

PROJECT NAME: IMPROVING THE PERFORMANCE OF MICRO AND SMALL ENTERPRISES AND SMALL PRODUCERS IN THE NORTHWEST OF THE METROPOLITAN DISTRICT OF QUITO
PROJECT NUMBER: EC-M1066

PROJECT TEAM: Lissy Velez (MIF/CEC) and Estrella Peinado-Vara (MIF/AMC), co-team leaders; Paula Auerbach (MIF/CEC); Maria Elena Nawar (MIF/AMC), Krysia Avila de Oliveira (LEG/NSG) e Yves Lesenfants (MIF/KSC).

I. PROJECT SUMMARY

The Micro and Small Enterprise (MSE) of the parishes in the northwest of Quito Metropolitan District (QMD), considered rural, and its area of influence, have few sustainable business linkages with the market, with little economic activity, limited job opportunities and low income among its residents. The project seeks to establish commercial partnerships between MSEs and markets/anchor firms sustainably in four value chains (dairy, specialty coffee, vegetables and rural tourism) through improved performance, productivity and quality as well as the development of new business opportunities with higher value added in these chains. In addition, a permanent system matching supply and demand will be developed under inclusive parameters to facilitate and develop business relationships. The project will strengthen the interaction between the various public programs in different local and national agencies and the QMD to connect smallholders and MSEs to markets in better condition. Anchor firms and the Government will be closer to meeting the public procurement goals of 5% coming from small farmers and MSEs.

II. PROJECT CONTRIBUTION TO THE ACCESS FRAMEWORK

This project will contribute to the MIF Access Framework stimulating private sector development to create sustainable business opportunities between small producers/MSEs in the northwestern of the QMD. The project will help improve productivity and quality by generating better business for MSEs. This will facilitate better paying jobs and increased revenue thereby also contributing to poverty reduction. The project will also contribute to the results and knowledge of the Agenda “Linking small firms to value chains” by developing and systematizing methodologies to link small producers and MSEs to public procurement and high value markets in 4 productive chains.

III. INFORMATION

COUNTRY:	Ecuador	TEHCNICAL COOPERATION:	\$ 1,000,000	50 %
		INVESTMENT:	\$ 000,000	
		LOAN:	\$ 000,000	
		TOTAL MIF FUNDING:	\$ 1,000,000	
LOCATION:	Parishes in northwest Quito Metropolitan District	COUNTERPART:	\$ 1,000,000	50 %

EXECUTING AGENCY:	CONQUITO-Metropolitan Agency of Economic Promotion	COFINANCING (IF AVAILABLE):		00 %
ACCESS AREA:	Access to Markets	TOTAL PROJECT:	\$ 2,000,000	100 %
AGENDA:	Linking Small Firms to Value Chains	NUMBER OF DIRECT BENEFICIARIES:	750 Small producers and MSEs	
COMPLEMENTARY BANK OPERATIONS (IF ANY):	EC-M1059 “Promoting SMEs Entrepreneurship through Public Procurement”	NUMBER OF INDIRECT BENEFICIARIES:	4,500 individuals	
		QED SCORE:	8.42	

IV. PROBLEM DIAGNOSIS

The northwestern rural parishes in the QMD: Pacto, Nanegal Nanegalito, Nono and Calacalí and their areas of influence in the counties of Los Bancos and Pedro Vicente Maldonado¹, has a total population of 46,500 inhabitants, with a range of 53%-88% of Unsatisfied Basic Needs (UBN)², contrasting with 22.1% for urban households in the QMD according to the last census (INEC).

Most of the employment in the area can be considered as underemployment or farming jobs with low productivity, unskilled and with little value added which generate low incomes. Low income together with the UBN discourages people to continue in rural areas and triggers migration to the city.

The **central problem** that the project seeks to address is the lack of sustainable business linkages between small producers and rural MSEs with the market/anchor companies. This inadequate access to market limits business as well as opportunities for more skilled, better paid jobs and overall income generation for the 50% of the economically active population (EAP) of the area which mostly lives on agricultural activities.

