SEDP served as an experimental first IFAD-supported investment that was then adopted in two subsequent projects. SEDP was at the end well integrated into the PDAs of the two provinces. The major institutional impact was on the strengthening of the professional associations for dairy and beekeeping as value chain service providers and coordinators of chain internal activities. The dairy association of Sivas is a model case in this regard. Up from three staff before SEDP, it now employs more than a dozen staff and is fully self-sufficient out of membership fees. The challenges and steps for intensifying the dairy value chain at different levels were major, and were on the whole well met by the Sivas dairy association.



94. Successes are much less pronounced in the case of the beekeeper associations, but their lower scale operations reflect their approach to operate cost covering as well. Better endowed and stronger positioned institutions, such as the cooperatives, would have been useful at the top end of the bee keeping value chain to ensure a better differentiated marketing effort for different honey qualities, as well as branding and grading. Altogether, SEDP impact on institutions and policies is viewed as moderately satisfactory (4), same rating as PMD.
95. **Overall assessment - rural poverty impact.** For village level infrastructure activities supported under SEDP, this impact was, overall, satisfactory. For component two activities and some of the priority value chains supported, the impact differed widely; quite a few of these activities did not reach poorer farmers to the extent planned in project design.
96. With regard to dairy farming interventions, while the PPA acknowledges that the dairy value chain has achieved positive gains and increased incomes, this would apply mostly to better off farmers. For example, SEDP activities resulted in facilitating access by poorer farmers who are non-members of Cattle Breeders' Associations to milk collection centers and to artificial insemination facilities; at the same time, these poorer farmers could not benefit of important features available to members, such as Government subsidies for artificial insemination and reduced costs to transport animals to artificial insemination facilities. In addition, available data shows that better-off farmers investing in modern barns are achieving positive returns with high sustainability prospects, whereas small-scale farmers relying on grazing feeding and holding a less-than-optimal number of cows would often experience negative profit.
97. Furthermore, there is little evidence of expanding rural employment opportunities to benefit poorer households (see also paragraph 10). While there is no question that better-off, medium size farmers have benefitted from project interventions, there is evidence that backward linkages with poorer producers, aimed at employment and income generation for poorer households, did not work in full. Few jobs were created through the milk collection networks, but not to the expected extent.
98. Based on the above, the project is rated moderately satisfactory (4) for overall poverty impact.

## **C. Other performance criteria**

### **Sustainability**

99. Continued government support enhances to some extent prospects of sustainability. Notably, no exit strategy was developed either at the time of the original design, nor when SEDP was fully re-designed. At the same time, the MFAL developed and started implementing an exit strategy towards project completion; this includes a set of follow-up activities to secure sustained impact and enhance wider uptake of the technologies introduced by SEDP. For example, the Government is providing budgetary support for post-project activities in both provinces. This facilitates re-training needs as well as the financing of local consultancies and the purchasing of necessary hardware as needed. Furthermore, the quality of training and support provided is of good standards.
100. Another important element of the current exit strategy includes the support being provided by the Government in relation to irrigation infrastructure. The project has been handing over the irrigation infrastructure to the Water Users Associations and Farmers Cooperatives in compliance with current by-laws and the Government is providing its support to cover Operation & Maintenance costs for the irrigation schemes.
101. On the other hand, sustainability has been negatively affected by limited integration of existing structures. In the future, and where possible, support should

be more integrated into municipal administrative structures (component 1) and private sector actors (component 2) instead of building up parallel structures through an investment project. Moreover, value chain support methodologies focused strongly on grant support. More diversified and durable instruments would have been useful to support a broader and more self-sustained service approach.

102. Altogether, sustainability is viewed as moderately satisfactory (4), same rating as PMD.

### **Innovation and scaling up**

103. The introduction of irrigation systems in Sivas and Erzincan represented an innovative approach in the two provinces. It was a successful low-cost irrigation system that has potential for replication and scaling up in other areas of Turkey.
104. Furthermore, the purification of waste water within the sewerage systems is also an innovative approach in the project area which has yielded positive results and, most important, is eco-friendly.
105. Concerning supply chains, the introduction by the project of the supply chain management approach was new to Turkey. This approach has yielded moderately satisfactory results, yet there is potential for replication and scaling up. Two subsequent IFAD supported investments have been designed based on the SEDP: the Ardahan-Kars-Artvin Development Project and the Diyarbakir, Siirt and Batman Rural Development Programme. An interesting development consequence of SEDP's intervention took place in the Sivas province, where SEDP beneficiaries graduated to become recipients of IPARD assistance which will provide a much higher volume of funding to farmers. The Government acknowledged that such accession to European Union funds would not have been possible without SEDP's intervention in the area.
106. On the other hand, the PPA found no evidence of scaling up by the Government of positive features introduced by SEDP in national policies and domestically-financed programmes; although discussions with Government officials in Ankara and in the two provinces indicated that there is a commitment by the Government to explore such opportunity. Furthermore, there is also no evidence of scaling up by the private sector, nor by other International Financial Institutions.
107. Based on the above, the project is rated as moderately satisfactory (4) with regard to innovation and scaling up, one point lower than the rating provided by PMD.

### **Gender equality and women's empowerment**

108. Concerning gender equality and women's empowerment, the PPA found that community infrastructure activities equally benefitted all segments of the village population, both men and women. At the same time, small scale irrigation schemes, village level water tanks and organic sewerage systems yielded positive impact to all household members, and to women in particular, who experienced a decrease in their daily workload. This was especially true in terms of milking due to the introduction of modernizing dairy production. Some of the component 2 activities were also of direct use to village women; in particular, newly-established village bakeries are noteworthy and very much in use. This type of demand-based support specifically targeted for women proved to be useful.
109. On the whole, the project contribution to gender equality and women's empowerment was limited. More could have been done to ensure full and equal access for women, in particular access to land, which is now more valuable after the installation of the irrigation schemes. In future, gender specific dimensions of value chain support need to be identified and carved out better. Achievements on gender equality and women's empowerment are considered on the whole as moderately satisfactory (4), same rating as PMD.

