



Honduras Rural Competitiveness Project (P101209)

LATIN AMERICA AND CARIBBEAN | Honduras | Agriculture Global Practice |
IBRD/IDA | Specific Investment Loan | FY 2008 | Seq No: 17 | ARCHIVED on 19-Nov-2015 | ISR21042 |

Implementing Agencies:

Key Dates

Key Project Dates

Bank Approval Date:17-Jun-2008

Effectiveness Date:28-May-2010

Planned Mid Term Review Date:04-Feb-2013

Actual Mid-Term Review Date:04-Feb-2013

Original Closing Date:30-Nov-2015

Revised Closing Date:30-Nov-2015

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective of COMRURAL is to contribute to increased productivity and competitiveness among organized rural small-scale producers through their participation in productive alliances.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components

Name

Support for Productive Alliances:(Cost \$9.00 M)

Productive Investments:(Cost \$39.60 M)

Project Coordination, Monitoring and Evaluation:(Cost \$2.60 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Satisfactory
Overall Risk Rating	● Moderate	● Moderate



Implementation Status and Key Decisions

COMRURAL is Government's flagship project to boost agricultural competitiveness. Based on the preparation and public awarded of financial feasible Business Plans (BPs), the project supports Rural Producers Organizations (RPOs) by the establishment of productive alliances with financial, technical and commercial partners. Financial partner's participation includes co-financing of around 35 percent of the BPs through credits under market conditions which help to promote financial inclusion for mid-term business relationships. After five successful public calls for proposals, COMRURAL is supporting around 6,700 small rural producers organized into 75 BPs with a projected investment of US\$26.1 million, 52 percent is financed by the project (non-refundable transfers) and 48 percent by RPOs (70 percent with private credits and 30 percent of equity). To this date 21 RPOs have completed their physical investment (30 percent of total). The project promotes solid social and environmental good practices, the most important being the participation of beneficiaries from groups that are considered vulnerable such as indigenous people, women and youth. Further, particularly the specialty coffee value chain implement and further develop integrated productive cycles by using materials that without proper management are considered contaminants, mainly coffee pulp and husk, as inputs for manufacturing of organic compost and fertilizers to improve farms productivity even for commercialization and energy production. A number of RPOs have engaged in innovative environmental management that strives to closed-loop production systems and turn environmental management into additional revenues. COMRURAL already allocated additional funding for a couple of these RPOs. Said efforts merit special attention by the Bank as they open an excellent window of opportunity for continued sector work by the Bank both in Honduras and at the regional level.

Due to successful project implementation, the Government has requested the preparation of a US\$12.6 million additional financing (AF) and an extension to the closing date period until December 2016. The AF is strategic since (i) ensures the consolidation of the 75 BPs that are under implementation; (ii) promotes the preparation and implementation of new BPs, (iii) will be integrated to the *Alianza para el Corredor Seco* which is currently the major agriculture investment program intended to reduce extreme poverty by climate smart agriculture investments, and (iv) will include key sectorial deliverables such as the preparation of a competitiveness strategy and the national branding for the agricultural sector.



Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	● Moderate	● Moderate
Macroeconomic	--	● Moderate	● Moderate
Sector Strategies and Policies	--	● Moderate	● Moderate
Technical Design of Project or Program	--	● Low	● Low
Institutional Capacity for Implementation and Sustainability	--	● Moderate	● Moderate
Fiduciary	--	● Moderate	● Moderate
Environment and Social	--	● Low	● Low
Stakeholders	--	● Moderate	● Moderate
Other	--	--	--
Overall	--	● Moderate	● Moderate



Results

Project Development Objective Indicators

- ▶ 10% increase in the value of gross sales of the rural producer organizations based on implementation of the business plan. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	61.00	41.00	10.00
Date	30-Jul-2008	18-Mar-2015	18-Mar-2015	30-Nov-2015