CONQUITO has identified four productive chains with a large potential market, room for improvement and income generating opportunities in the rural area of DMQ (dairy, specialty coffee, vegetables and tourism). Inclusive public procurement is a growing market. According to the Institute of Popular and Solidarity Economy (*Instituto de Economía Popular y Solidaria-IEPS*)³ public market size

¹ Northwest of the province of Pichincha, connected by the Calacali-La Independencia road
² Poverty measured by Unsatisfied Basic Needs defines a household as poor if it suffers from serious deficiencies in access to education, health, nutrition, housing, urban services and employment opportunities. They include indicators such as access to electricity, water and sewage, illiteracy, inadequate education, insufficient school enrollment, poor health care and low labor participation.
³ IEPS is part of the Social and Economic Inclusion Ministry (Ministerio de Inclusión Económica y Social)

for items under the IEPS⁴ amounts to \$6,000 million (13% of the total public procurement market). The government's goal is to reach at least 5% of public purchases from the so-called *popular and solidarity economy* (Economía Popular y Solidaria or small producers/MSEs from low income groups). The problem is that small farmers/MSEs cannot provide the volume or meet minimum standards required by this public procurement market or by other higher value markets. Clearly, in the dairy and vegetables chains, there is a market opportunity that is not being sufficiently taken advantage of which are the *Centros Infantiles del Buen Vivir* (Child Centers for Good Living-public social program) which falls into the government inclusive procurement category. In the case of coffee, some companies in Ecuador (and abroad) are interested in buying specialty coffee from varieties⁵ grown in Ecuador but do not get the quality and volume necessary for this high value market (coffee not as commodity but sold by auction). In the case of tourism, QuitoTurismo⁶ is supporting the development of sustainable rural tourism in the protected areas of Mashpi and Pachijal. Despite the existence of tourism infrastructure provided by QuitoTurismo, communities are not sufficiently prepared to seize the opportunity to generate income sustainably.

Even though Quito is one of the two major economic, industrial and services centers in the country, as well as the second largest market by number of consumers, among the causes for not having enough quantity and quality of products are the insufficient information, dialogue and exchange spaces between the demand (urban business sector both public and private) of inputs and semi-finished goods and the current and potential supply in the rural areas of the QMD.

Productivity levels are limited, making it difficult to achieve the volume and quality required by companies. In the case of milk, the production is 4-8 liters/cow/day, while other areas in the province are above 20 liters/cow/day. For coffee, the yields are 12-18 quintal/year in cherry, while the national average is 40 quintal/year. A similar pattern is observed in the productivity of labor in critical links of these value chains such as milking, transportation, transplanting, harvesting, etc. This is coupled with weak associations and informal organizations which make it difficult to reach the required volumes.

In the case of the tourism chain, programs developed by QuitoTurismo in the protected areas (Mashpi and Pachijal) are a great opportunity but the communities are not organized or have the skills to create sustainable Destination Management Organizations (DMOs) to take advantage of this business opportunity.

Moreover, the MSEs in these chains do not have sufficient access to finance and business development services, which explains low levels of technological innovations and therefore low productivity, quality and value added. This is also a limiting factor for volume in the future. There are public programs which provide technical assistance and access to finance targeted to rural communities but small farmers do not have access for not meeting minimum requirements or lack of information.

⁴ These 142 production lines include primary agricultural products, uniforms, furniture, teaching materials, catering services, cleaning services, plumbing, landscaping, etc...For example, the State is one of the largest buyers of milk, for public food programs (schools, hospitals, military barracks, etc.).

⁵ Caturra, typical, catimor y bourbon

⁶ Metropolitan Tourism Public Enterprise www.quito-turismo.gob.ec

Classify the problem in one or more of the following categories that most apply:

Market failure	X	Skill deficit	X
Institutional weakness		Collective action problem	
Policy weakness/failure		Lack of appropriate technology	
OTHER:		<u>Explain as needed</u>	X

Project beneficiaries:

The project will improve the income of 750 small producers and service providers (approximately 250 dairy, 250 coffee producers, 100 vegetable growers, 50 service providers in the tourism sector and 100 producers / service providers in new business opportunities of higher value added, with an equal number of families that represent 4,500 people indirectly.

In the northwestern area of the QMD⁷ 50% of the population is engaged in agricultural activities, 10% in manufacturing, 8% trade and 8% in government jobs. The population has between 53%-88% of UBN. The economy of the area revolves around the production of agricultural products for Quito and around tourist destinations associated with biodiversity and national tourism. It is estimated that dairy farmers in the area have an average income of \$370/month and coffee producers reach an average \$450/month. The average income level of the individuals working in rural tourism and other agricultural products producers is \$450. All income values are below the cost of the basic food basket estimated at \$ 606.29⁸. Women participation is 25% in the milk sector, 30% in the coffee producers and 60% in rural tourism-related activities. The percentage of women in the vegetable value chain is 75-85%

V. PROJECT DESCRIPTION

The aim of the project is to establish sustainable business linkages between MSEs (small producers and service providers) with anchor companies, private or public, in the milk, specialty coffee, vegetables and tourism value chains in the area northwest of the QMD.