## **D. Performance of partners**

110. **IFAD.** Two major project design features were not addressed adequately in the original project design: (i) the implications of the value chain approach to rural poverty outreach and targeting; and (ii) inadequate staffing levels proposed (with no provision for full time M&E officer and engineers). Action was taken by IFAD once it became clear that the originally designed SEDP did not perform adequately and that its compliance with government agricultural development policies and strategies, as well as with the corresponding new IFAD country strategic opportunities programme (COSOP) of 2006, needed improvement. *IFAD's responsibility for the initial design "which was proved non-implementable for the first six years"* is acknowledged by PMD reports. A project's re-design was carried out in the light of the realities of the Turkish rural development policies, and has been appreciated by the Turkish counterparts. At the same time, the Fund should have followed the official procedure and submit to the IFAD Executive Board the re-designed project for authorization; yet, this provision did not materialize.
111. IFAD direct supervision has been very regular and a mission was mounted every year. However some highly needed expertise in the socio-economic domains, e.g. targeting and gender specialists were never included, and international technical expertise on the priority value chains was not sought. Supervision reports did not raise the issue of grant beneficiary selection criteria which excluded poorer households, the primary target group, nor did IFAD address properly the issue of contract staff recruitment, in particular for those assigned to M&E.
112. Moreover, IFAD did not comply with the provisions outlined in the revised Loan Agreement which required the Fund to undertake a Midterm review. Notably, the last Project Status Report, of an overall good quality, reports the Midterm review as having been undertaken, which in fact was not the case.
113. Against this background, IFAD performance is rated as moderately unsatisfactory (3), one point below the rating of PMD.
114. **Government.** The Government viewed SEDP as its own initiative, since it was fully involved in the re-design phase, and thus developed a strong sense of ownership. The MFAL, in its role of implementing agency, had the overall responsibility of the SEDP finances. Compliance with the loan covenants is deemed satisfactory; counterpart contributions were likewise notable, and the submission of audit reports was carried out in a timely fashion.
115. The main issues were related to the adequacy of staffing at regional level, a problem already experienced soon after project startup. The overall purpose of the re-designed SEDP was to make the Ministry more responsive and empowered at provincial level; however the inadequacy of staffing at the project offices remained a significant draw back throughout project implementation. Despite the prompting from both IFAD supervision missions and UNDP, MFAL did not recognize the need to improve staff salaries to levels sufficient to attract high-caliber staff to work in the remote and disadvantaged project area provinces. The potential for IFAD, the Government and other project partners becomes limited when the project operates with less than the envisaged contract and core staff.
116. Overall, also considering the special attention that the Government continues to give to SEDP with the development and implementing of a project exit strategy following project completion, the role of the Government is viewed as moderately satisfactory (4), same rating as PMD.
117. **Other implementing partners.** UNDP became a service provider for SEDP in the areas of financial management, human resource management including responsibility for contract staff. Further to acting as an implementing agency mandated by the Ministry, it also funded part of the project TA and training. Their involvement was seen as useful by all concerned and no issues were raised in the

SM docs reviewed, the PCR in discussions at several levels in the course of conducting this PPA.

118. UNDP has been supporting three IFAD projects, namely SEDP, DBSDP and AKADP and with a total contract volume of US\$11 million, comprising about 60 per cent of UNDP's Turkey portfolio. In view of the Government's internal regulations for flow of project funds and financial management, the contracting of UNDP as an international service provider appears useful, and was repeated in the subsequent scaling up investments of IFAD that followed the SEDP model. On the other hand, with UNDP in charge of recruitments and tendering for services, some of the suggestions to broaden the profile of requested expertise in project implementation could have been addressed by the dealing officers in The Programme.
119. After reformulation of the project in October 2007, and amendments to IFAD and OFID Loan Agreements, OFID was on board since May 2008. The PCR and supervision documents characterize this partnership as problem-free.

## **E. Overall project achievement**

120. Following re-design, component 1 of the project, with different and site-adjusted activities in support to communal infrastructure produced useful results; for the seven irrigation schemes; sewerage systems and latrines; and an array of other and smaller communal level project activities.
121. For component 2, SEDP's results in connection to a bold and early attempt of operationalizing a value chain support approach are moderately satisfactory. SEDP contribution to the structured dairy value chains have been considerable, and mostly along the lines suggested in the normative literature on agricultural value chain development. The pre-project scenario was characterized by an uneven supply of raw milk at generally lower levels of quality. It was supplied along accentuated seasonal supply cycles that mirrored the calving cycles of local dairy cattle, resulting in unwanted high seasonality of incomes from dairy production for milk producers.
122. The project financed non-repayable grants supplemented by equity contributions of participating producers willing to intensify their role in the promoted value chains. As a result, the chain has stabilized with higher productivity and a more secure and steady income supply from dairy production throughout the year.
123. One main *raison d'être* in this overall successful intervention points to the challenges of externally-promoted value chain development. Targeting provisions and methodologies of the original design were not pursued any more with the same rigour after re-design. As a result, there was a shift in some of the benefit streams towards wealthier entrepreneurs in component 2. Very small producers without the resources to benefit from the forceful push forward of dairy production were partly left out of the development initiative.
124. The relevance of component 1 activities is assessed to be comparatively better. However, for both components, the opportunity to carry out an MTR to fine-tune approaches and check on relevance of re-designed project was not taken.
125. The adequate measurement of project performance and impact was compromised by the late and incomplete putting in place of a properly functioning M&E systems. What is not measured, cannot be adequately managed, controlled and improved. The absence of an effective M&E system has severely hindered the analysis of project results. No systematic data collection on indicators was carried out and consequently no analysis and reporting on results and outcomes could be made, as mentioned in paragraph 5. This, in concomitance with the absence of a baseline survey to allow for a "before and after" comparison, further hindered assessing project effectiveness, efficiency, performance and impact.

126. The PPA notes that, notwithstanding lack of data, an effort was made by IFAD and the Government to provide a comprehensive analysis of the project's main results and shortcomings in view of preparing the SEDP Project Completion Report. To this end, the Project commissioned value chain studies on milking, beekeeping and dry bean project activities. The quality of such reports was average, again due to lack of project data.
127. For the important project irrigation schemes, there was no M&E system in existence.<sup>19</sup> At the same time, local consultants observed that "DSI<sup>20</sup> has a very good and comprehensive M&E system developed internally by its O&M<sup>21</sup> system that the coop and the municipality should consider adapting as soon as possible and start collecting the needed data throughout the entire year".<sup>22</sup> Successful project M&E should commence with an adequately designed Logical Framework including performance indicators and definition of quantitative targets for these indicators. In SEDP these were missing both in the original and the re-designed Logical Framework. Project staff did not receive any training on log frame training and application.
128. Overall, based on the above observations and previous analysis, the PPA's rating in terms of overall project achievement is moderately satisfactory (4).