Comments

The trend for this indicator moves fast because of the information of new organization is being included as well as the different productive cycles of the participants

- ▶ At least 80% of the producers with approved business plans are satisfied with the project. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	72.00	72.00	80.00
Date	30-Jul-2008	18-Mar-2015	18-Mar-2015	30-Nov-2015

- ▶ Private actors invest at least 12.05 million USD as loans to producer organizations. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	12.50	12.50	12.05
Date	30-Jul-2008	18-Mar-2015	18-Mar-2015	30-Nov-2015

- ▶ Rural producers participating in the project experience 20% increase in land and labor productivity (Percentage, Custom)



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	36.00	13.00	20.00
Date	30-Jul-2008	01-Sep-2014	01-Sep-2014	30-Nov-2015

Overall Comments

Intermediate Results Indicators

▶ 150 productive alliances under implementation (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	74.00	75.00	120.00
Date	30-Jul-2008	18-Mar-2015	21-Sep-2015	30-Nov-2015

▶ At least 6,700 rural producers benefitted from project financing. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	7085.00	6063.00	5280.00
Date	30-Jul-2008	18-Mar-2015	21-Sep-2015	30-Nov-2015

▶ MIS in place and in function. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	30-Jul-2008	18-Mar-2015	01-Sep-2015	30-Nov-2015



► Satisfactory financial audits (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	No	Yes
Date	30-Jul-2008	01-Sep-2014	21-Sep-2014	30-Nov-2015

► Timely preparation of semi-annual reports. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	30-Jul-2008	18-Mar-2015	21-Sep-2015	30-Nov-2015

► Compliance with Project Operational Manual, including Safeguard and Anti-Corruption policies. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	30-Jul-2008	18-Mar-2015	01-Sep-2015	30-Nov-2015

► 215 rural producer organizations have produced a profile that is approved to become a business plan. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	156.00	156.00	175.00
Date	30-Jul-2008	18-Mar-2015	18-Mar-2015	30-Nov-2015



► At least 15 technical service providers are approved to provide support to rural producer organizations (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	52.00	52.00	15.00
Date	30-Jul-2008	18-Mar-2015	18-Mar-2015	30-Nov-2015

► 85% satisfaction among rural producer organizations regarding technical assistance from service providers. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	72.00	72.00	85.00
Date	30-Jul-2008	18-Mar-2015	18-Mar-2015	30-Jun-2015

► 80% of the investments identified in the business plans are completed on schedule (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	66.00	85.00	80.00
Date	30-Jul-2008	18-Mar-2015	18-Mar-2015	30-Nov-2015

► At least 70% of the business plans in the project are implemented using good environmental practices, as proposed in the business plan. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	66.00	83.40	70.00
Date	30-Jul-2008	18-Mar-2015	21-Sep-2015	30-Nov-2015

Comments

As the consolidation of the actual measuring of this indicator has proceeded, two aspects are to be noted: 1) as the indicator got finally integrated in the project's information and monitoring system, it measures only the practices used at the productive units; not at the collection/processing centers; and 2) the result still remains initial as it is partial; it bases on monitoring visits on 2–3 producers per RPO, out of the 22 RPOs that form the representative group used for collecting the baseline information. The conducted visits were coordinated by the RPO and/or their technical support. The thus far results by value chain are: specialty coffee 92%; fruit and cultural products 87%; grains 83%; livestock/milk 81%; rural tourism 80%; vegetables 77%; and aquaculture 65%.