Specifically, this Project seeks to build capacity to improve the supply-demand match between small producers and MSEs with markets/anchor companies⁹, under fair market conditions and also identify market opportunities with higher value added. This project will improve the coordination of the various public and private actors to achieve better quality and quantity production and job skills in the selected sectors. The project will co-design productive and technological alternatives based on needs identified and will facilitate access to finance to beneficiaries for improvements in production

⁷ Poverty maps <http://geocommons.com/maps/226308#>

⁸ Inflation monthly report June 2013– INEC

⁹ Companies that have expressed interest in buying from smallholders and MSEs are Pasteurizadora Quito, associative joint venture, one of its major partners is the Municipality of Quito, Cafes Velez, ready to buy specialty coffee produced in the DMQ and QuitoTurismo, public agency promoting tourism products such as Quito Tour Bus Routes tourist Interest Areas in the Mariscal, Downtown and Rural Parishes of the QMD.

and marketing. The project will strengthen the producers/MSEs associations and their business and management skills.

The practice of co-financing established as part of the intervention generates a sense of co-responsibility that promotes sustainability. Both beneficiary small producers/MSEs as anchor companies will co-finance the program services. The existence of public and private funding will facilitate the leveraging of resources during and after the project. In addition, the co-design of alternative technologies and financial products¹⁰ with the participation of producers and companies encourages empowerment and sustainability. The sustainability of the model is based on the existence of a market willing to buy products from those small producers/MSEs who meet the volume and quality requirements. This market is based on the existence of inclusive public procurement programs and anchor companies willing to participate.

Component 1: Improving information systems on market supply and demand

The objective of Component 1 is to facilitate information and make the link between the supply of products and services and the market demand, focusing on taking advantage of the inclusive public procurement market opportunities (and solve supply constraints for anchor companies). As part of the results of this component a system of market intelligence will be designed and implemented, which will published information on the details of supply and demand (volume, quality, etc). It will also serve as a repository of all training materials to improve productivity, quality, job skills, etc, developed by CONQUITO related to these 4 value chains.

Component 2: Strengthening capacity, skills and improving productivity of small producers and MSEs

The objective of Component 2 is to strengthen the capabilities and productivity to meet the markets requirements. It includes designing a participatory technology package and technical assistance for the principal products. It will also include job skills development programs in specific links (i.e. coffee harvesting). This component will strengthen small producers/MSEs associations as well as link several public programs available to these associations that do not have sufficient access. It will also identify funding needs and establish ties with CONQUITO financial products through CONAFIP¹¹.

Component 3: Develop new business opportunities with higher value added

Component 3 will aim to develop new business opportunities in higher value-added services from MSEs under the premises of differentiation and quality depending on the market needs. These new business opportunities will be linked to the four chains (milk, specialty coffee, vegetables and rural tourism) strengthened in Component 2.

¹⁰ QuitoEfectivo is CONQUITO's the financial program which links entrepreneurs to the financial system. It promotes economic and social integration of groups traditionally excluded from the financial system. It has three products: 1) Capitalization of the family economy, through the creation and strengthening of savings and credit communal groups; 2) Strengthening entrepreneurship and business drive through the direct links with the local and national financial institutions; 3) Investment in venture capital or seed money through the PROQUITO Trustfund, which facilitates and channels resources for financial support to entrepreneurs and the implementation of economic development programs driven by CONQUITO.

¹¹ Corporación Nacional de Finanzas Populares y Solidarias (National Corporation of Popular and Solidarity Finance)

The activities in this component will include the identification of new business opportunities linked to the four value chains, selection of the most promising initiatives and designing of business plans. It will also include an assessment of the financial products available and a matching exercise. The component will also create a Public-Private Network of Financing Institutions to offer a menu to support entrepreneurship.

Component 4: Knowledge Generation and Strategic Communication

The objective of Component 4 is to systematize methodologies and learnings resulting from the project design and implementation in the milk, specialty coffee, vegetables and rural tourism. It will also extract success factors of inclusive models in public procurement. This model has a strong potential for replication in other territories outside the QMD and other economic development agencies and decentralized autonomous governments.