## **IV. Conclusions and recommendations**

### **A. Conclusions**

129. Future IFAD- supported investments in Turkey will need to take into consideration recent changes in a rapidly evolving context. Agricultural and rural development in future in Turkey will to a much larger extent focus on post-harvest infrastructure and the processing and marketing of agricultural produce. The emphasis on increasing production will thus slowly be substituted by a process of diversifying markets in the country, improving marketing channels and arrangements and strengthening post-harvest infrastructure. The Turkish Rural Development Plan (RDP) specifies requirements to reach goals such as increasing financial support towards the agricultural producers and diversifying the support instruments. The plan defines 'supporting the investments towards processing, packaging and storing of agricultural products' as a priority activity under the 'formation of competitive market for agriculture and food sectors'.
130. The inter-relationship and sequencing scenarios between SEDP support to smaller farmers in more disadvantaged locations in the country and the IPARD programme, an European Union-financed access programme for agricultural development in IPARD gives priority to SEDP recipient farms since these farmers have already undergone the procedure of applying for grant supplements and submitted funding proposals –even though at a much smaller and less complex scale to the SEDP project management unit. Requests for IPARD assistance, (mainly for further barn extensions to much larger semi- open and closed stable units, as well as the necessary milking and cold chain equipment) are simply much easier for a farmer who has successfully applied for SEDP assistance in the past.
131. This has resulted in a significant and positive SEDP project effect i.e., that in the large Sivas province the approval rate for dairy related value chain support through IPARD is one of the highest in the country. Rather than competing with or marginalizing the need for IFAD assistance, IPARD with its requirement for a cow herd size starting from 25 heads upwards ultimately builds on the support of IFAD/SEDP for the smaller and emerging farmer with its five heads that qualified the farm for participation in SEDP.

<sup>19</sup> According to the baseline report of the Uzumlu Irrigation scheme (page 54).

<sup>20</sup> Turkey State Hydraulic Works Organization.

<sup>21</sup> O&M = Operations and Maintenance.

<sup>22</sup> Ibid, p. 45. The consultant team then proposed a set of 11 performance indicators at the end of 2012 that were meant to guide future M&E operations, but were not found in application at the time of fielding this PPA.



132. There are opportunities for future agricultural value chain based assistance. Surprisingly, for a country with the size and level of development of the agricultural sector, the discussion on promoting value chains in a development and publicly supported context remains still in its infancy. The management of public post-harvest infrastructure is regulated by the Government and the facilities operate in parallel to processing and storage facilities of the private sector. The potential for adding value and promoting agricultural value chains that work for the benefit of smaller farmers appear large at present in Turkey. Policy dialogue could assist the Government to fine tune existing legislation for licensed warehousing (2005) and strengthen the technical and supervisory skills of the dealing staff in the Ministry. The TOB as the Turkish public organization tasked with post-harvest management of selected agricultural produce would also benefit from international cooperation, as would the wide network of different agricultural producer and agricultural credit cooperatives that currently operate in the Turkish countryside.
133. With regard to targeting provisions, the original SEDP project design, approved by the IFAD Executive Board in 2003, contained specific targeting provisions and methodologies as part of the project implementation process. The target group comprised the poorest people in the project area, whose livelihood system was based on the exploitation of local natural resources. The above initial targeting provisions proved to be non-implementable in the course of the first years of implementing the project. SEDP faced a number of issues, among others: (i) challenges in translating the value chain approach within the set targeting parameters; and (ii) inadequate staffing levels proposed (no provision for full time M&E officer and engineers).
134. To address such issues, a Supervision-Implementation Support Mission was fielded by IFAD in May 2007. The mission outlined a series of revisions to project design and implementation arrangements for improving project performance, and in 2007 a project's re-design was carried out. The newly re-designed project offered services to each village and farmer interested in benefitting and fulfilling certain access criteria. The resulting shift in benefit streams towards middle-income and wealthier entrepreneurs, as well as farmers that cannot be considered small by local standards, was correctly pointed out in the project completion report. Notably, no midterm review (MTR) – a standard IFAD requirement in the Loan Agreement - was carried out prior to project re-design; therefore, SEDP could not benefit from the consultative as well as corrective mechanism which is the purpose of an MTR.

## **B. Recommendations**

135. **Fine tuning the SEDP model.** Aspects that will require additional fine tuning in replicating the SEDP model include above all M&E, as well as adequate knowledge management, including the transfer of high-level technical expertise in several technical and "soft skill" areas including, but not limited to, targeting, gender and community development. An ambitious project design requires project support staff in the field to properly guide villagers in activities that are mainly new to them, and to provide training and coaching to local trainers, as well as trainers of trainers.
136. **Build on existing structures vs parallel ones.** Future design of projects based on the SEDP model should place major emphasis on existing markets and market players, ensuring direct collaboration with such players rather than building up parallel structures that will be difficult to manage and maintain after project closure. In addition, the useful role of information technology in measuring, monitoring and aggregating data and contributing to better market functioning should also be emphasized in the future. In 2015, the Government is planning to develop and implement improved market information systems, as well as information on prevailing prices for agricultural and livestock produce at the regional level, involving local commodity exchanges and promotional agencies like TOB as well as more than 20 licensed warehouses that are publicly promoted and in operation at present. These are useful potential investment areas for future IFAD

supported projects in Turkey as well. As the most recent investment with the Ministry of Forestry demonstrates, IFAD possesses the necessary flexibility in working with different recipient ministries and their executing agencies both at central, provincial and municipal levels.

137. **Potential of value chain approach.** The value chain approach that was piloted in SEDP has the potential to contribute usefully also to the future investment portfolio of IFAD in Turkey. It is recommended to retain and further strengthen this theme with particular focus on (i) the inclusiveness of project-supported value chains; and (ii) carefully determine the selection of the type of value chains and modes of support (production-related or financial).
138. **Managing the learning process.** Emerging learnings from SEDP, Ardahan-Kars-Artvin Development Project and Diyarbakir, Siirt and Batman Rural Development Programme (IFAD) value chain support should be systematically monitored and an emerging model of IFAD support for inclusive agricultural value chains be drawn up based on the experience derived from this pool of projects with a focus on value chain.
139. **Strategic Investment Plans as planning and management tool.** The SIP route as a type of "business plan" for an entire value chain is useful. In future, all opportunities that this instrument affords should be utilized, in particular with regard to market and competitor analysis and specification of technical and logistical details of value chains to be supported, value chain actors and intermediate products. Once compiled, the SIPs then need to be integrated into Annual Work Programmes and Budget documents and project targets.
140. **Reinforcing value chains with appropriate value chain financing instruments.** Even though Turkey has a sophisticated and well developed banking sector, there are still unutilized potentials in strengthening value chains with appropriate financial instruments. The grant financing of SEDP was useful as an initial step into the value chain financing realm, but once there is more confidence gained on adequate support strategies and investment areas, IFAD should consider supporting innovative and very diverse value chain financing instruments that are currently gaining importance in NEN countries, including Turkey. The design of future IFAD-funded interventions in Turkey should also include appropriate instruments and arrangements ensuring that the poorest beneficiaries in the target group are granted access to such financing, securing their engagement in agricultural value chains and other types of indirect agricultural support mechanisms to their direct benefit.