► At least 70% of the business plans in the project successfully implement measures that target the youth and indigenous communities, when applicable, as identified in the business plan. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	78.00	70.00
Date	30-Jul-2008	01-Sep-2014	21-Sep-2015	30-Jun-2015


► Baseline data in the MIS is available for each approved business plan. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	30-Jul-2008	18-Mar-2015	18-Mar-2015	30-Nov-2015

Overall Comments

Data on Financial Performance

Disbursements (by loan)

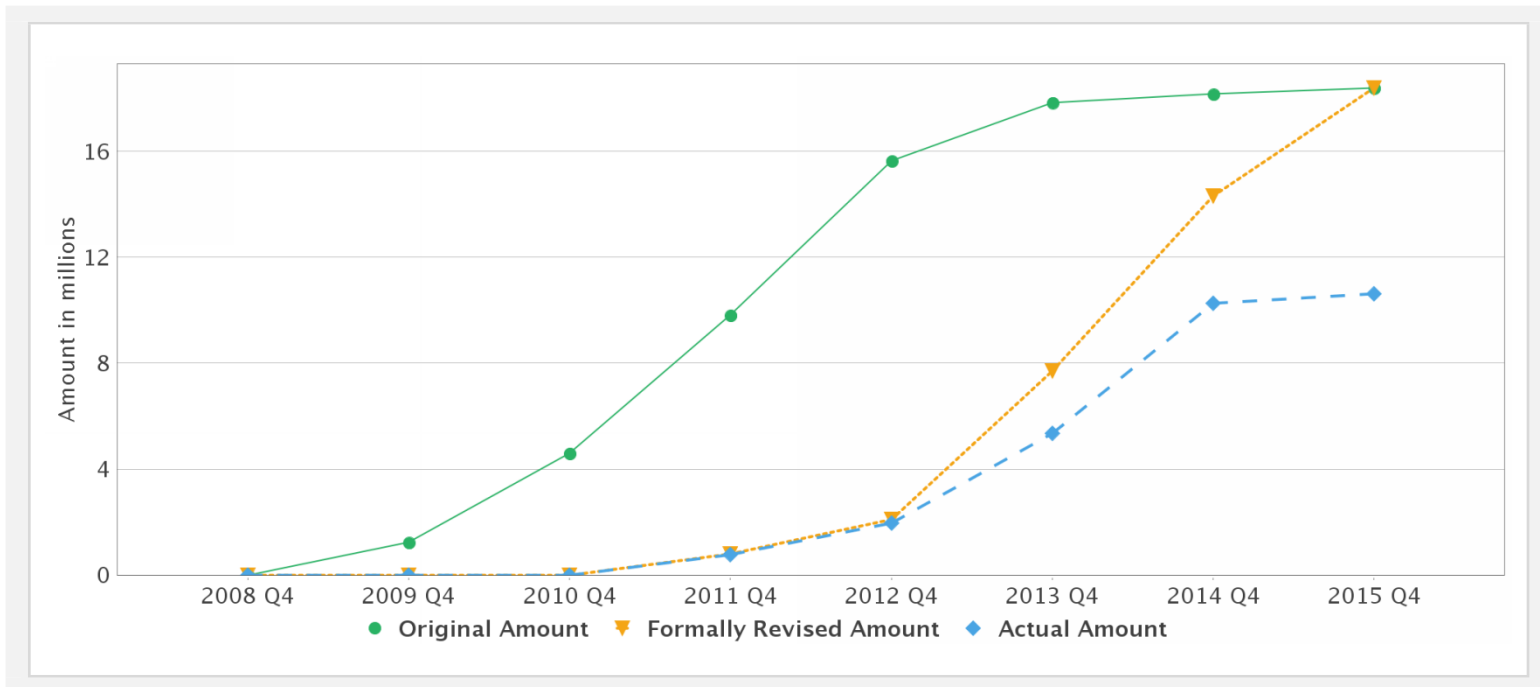
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P101209	IDA-44650	Effective	XDR	18.40	14.00	4.40	10.61	3.39	 76%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P101209	IDA-44650	Effective	17-Jun-2008	17-Sep-2008	28-May-2010	30-Nov-2015	30-Nov-2015



Cumulative Disbursements



Restructuring History

Level Approved on 01-Feb-2012

Related Project(s)

P158086-Additional Financing for Rural Competitiveness Project (COMRURAL)