MIF's and other organizations's experience: The MIF has previous experience in the promotion and strengthening of productive linkages between MSEs and anchor companies. In Colombia, through the "Program for production linkages within a context of Corporate Social Responsibility (PRO-CSR)-CO-S1001" executed by ANDI (Colombian Business Association)¹². MSEs were given access to financing and technical assistance to increase productivity and quality to access the market through several anchor companies. Furthermore, in Ecuador, the MIF financed the project executed by SNV¹³ "Development of Inclusive Business at the Base of the Economic Pyramid-EC-M1035" which included the design and implementation of various inclusive business initiatives with the incorporation of low-income population in the value chain of anchor firms.

Some of the lessons that will be taken into account are:

- a) There is greater potential to increase revenues at the base of the pyramid when working with anchor firms that have already identified a business problem to solve or a market opportunity to exploit.
- b) Projects should focus on identifying market demand and needs and then organize/train/finance small producers/MSEs business to avoid supporting products and services without a market.
- c) Small producers/MSEs require close follow up, guidance and monitoring along the life of the intervention.
- d) It is necessary to collect and analyze appropriate information rigorously starting from a solid baseline. It is also key to identify the key stakeholders and the strategic messages/products to be developed
- e) Identify financing needs and provide targeted alternatives. This is essential to produce results in the short term and not discourage the participation of both anchor firms and small producers/MSEs..

VI. MIF ADDITIONALITY

¹² www.andi.com.co

¹³ www.snvworld.org/en/regions/latin-america

MIF Non-Financial Additionality: The MIF provides credibility and technical expertise as well as being able to bring together local, national and international programs, specialists and organizations in numerous fields around this project to achieve results and impact. This credibility and technical expertise is recognized by anchor companies and other stakeholders. MIF participation will allow capturing the lessons learned, replicate and expand the experience in Ecuador and in other countries of Latin America and the Caribbean. Finally, the work of MIF incorporating low-income and traditionally excluded populations with a focus on high value added is a relatively new focus that can be replicated by other institutions in Ecuador.

MIF Financial Additionality: In Ecuador social programs do not usually finance business initiatives and business financing is not adjusted for economic opportunities for the base of the pyramid and do not address poverty alleviation. The MIF is a unique catalyst in closing this gap since it will improve small producers/MSEs chances to access technical assistance, business development services and technical training that will bring them closer to the existing (or new) financial products. In addition, productive promotion initiatives are somehow isolated efforts and this project will provide a holistic approach with market vision coordinating existing public services and products for small producers/ MSEs.

VII. RESULTS INDICATORS

The main expected results by the end of the project are:

- 12-15 commercial linkages between small producers/MSEs associations and anchor firms in the milk, vegetables and specialty coffee
- 2 destination management organizations registered and running in the tourism value chain
- 4 new ventures in higher value added activities within the identified value chains
- 5 anchor firms (public or private) buying from small producers/MSEs participating in the project

VIII. IMPACT INDICATORS

- 35% income increase for the small producers/MSEs in the milk, specialty coffee, vegetables and tourism chains
- 30% increase in business (sales value) between MSEs in the northwest of the QMD and anchor firms
- 40-50 new jobs created in higher value activities within the identified value chains

IX. SYSTEMIC IMPACT

The project will help rural MSEs access the markets under sustainable and inclusive schemes, including public procurement opportunities. It will also help inclusive public procurement programs achieve set goals to buy from small producers and MSEs. The coordination among local and national public programs will boost economic activity through the introduction of new technology and techniques to improve productivity and quality. This will generate more income to reduce rural poverty and will promote an entrepreneurial culture in rural areas.

X. BASELINE DATA, MONITORING MECHANISMS AND EVALUATIONS

A baseline will be developed as part of the monitoring and evaluation mechanism to ensure of indicators follow-up and to measure the effectiveness of the intervention. CONQUITO will collect these data for which already has relevant information on some variables. The proposed indicators to measure are: revenue, sales and new business created as well as productivity levels per product/value chain, access to financial products, coverage of technological innovation and training, and access to market expressed in formal alliances between small producers/MSEs associations and anchor companies.