## Rating comparison

Criteria	PMD rating <sup>a</sup>	IOE rating <sup>a</sup>	Rating disconnect
<b>Project performance</b>			
Relevance	4	4	0
Effectiveness	4	4	0
Efficiency	5	5	0
<b>Project performance<sup>b</sup></b>	<b>4.33</b>	<b>4.33</b>	<b>0</b>
<b>Rural poverty impact</b>			
Household income and assets	4	4	0
Human and social capital and empowerment	5	5	0
Food security and agricultural productivity	5	4	-1
Natural resources, environment and climate change	4	4	0
Institutions and policies	4	4	0
<b>Rural poverty impact<sup>c</sup></b>	<b>4.40</b>	<b>4.00</b>	<b>0</b>
<b>Other performance criteria</b>			
Sustainability	4	4	0
Innovation and scaling up	5	4	-1
Gender equality and women's empowerment	4	4	0
<b>Overall project achievement<sup>d</sup></b>	<b>4</b>	<b>4</b>	<b>0</b>
<b>Performance of partners<sup>e</sup></b>			
IFAD	4	3	-1
Government	4	4	0
<b>Average net disconnect</b>			<b>-0.23</b>

<sup>a</sup> Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory.

<sup>b</sup> Arithmetic average of ratings for relevance, effectiveness and efficiency.

<sup>c</sup> This is not an average of ratings of individual impact domains.

<sup>d</sup> This is not an average of ratings of individual evaluation criteria but an overarching assessment of the project, drawing upon the rating for relevance, effectiveness, efficiency, rural poverty impact, sustainability, innovation and scaling up, and gender.

<sup>e</sup> The rating for partners' performance is not a component of the overall project achievement rating.

### Ratings of the project completion report quality

	PMD rating	IOE PCRV rating	Net disconnect
(a) Scope	4	4	0
(b) Quality (methods, data, process)	5	5	0
(c) Lessons	5	4	-1
(d) Candour	6	6	0
<b>Overall rating of PCR</b>	<b>5.00</b>	<b>4.5</b>	

(a) The PCR is mostly in line with the Guidelines for PCR preparation. At the same time, some of the annexes were missing

(b) The main messages of the PCR are to the point as to what has worked and why. However, the presentation and editing did not follow standards; there is no list of abbreviations and acronyms. There is also a discrepancy between a highly knowledgeable analysis with a very thin data base and readiness to go into depth on important issues such as poverty reach, development impact and sustainability.

(c) The lessons learned are in line with the overall project analysis, although the evidence on which they are based is very thin.

(d) The project assessment has been conducted objectively, with a fair perspective on both the successful and less successful achievements.

## Basic project data

				Approval (US\$ m)		Actual (US\$ m)	
Region	Near East, North Africa and Europe (NEN)		Total project costs	US\$30.04		US\$28.07	
Country	Turkey		IFAD loan and percentage of total	US\$13.08	43.54%		US\$13.0
Loan number	616-TR		Borrower: Ministry of Food, Agriculture and Livestock (MFAL)	US\$4.40			US\$3.0
Type of project (subsector)	Community development. Value chain development		Cofinancier 1: OFID	US\$9.90			US\$9.90
Financing type	Loan		Cofinancier 2: UNDP	US\$0.2			US\$0.2
Lending terms*	18 years including three years grace, interest based on reference interest rate p.a. as determined by the Fund						
Date of approval	11 September 2003						
Date of loan signature	06 May 2004		Beneficiaries	US\$2.40			US\$2.67
Date of effectiveness	January 2005						
Loan amendments	28 August 2008		Number of beneficiaries	10 000			
Loan closure extensions	One extension, to 30 September 2013						
Country programme managers	Henning Petersen Abdelhamid Abdouli (current)		Loan closing date	30 September 2012			
Regional director(s)	Mona Bishay Nadim Khouri Khalida Bouzar (current)		Midterm review	No MTR conducted (cf. Supervision Report May 2011)			
Responsible officer for project performance assessment	Mark Keating		IFAD loan disbursement at project completion (%)	99.94 per cent			
Project performance assessment quality control panel	Ashwani Muthoo Miguel Torralba		Date of the project completion report	December 2013			

Source: IFAD project design and implementation/supervision reports

\* There are four types of lending terms: (i) special loans on highly concessional terms, free of interest but bearing a service charge of three fourths of one per cent (0.75%) per annum and having a maturity period of 40 years, including a grace period of 10 years; (ii) loans on hardened terms, bearing a service charge of three fourths of one per cent (0.75%) per annum and having a maturity period of 20 years, including a grace period of 10 years; (iii) loans on intermediate terms, with a rate of interest per annum equivalent to 50 per cent of the variable reference interest rate and a maturity period of 20 years, including a grace period of five years; (iv) loans on ordinary terms, with a rate of interest per annum equivalent to one hundred per cent (100%) of the variable reference interest rate, and a maturity period of 15-18 years, including a grace period of three years.

## Terms of reference

### A. Background

1. The Independent Office of Evaluation of IFAD (IOE) will conduct a project performance assessment (PPA) of the Sivas-Erzincan Development Project in Turkey between July and October 2014. The PPA is a project-level evaluation aiming at: (i) providing an independent assessment of the results and impact of the programme under consideration; and (ii) generating findings and recommendations for the design and implementation of ongoing and future operations in the country.
2. PPAs are conducted on a sample of projects for which a project completion report (PCR) has been validated by IOE, and taking into consideration the following criteria: (i) synergies with forthcoming or ongoing IOE evaluations; (ii) major information gaps in the PCR; (iii) novel approaches; and (iv) geographic balance. In the case of the Sivas-Erzincan Development Project, an initial review of the Project Completion Report was undertaken in the period April-May 2014 and forms the basis for this PPA exercise.
3. The PPA applies the evaluation criteria outlined in the IFAD Evaluation Manual. In view of the time and resources available, the PPA is generally not expected to undertake quantitative surveys; rather, it adds analysis based on interviews at IFAD headquarters, interactions with stakeholders in the country including project beneficiaries, and direct observations in the field.
4. **Operating context.** Since 1982 IFAD has financed eight programmes and projects in Turkey with loans totalling US\$142.7 million. In the year 2000, the emphasis of IFAD operations shifted from area-based rural development projects focusing on infrastructure and support for farmers through extension and credit, to projects supporting participation and income diversification. The shift was included in the Ordu-Giresun Rural Development Project and the Sivas-Erzincan Development Project, both of which feature village-based planning activities as a prelude to investments.
5. The project operates in an area covered by steppe and grassland in two of Turkey's least-developed provinces, namely the Sivas and the Erzincan provinces. Sivas, the larger of the two, is the largest province in the country. The target population, which represents 12 per cent of rural people in the two provinces, comprises the poorest people in the area. Their livelihoods depend on exploitation of natural resources, including forest resources that are degraded by overuse. The project gave priority to households headed by women, small-scale farmers with rain-fed land and limited livestock, landless households, and small-scale farmers cultivating a combination of rain-fed and irrigated land.
6. The objectives of the project were to: (i) increase agricultural productivity and income levels; (ii) expand rural employment opportunities and encourage the individual and group initiatives of smallholders; (iii) build and strengthen self-sustaining institutions involving local poor people such as village development committees and associations; and (iv) improve poor people's living conditions, and especially those of women.
7. IFAD investments were to support agricultural development, particularly improved crop production, agroforestry and livestock development, as well as training and assistance for participants. Activities aimed at empowering communities to analyse their productive resources and technical problems, review a range of technological solutions and improvements, and adopt those which would result in increased production. A total of 5,000 households in the Sivas-Erzincan provinces were expected to benefit from the project.



## B. Methodology

8. **Objectives.** The main objectives of the PPA are to: (i) assess the results of the project; and (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in Turkey.
9. **Scope.** The PPA will take account of the review of project documentation, issues emerging from interviews at IFAD headquarters, and a focused mission to the country for the purpose of generating a comprehensive, evidence-based evaluation. However, the PPA will not need to examine or re-examine the full spectrum of project activities, achievements and drawbacks, but will focus on selected key issues. Furthermore, subject to the availability of time and budgetary resources, due attention will be paid to filling in major information gaps of the PCR and other project documents.
10. **Evaluation criteria.** In line with the evaluation criteria outlined in IOE's Evaluation Manual (2009), added evaluation criteria (2010)<sup>23</sup> and the IOE Guidelines for PCRV and PPAs, the key evaluation criteria applied in this PPA will include:
  - (i) **Relevance**, which is assessed both in terms of alignment of project objectives with country and IFAD policies for agriculture and rural development and the needs of the rural poor, as well as project design features geared to the achievement of project objectives.
  - (ii) **Effectiveness**, which measures the extent to which the project's immediate objectives were achieved, or are expected to be achieved, taking into account their relative importance.
  - (iii) **Efficiency**, which indicates how economically resources/inputs are converted into results.
  - (iv) **Rural poverty impact**, which is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions. Five impact domains are employed to generate a composite indication of rural poverty impact: household income and assets; human and social capital and empowerment; food security and agricultural productivity; natural resources, environment and climate change; and institutions and policies.
  - (v) **Sustainability**, indicating the likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.
  - (vi) **Pro-poor innovation and scaling up**, assessing the extent to which IFAD development interventions have introduced innovative approaches to rural poverty reduction and the extent to which these interventions have been (or are likely to be) replicated and scaled up by government, private sector and other agencies.
  - (vii) **Gender equality and women's empowerment.** This criterion is related to the relevance of design in terms of gender equality and women's empowerment, the level of resources committed, and changes promoted by the project.
  - (viii) **Performance of partners**, including the performance of IFAD and the Government, will be assessed on an individual basis, with a view to the partners' expected role and responsibility in the project life cycle.

<sup>23</sup> Gender, climate change, and scaling up

11. **Data collection.** The PPA will be built on the initial findings of the PCR and other relevant project documentation. For further information, interviews will be conducted both at IFAD headquarters and in Turkey. In the course of the in-country mission, additional primary and secondary data will be collected in order to reach an independent assessment of performance and results. Data collection methods will mostly include qualitative participatory techniques. The methods deployed will consist of individual and group interviews, focus group discussions with beneficiaries, and direct observations. The PPA will also make use – where applicable – of additional data available through the programme’s monitoring and evaluation (M&E) system. Triangulation will be applied to verify findings emerging from different information sources.
12. **Stakeholders’ participation.** In compliance with the Evaluation Policy of 2011, the main project stakeholders will be involved throughout the PPA. This will ensure that the key concerns of the stakeholders are taken into account, that the evaluators fully understand the context in which the project was implemented, and that opportunities and constraints faced by the implementing institutions are identified. To this end, regular interactions and communication have been established with the Near East, Northern Africa and Europe Division (NEN) of IFAD and with the Government of Turkey. Formal and informal opportunities will be explored during the process for the purpose of discussing findings, lessons and recommendations.

### C. Evaluation process

13. In all, the PPA will involve five phases: desk work; in-country work; report drafting and peer review; receipt of comments from NEN and the Government of Turkey; and the final phase of communication and dissemination.
14. **Desk work phase.** The related PCR for the Sivas-Erzincan Development Project and further desk review based on official project documentation and other evaluative material as appropriate will provide initial findings and identify key issues to be investigated by the PPA.
15. **Country work phase. The PPA mission is scheduled from 1 to 10 July 2014.** Mission members will interact with the Government, local authorities, local partners, programme staff and clients (beneficiaries), and collect information from the programme’s M&E system and other sources. At the end of the mission, a brief will be provided to the IFAD partner ministry, followed by a wrap-up meeting in Ankara to summarize the preliminary findings and discuss key strategic and operational issues.
16. **Report drafting and peer review.** At the conclusion of the field visit, a draft PPA report will be prepared and submitted to IOE internal peer review for quality assurance. Designated evaluation officers in IOE will peer review the draft PPA report providing comments both on the quality and contents of the document.
17. **Comments by NEN and the Government.** The PPA report will be shared with NEN and with the Government for comments simultaneously. IOE will finalize the report following receipt of such comments.
18. **Communication and dissemination.** The final report will be disseminated among key stakeholders and the evaluation report published by IOE, both online and in print.