Monitoring mechanism:

The project will define an appropriate monitoring methodology to measure business and social impact. These methods will be implemented semiannually or annually to measure results and impacts in the financial, operational and social aspects. This will include looking into: (i) number and sustainability of linkages/agreements which will be based on the available information on existing partnerships and an opportunity mapping exercise that will help to measure change, inquiries on the website and records of participation in the Business Rounds, (ii) strength of existing agreements/linkages/deals: once the producers / service providers who will participate are identified individual information will be collected on their production situation, surface, number of animals, average yields, access to technology, access to formal markets and associativity level, among others. These data will be monitored through monthly reports and annual consolidated reports on product/services delivered to anchor companies, manuals for each technology package by value chain and attendance and field training reports as well as interagency agreements signed between actors operating in the project arena; (iii) the development of new business opportunities: will be monitored through reports of participation in trainings, labor skills competences developed and trainings delivered, credit approved and delivered reports by financial institutions and sales of MSEs engaged in new business (higher value added), (iv) systematization of learning, lessons learned and proceedings of discussion workshops and presentations in related fora in economic inclusion in rural value chains.

In addition to this, participant anchor firms will report transactions made with small producers/MSEs, which will provide information on product development and seasonality, to detect any problem and respond to it as early as possible. It will contain information to facilitate access to finance tracking.

The project will have a midterm and final evaluation to determine progress, adjustments needed results achievement and collect lessons learned.

XI. EXECUTING AGENCY

CONQUITO¹⁴ (Economic Promotion Corporation of the QMD) founded in 2003, is the executing agency. It is a public-private entity, not-for-profit with a social mission, whose primary objective is to promote socio-economic development of the Quito Metropolitan District. CONQUITO is responsible

¹⁴ www.conquito.ec.org

for promoting sustainable economic development in the context of public policy, promoting the creation of wealth, employment, innovation and adequate infrastructure to strengthening the business ecosystem.

Services offered by CONQUITO range from entrepreneurship trainings, business promotion and development, support for technological innovation and technical/vocational training for job skills, as well as advisory services and access to credit opportunities. The main CONQUITO programs which will interact with this project are *Quito Produce Leche*, *Agrupar* and *QuitoEfectivo*.

Other strategic partners that will bring training facilitation or content, financing for infrastructure and equipment, market access or other contribution are:

- Milk value chain-Main market is the inclusive public procurement market supported by IEPS (Centros Infantiles del Buen Vivir) with MAGAP (Ministry for Agriculture, Livestock and Fishery) as strategic partner which will provide access to productive infrastructure and equipment. The main private anchor company is Pasteurizadora Quito.
- Specialty coffee value chain-Strategic partners are MAGAP (National Program for Coffee Reactivation, Certified Seeds Program, Input and Fertilizer Program) and SETEC (Technical and professional training secretary) for job skills competencies content and certification. The main anchor company is Cafes Velez.
- Rural tourism value chain: Strategic partners are QuitoTurismo, SETEC, Tourism Ministry, Environmental Secretary and Mashpi Lodge (high-end hotel).
- Vegetables value chain: Main market is the inclusive public procurement market supported by IEPS (Centros Infantiles del Buen Vivir) as well as BioFerias¹⁵ and Mashpi Lodge (and other companies in similar high-end markets)

The project will closely coordinate with the project in its final steps of execution “Promoting SMEs Entrepreneurship through Public Procurement” (EC-M1059)“ by INCOP (National Institute for Public Procurement) and will use the knowledge products generated by this operation.

XII. PROJECT RISKS

A risk associated with the project is the insufficient knowledge about the sociocultural characteristics of rural smallholders and MSEs, an ethnographic analysis of small producers selected chains will be conducted to better understand the cultural logic behind the economic behavior, and adjust the intervention to this logic and the market needs. Similarly, the project will rely on enterprise networks created in previous projects and those related to corporate social responsibility and inclusive business which are aware of the advantages and challenges of establishing business relationships with low-income populations. Another risk is that producers/MSEs do not reach the volume and/or the quality required. The project will place special emphasis on strengthening association, and productivity and quality improvements.

¹⁵ BioFerias sell about \$250,000 per year in 3 farmer’s markets in Quito whose clientele tends to be higher income consumers interested in natural production techniques and healthy food

XIII. ENVIRONMENTAL AND SOCIAL ASPECTS

Green technologies that could reduce the negative impact in the environment caused by agriculture activities will be prioritized, as described in the eligibility requirements. This Project was classified by the project team as category C, using the toolkit of the Bank. The Executing Agency and other agencies participating in the project (including the Environment Ministry) will make sure that environmentally and socially responsible practices are implemented in the four value chains to avoid potential environmental, health and safety and labor impacts related to the small farmers/MSES and rural activities of the project. These practices will be aligned with the Bank's social and environmental guidelines. The project will not finance activities that could impact negatively the biodiversity in the areas of intervention. Gender equity will be promoted, ensuring that aspects designed to provide women with equal access to the project and its activities are taken into account.