### D. Key issues for investigation

19. A review of the PCR has shown that it will be important to assess more in depth some key aspects of the project. Among these, the PPA mission will further explore in particular, but not be limited to, (i) **emerging approaches of supporting pro poor agricultural value chains**, as well as (ii) the **effectiveness of trickle**

**down assumptions in value chain and other types of indirect agricultural support.**

**E. Evaluation team**

20. Mr Mark Keating, Evaluation Officer, has been appointed as Lead Evaluator for this PPA and will be responsible for delivering the final report. He will be assisted by Mr Rauno Zander, senior consultant as the expert who will lead the mission and prepare the draft report.

## Methodological note on project performance assessments

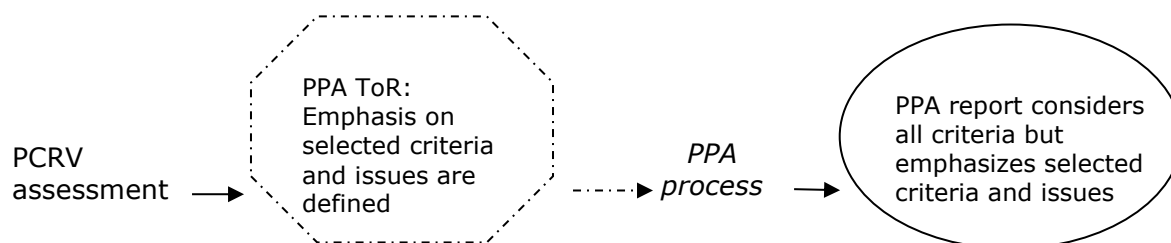
### A. What is a project performance assessment?<sup>1</sup>

1. The project performance assessment (PPA) conducted by the Independent Office of Evaluation of IFAD (IOE) entails one mission of 7-10 days<sup>2</sup> and two mission members.<sup>3</sup> PPAs are conducted on a sample of projects for which project completion reports have been validated by IOE, and take account of the following criteria (not mutually exclusive): (i) synergies with forthcoming or ongoing IOE evaluations (e.g. country programme or corporate-level evaluations); (ii) major information gaps in project completion reports (PCRs); (iii) novel approaches; and (iv) geographic balance.
2. The objectives of the PPA are to: assess the results and impact of the project under consideration; and (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in the country involved. When the PPA is to be used as an input for a country programme evaluation, this should be reflected at the beginning of the report. The PPA is based on the project completion report validation (PCRV) results, further desk review, interviews at IFAD headquarters, and a dedicated mission to the country, to include meetings in the capital city and field visits. The scope of the PPA is set out in the respective terms of reference.

### B. Preparing a PPA

3. Based on the results of the PCRV, IOE prepares brief terms of reference (ToR) for the PPA in order to sharpen the focus of the exercise.<sup>4</sup> As in the case of PCRVs, PPAs do not attempt to respond to each and every question contained in the Evaluation Manual. Instead, they concentrate on the most salient facets of the criteria calling for PPA analysis, especially those not adequately explained in the PCRV.
4. When preparing a PPA, the emphasis placed on each evaluation criterion will depend both on the PCRV assessment and on findings that emerge during the PPA process. When a criterion or issue is not identified as problematic or in need of further investigation, and no additional information or evidence emerges during the PPA process, the PPA report will re-elaborate the PCRV findings.

#### Scope of the PPA



<sup>1</sup> Extract from the PCRV and PPA Guidelines.

<sup>2</sup> PPAs are to be conducted within a budget ceiling of US\$25,000.

<sup>3</sup> Typically, a PPA mission would be conducted by an IOE staff member with the support of a consultant (international or national). An additional (national) consultant may be recruited if required and feasible within the evaluation budget.

<sup>4</sup> Rather than an approach paper, IOE prepares terms of reference for PPAs. These terms of reference ensure coverage of information gaps, areas of focus identified through PCRVs and comments by the country programme manager, and will concentrate the PPA on those areas. The terms of reference will be included as an annex to the PPA.

## C. Evaluation criteria

5. The PPA is well suited to provide an informed summary assessment of project relevance. This includes assessing the relevance of project objectives and of design. While, at the design stage, project logical frameworks are sometimes succinct and sketchy, they do contain a number of (tacit) assumptions on mechanisms and processes expected to generate the final results. At the post-completion phase, and with the benefit of hindsight, it will be clearer to the evaluators which of these assumptions have proved to be realistic, and which did not hold up during implementation and why.
6. For example, the PPA of a project with a major agricultural marketing component may consider whether the project framework incorporated key information on the value chain. Did it investigate issues relating to input and output markets (distance, information, monopolistic power)? Did it make realistic assumptions on post-harvest conservation and losses? In such cases, staff responsible for the PPA will not be expected to conduct extensive market analyses, but might consider the different steps (e.g. production, processing, transportation, distribution, retail) involved and conduct interviews with selected actors along the value chain.
7. An assessment of effectiveness, the extent to which a project's overall objectives have been achieved, should be preferably made at project completion, when the components are expected to have been executed and all resources fully utilized. The PPA considers the overall objectives<sup>5</sup> set out in the final project design document and as modified during implementation. At the same time, it should be flexible enough to capture good performance or under-performance in areas that were not defined as an objective in the initial design but emerged during the course of implementation.
8. The PPA mission may interview farmers regarding an extension component, the objective of which was to diffuse a certain agricultural practice (say, adoption of a soil nutrient conservation technique). The purpose here would be to understand whether the farmers found it useful, to what extent they applied it and their perception of the results obtained. The PPA may look into reasons for the farmers' interest in new techniques, and into adoption rates. For example, was the extension message delivered through lectures? Did extension agents use audio-visual tools? Did extension agents engage farmers in interactive and participatory modules? These type of questions help illustrate *why* certain initiatives have been conducive (or not conducive) to obtaining the desired results.
9. The Evaluation Manual suggests methods for assessing efficiency, such as calculating the economic internal rate of return,<sup>6</sup> estimating unit costs and comparing them with standards (cost-effectiveness approach), or addressing managerial aspects of efficiency (timely delivery of activities, respect of budget provisions). The documentation used in preparing the PCRV should normally provide sufficient evidence of delays and cost overruns and make it possible to explain why they happened.
10. As far as rural poverty impact is concerned, the following domains are contemplated in the Evaluation Manual: (a) household income and assets; (b) human and social capital and empowerment; (c) food security and agricultural

<sup>5</sup> Overall objectives will be considered as a reference for assessing effectiveness. However, these are not always stated clearly or consistent throughout the documentation. The assessment may be made by component if objectives are defined by components; however the evaluation will try to establish a correspondence between the overall objectives and outputs.

<sup>6</sup> Calculating an economic internal rate of return (EIRR) may be challenging for a PPA as it is time consuming and the required high quality data are often not available. The PPA may help verify whether some of the crucial assumptions for EIRR calculation are consistent with field observations. The mission may also help shed light on the cost-effectiveness aspects of efficiency, for example whether, in an irrigation project, a simple upgrade of traditional seasonal flood water canalization systems might have been an option, rather than investing on a complex irrigation system, when access to markets is seriously constrained.

productivity; (d) natural resources, the environment and climate change;<sup>7</sup> and (e) institutions and policies. As shown in past evaluations, IFAD-funded projects generally collect very little data on household or community-level impact indicators. Even when impact data are available, both their quality and the methodological rigour of impact assessments are still questionable. For example, although data report significant increases in household assets, these may be due to exogenous factors (e.g. falling prices of certain commodities; a general economic upturn; households receiving remittances), and not to the project.

11. PPAs may help address the "attribution issue" (i.e. establishing to what extent certain results are due to a development intervention rather than to exogenous factors) by:
  - (i) Following the logical chain of the project, identifying key hypotheses and reassessing the plausibility chain; and
  - (ii) Conducting interviews with non-beneficiaries sharing key characteristics (e.g. socio-economic status, livelihood, farming system), which would give the mission an idea of what would have happened without the project (counterfactual).<sup>8</sup>
12. When sufficient resources are available, simple data collection exercises (mini-surveys) may be conducted by a local consultant prior to the PPA mission.<sup>9</sup> Another non-mutually exclusive option is to spot-check typical data ranges or patterns described in the PCR by means of case studies (e.g. do PCR claims regarding increases in average food-secure months fall within the typical ranges recorded in the field?). It is to be noted that, while data collected by a PPA mission may not be representative in a statistical sense, such data often provide useful reference points and insights. It is important to exercise care in selecting sites for interviews in order to avoid blatant cases of non-beneficiaries profiting from the project.). Sites for field visits are selected by IOE in consultation with the government concerned. Government staff may also accompany the PPA mission on these visits.
13. The typical timing of the PPA (1-2 years after project closure) may be useful for identifying factors that enhance or threaten the sustainability of benefits. By that stage, the project management unit may have been disbanded and some of the support activities (technical, financial, organizational) terminated, unless a second phase is going forward or other funding has become available. Typical factors of sustainability (political support, availability of budgetary resources for maintenance, technical capacity, commitment, ownership by the beneficiaries, environmental resilience) can be better understood at the ex post stage...
14. The PPA also concentrates on IFAD's role with regard to the promotion of innovations and scaling up. For example, it might be observed that some innovations are easily scaled up at low cost (e.g. simple but improved cattle-rearing practices that can be disseminated with limited funding). In other cases, scaling up may involve risks: consider the case of a high-yield crop variety for which market demand is static. Broad adoption of the variety may be beneficial in terms of ensuring food security, but may also depress market prices and thereby reduce sale revenues for many households unless there are other, complementary activities for the processing of raw products.
15. The PPA addresses gender equality and women's empowerment, a criterion recently introduced into IFAD's evaluation methodology. This relates to the emphasis placed on gender issues: whether it has been followed up during

<sup>7</sup> Climate change criterion will be addressed if and when pertinent in the context of the project, as most completed projects evaluated did not integrate this issue into the project design.

<sup>8</sup> See also the discussion of attribution issues in the section on PCRVs.

<sup>9</sup> If the PPA is conducted in the context of a country programme evaluation, then the PPA can piggy-back on the CPE and dedicate more resources to primary data collection.



implementation, including the monitoring of gender-related indicators; and the results achieve.

16. Information from the PCR/V may be often sufficient to assess the performance of partners, namely, IFAD and the government. The PPA mission may provide further insights, such as on IFAD's responsiveness, if relevant, to implementation issues or problems of coordination among the project implementation unit and local and central governments. The PPA does not assess the performance of cooperating institutions, which now has little or no learning value for IFAD.
17. Having completed the analysis, the PPA provides its own ratings in accordance with the evaluation criteria and compares them with PMD's ratings. PPA ratings are final for evaluation reporting purposes. The PPA also rates the quality of the PCR document.
18. The PPA formulates short conclusions: a storyline of the main findings. Thereafter, a few key recommendations are presented with a view to following up projects, or other interventions with a similar focus or components in different areas of the country.<sup>10</sup>

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<sup>10</sup> Practices differ among multilateral development banks, including recommendations in PPAs. At the World Bank, there are no recommendations but "lessons learned" are presented in a typical PPA. On the other hand, PPAs prepared by Asian Development Bank include "issues and lessons" as well as "follow-up actions" although the latter tend to take the form of either generic technical guidelines for a future (hypothetical) intervention in the same sector or for an ongoing follow-up project (at Asian Development Bank, PPAs are undertaken at least three years after project closure).

## Definition of the evaluation criteria used by IOE

Criteria	Definition <sup>a</sup>
Project performance	
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project design in achieving its objectives.
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.
Rural poverty impact <sup>b</sup>	Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.
Household income and assets	Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value.
Human and social capital and empowerment	Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grassroots organizations and institutions, and the poor's individual and collective capacity.
Food security and agricultural productivity	Changes in food security relate to availability, access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields.
Natural resources, the environment and climate change	The focus on natural resources and the environment involves assessing the extent to which a project contributes to changes in the protection, rehabilitation or depletion of natural resources and the environment as well as in mitigating the negative impact of climate change or promoting adaptation measures.
Institutions and policies	The criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor.
Other performance criteria	
Sustainability	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.
Innovation and scaling up	The extent to which IFAD development interventions have: (i) introduced innovative approaches to rural poverty reduction; and (ii) the extent to which these interventions have been (or are likely to be) replicated and scaled up by government authorities, donor organizations, the private sector and others agencies.
Gender equality and women's empowerment	The criterion assesses the efforts made to promote gender equality and women's empowerment in the design, implementation, supervision and implementation support, and evaluation of IFAD-assisted projects.
Overall project achievement	This provides an overarching assessment of the project, drawing upon the analysis made under the various evaluation criteria cited above.
Performance of partners	
IFAD	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation.
Government	It also assesses the performance of individual partners against their expected role and responsibilities in the project life cycle.

<sup>a</sup> These definitions have been taken from the OECD/DAC *Glossary of Key Terms in Evaluation and Results-Based Management* and from the IFAD Evaluation Manual (2009).