XIV. COUNTRY OFFICE COMMENTS

This operation is aligned with the goals outlined in the Bank's Country Strategy in Ecuador to improve productivity and strengthen the capacities of small farmers and rural MSEs in the QMD.

QED - (Quality for Effectiveness in Development)

Abstract
August 22, 2013

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Inclusive Business Value Chain with CONQUITO	Project Number: EC-M1066
DESIGN TEAM LEADER: Estrella Peinado-Vara	DEU OFFICER: NAWAR, MARIA ELENA

SECTION 2: QED DETAILS

1. MIF Strategic Development Objectives Dimension	6.3
1.1. Relation to the Agenda's Objectives	
1.2. There is a causal relation between project objective and the agenda's objective.	True: The link between the project and the agenda is clearly stated in the abstract.
1.3. The project has potential for scalability after execution.	Medium potential: While there is potential for scalability given the favorable market conditions and government support, specific partners interested in scaling the project are not mentioned in the abstract.
1.4. Specific benefits for women	
1.5. The project has specific benefits for women.	Women benefits in a project that does not target women: There will be certain female targeted activities integrated in the project.
1.6. Specific benefits for the environment	
1.7. The project has specific benefits for the environment (GHG reduction, water savings, conservation, biodiversity).	No environmental impact identified: N/A
1.8. Relation to the MIF's Objectives	
1.9. Target 1: Private Sector Development	
1.10. Innovation	True: Yes
1.11. Creating Markets and Adding Market Players	True: Yes
1.12. Entrepreneurship	True: Yes
1.13. Building Private Institutional Capacity	True: Yes
1.14. Technology & Human Capital	True: Yes
1.15. Higher Standards of Corporate Governance	False: N/A
1.16. Strengthening Legal and Regulatory Framework	False: N/A
1.17. Development of financial institutions and financial markets	Ambiguous: The project does seek to promote greater access to finance.
1.18. Improved access to basic services	False: N/A
1.19. Target 2: Targeting the poor	
1.20. The project will be implemented in a region with a high incidence of poverty (poverty map resources http://mif.iadb.org/poverty/home) or target beneficiaries from the poor strata	Target population: Low income : The beneficiaries are primarily low income.
2. Additionality Dimension	10.0
2.1. MIF non-financial contribution is critical for developing the project.	True: The MIF provides credibility and technical expertise as well as being able to bring together local, national and international programs, specialists and organizations in numerous fields around this project to achieve results and impact. This credibility and technical expertise is recognized by anchor companies and other stakeholders.
2.2. MIF financial contribution is critical for developing the project (there is little or no alternative funding)	True: The MIF is a unique catalyst in closing this gap since it will improve small producers/MSEs chances to access technical assistance, business development services and technical training that will bring them closer to the existing (or new) financial products. In addition, productive promotion initiatives are somehow isolated efforts and this project will provide a holistic approach with market vision coordinating existing public services and products for small producers/ MSEs.
2.3. MIF participation will mobilize counterpart funding that otherwise won't be available.	True: The MIF project has drawn numerous stakeholders who are providing cash and in kind contributions.
2.4. MIF participation will likely improve project structure by providing technical advice, institutional credibility and/or lessons learned/best practices from other MIF projects	True: Yes.
2.5. MIF participation will likely strengthen the institution(s) directly involved with the project	True: Yes

3. Project Diagnosis Dimension	9.0
3.1. Diagnostic of the problem	
3.2. The problem or need that the project attempts to address has been clearly identified in consultation with stakeholders (borrowers, executing agencies, male and female beneficiaries, other interested parties)	Compliant: Extensively discussed and reviewed with the executing agency and other stakeholders
3.3. The causes of the problem, their interrelationships and magnitudes are clearly identified	Compliant: Yes.
3.4. Proposed Solution	
3.5. The proposed solution is logically connected and related to the magnitude of the problem	Compliant: Yes
3.6. Relevant lessons learned from previous similar interventions in this country or other country (PSRs, ASRs, mid-term evaluations, final evaluations or other evaluation document) are taken into consideration	Compliant: Yes, lessons learned are presented in the abstract.
3.7. Evidence is provided as to the effectiveness of the intervention proposed based on experience in other settings, or previous experience in the same setting	Not compliant: This is not entirely clear in the abstract.

TOTAL	8.4