<sup>b</sup> The IFAD Evaluation Manual also deals with the "lack of intervention", that is, no specific intervention may have been foreseen or intended with respect to one or more of the five impact domains. In spite of this, if positive or negative changes are detected and can be attributed in whole or in part to the project, a rating should be assigned to the particular impact domain. On the other hand, if no changes are detected and no intervention was foreseen or intended, then no rating (or the mention "not applicable") is assigned.

## List of key persons met

Mission schedule, itinerary and persons met

### **Ankara**

#### **1 July 2014, Tuesday**

- 10:00 Ministry of Food, Agriculture and Livestock (Gıda Tarım ve Hayvancılık Bakanlığı)  
General Directorate of Agrarian Reform (Tarım Reformu Genel Müdürlüğü)  
Mr Ilker MANYAZ, Director of Working Group on Externally-financed Projects  
Ministry of Food, Agriculture and Livestock (MFAL)-General Directorate of  
Agrarian Reform  
Ms Saliha AKBAS, Agricultural Engineer  
MFAL-General Directorate of Agrarian Reform
- 14:00 Meeting in United Nations Development Programme (UNDP)-Ankara  
Mr Murat GURSOY, Programme Specialist and Advisor  
Mr Burak ELDEM, Project Administrator, IFAD Djabakir-Batman-Siirt Project  
Mr Arif Mert ÖZTÜRK, Project Administrator, IFAD Ardahan Kars Artvin Project  
Mr Güray BALABAN, Principal Engineer of Civil Works

#### **2 July 2014, Wednesday**

- 11:00 Meeting at Food and Agriculture Organization of the United Nations, Ankara  
Mr Mustapha SINACEUR, Sub-regional Coordinator
- 14:00 Preparation for field assignment  
Mr Dogan AKAR, SEDP Project Director (retired)

#### **3 July 2014, Thursday**

- 12.20 Departure from Ankara to Erzincan  
13.35 Arrival Erzincan  
14.00 Departure to Sivas

### **Sivas**

#### **4 July 2014, Friday**

- 9:00 Courtesy visit to Sivas Provincial Director of Ministry of Food, Agriculture and  
Livestock, Mr İhsan ASLAN
- 9:30 Departure to visit Altınyayla irrigation scheme  
Mr Senati BIYIK: President of Altınyayla irrigation and agricultural development  
cooperatives  
Mr Şerafettin ÇOBAN: Farmer  
Mr Ali MERTOĞLU: Farmer  
Mr İsmail BIYIK: Farmer
- 11:30 Departure to visit Altınyayla-Basyayla village sewer system  
Mr Cetin MUHSIN: Head of village (Muhtar)
- 13:00 Departure to visit Ulas-Karacalar sewer system  
Mr Mesut KARACALAR: Head of village (Muhtar)
- 16:00 Departure to visit Sivas Cattle Breeding Association  
Mr Hulisi KANTAR, President  
Mr Yusuf YILDIZ, Board Member

- 17:00 Departure to visit Sivas Beekeeping Association  
Mr Yılmaz DOĞAN, President

**5 July 2014, Saturday**

- 9:00 Departure to visit pilot village (Hafik- Çınarlı village, barns, milk cooling tank, etc.)  
Mr Hüseyin ÇINAR: Farmer  
Mr Halil ÇINAR: Farmer  
Mr Bekir ÇINAR: Farmer  
Mr Yusuf YILDIZ: Farmer  
Mr Azimet YILDIZ: Farmer
- 12:00 Departure to visit drinking water tank in Hafik –Acıpınar village, Mr İsmail ŞEKER: Head of village (Muhtar)
- 13:30 Departure to visit village bakery in Hafik Tuzhisar  
Mr Hacı Ahmet ŞEKER: Head of village (Muhtar)
- 15:00 Departure to visit beekeeping farmer in Sivas Center Serpincik village  
Mr Hamza MERCAN: beekeeper
- 16:00 Departure to visit Sivas center Kahyalı village (not included in the project)  
Mr Bilal YAZICI: Head of village (Muhtar)

**6 July 2014, Sunday**

- 9:30 Departure to visit Yıldızeli irrigation scheme  
Mr Yılmaz NAVRUZ: Mayor  
Mr Turan KIRMI: Deputy Mayor  
Mr Salim TORAMAN: Responsible person for operation of the Irrigation system
- 14:30 Departure for Erzincan

**Erzincan**

**7 July 2014, Monday**

- 8:30 Courtesy visit to Provincial Director of Agriculture MFAL: Mr Sırrı YILMAZ
- 9:30 Departure to visit Dry Bean Facility in Çayırılı-Erzincan
- 15:30 Departure to visit sewer system in Akyurt village-Tercan
- 16:30 Departure to visit Erzincan Cattle Breeding Association

**8 July 2014 Tuesday**

- 8:30 Departure to visit Uzumlu irrigation scheme
- 10:30 Departure to visit Pilot village (Erzincan center-Aydoğdu village)
- 14:00 Departure for Ankara

**Ankara**

**9 July 2014, Wednesday**

- 9:00 Debriefing Meeting at MFAL  
Mr Ilker MANYAZ, Director of Working Group on Externally-financed Projects  
MFAL-General Directorate of Agrarian Reform  
Ms Saliha AKBAS, Agricultural Engineer  
MFAL-General Directorate of Agrarian Reform

14:00 Mr Mehmet Aydinbelge  
Engineer, SIPARD Liaison Unit  
MFAL-General Directorate of Agrarian Reform

**10 July 2014, Thursday**

9:00 Wrap-up Meeting  
Dr. Metin TURKER, Deputy-General Director  
MFAL-General Directorate of Agrarian Reform  
Mr Ilker MANYAZ, Director of Working Group on Externally-financed Projects  
MFAL-General Directorate of Agrarian Reform  
Ms Yijdan KURNAZ, Engineer  
MFAL-General Directorate of Agrarian Reform  
Ms Ozge YILDIRIM, Engineer  
MFAL-General Directorate of Agrarian Reform  
Ms Dina ANZAR, Veterinary services  
MFAL-General Directorate of Agrarian Reform  
Ms Neyla FURTANA, Engineer  
MFAL-General Directorate of Agrarian Reform  
Mr Burak ELDEM, Project Administrator UNDP, Turkey  
Mr Abdullah OZTURK, Project Administrator UNDP, Turkey  
Ms Saliha AKBAS, Agricultural Engineer  
MFAL-General Directorate of Agrarian Reform

14:30 Meeting in UNDP-Ankara  
Mr Murat GURSOY, Programme Specialist and Advisor  
Mr Burak ELDEM, Project Administrator, IFAD Djabakir-Batman-Siirt Project

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