

Ex post evaluation – Guatemala

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Sector: Peace development and crisis prevention (CRS code: 1522000)
Project: Development with Social Justice – URL II, BMZ no.: 2008 65 733*
Implementing agency: Universidad Rafael Landívar (URL)



Ex post evaluation report: 2019

All Figures in EUR million	URL II* (Planned)	URL II* (Actual)
Investment costs (total)	9.13	12.34
Counterpart contribution	1.13	4.34
Funding	8.00	8.00
of which budget funds (BMZ)	8.00	8.00

*) Random sample 2019

Summary: The project includes investments in infrastructure and equipment for tertiary education institutions of the Universidad Rafael Landívar (URL) in rural Guatemala and scholarships for disadvantaged groups in the population. In addition, support is provided for legal advice offered to disadvantaged groups at the URL.

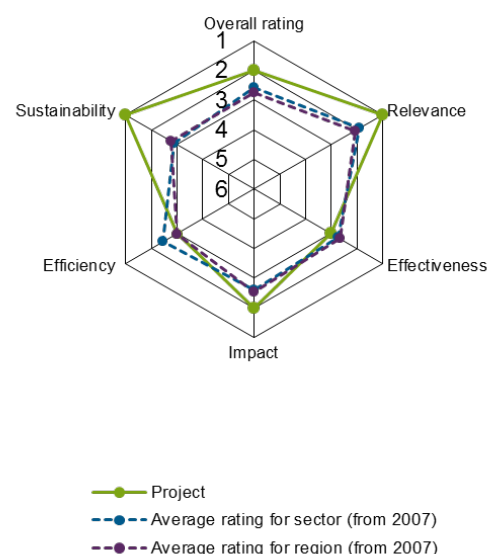
Objectives: Appropriate use of the improved training programmes and the legal advice services (outcome). This is intended to contribute to the peace process (impact) in Guatemala.

Target group: The project is geared towards the rural population. For the most part, but not exclusively, sites were chosen that are mainly inhabited by indigenous population groups. The poor and women in particular were prioritised within this target group.

Overall rating: 2

Rationale: The project supported the Guatemalan government in its efforts to continue the peace process begun in 1996 by reducing inequality. Use of the educational facilities that received funding was increased. However, efficiency is still lacking due to the preference of students for weekend courses resulting in vacant facilities on weekdays. In this context, we conclude that prioritising the scholarship component over the infrastructure measures would have made it possible to achieve even higher targets. In fact, very satisfactory is the choice of the implementing agency, which ensures the long-term operation and maintenance of the infrastructure as the URL uses internal cross-subsidies from the revenues at the capital campus to support the rural sites which are financially weak.

Highlights: By qualifying 60 scholarship recipients for a teaching post at a Guatemalan school, it was possible to achieve knock-on effects that benefit the other projects in the education sector and have long-term developmental impacts.



Rating according to DAC criteria

Overall rating: 2

Ratings:

Relevance	1
Effectiveness	3
Efficiency	3
Impact	2
Sustainability	1

General conditions and classification of the project

At the time of the appraisal, the project was based in the peacekeeping and conflict prevention sector and designed accordingly. Over the course of the project, however, it became part of the priority area of education and can be seen as a project in the tertiary education sector which complements, in particular, the development projects and programmes “Basic education in rural areas PROEDUC IV”, “Secondary education PROEDUC V” and “Education for life and work in Guatemala EDUVIDA” in primary and secondary education.

Relevance

More than 20 years after the peace treaty was signed in 1996 to end the 30-year Guatemalan civil war, the peace process in Guatemala has made some limited progress: the government's violence against the civilian population has decreased significantly. The number of civilians murdered by the government fell from 2,199 in 1989-1996 to 12 in 1997-2003 and 8 in 2004-2010. However, violence from drug cartels and criminal gangs intensified during the same period: while no deaths from these conflicts were reported in 1989-1996, the figure was 5 in 1997-2003 and 98 in 2004-2010.¹ The main reasons for the country's fragility are the enormous inequality between population groups and the weak constitutional state. The inequality stems, among other things, from the weak government, which cannot use the means at its disposal to fulfill its role of taking care of its citizens. Privileged elites have so far successfully opposed higher taxes which would give the government more scope for action. The weak rule of law leads to factual impunity, which makes it relatively easy to silence opponents by force. This also benefits the country's elites, who have the means to intimidate critics (e.g. journalists, politicians).²

In this environment, which was still marked by violence and trauma at the time of the project appraisal (PA) in 2008, the project addressed an important core problem of Guatemalan society: unequal access of disadvantaged population groups to education. By selecting sites in rural areas and gearing the scholarship programme to low-income students, the project was particularly focused on these population groups. Reducing these inequalities is part of the 1996 peace treaty. Therefore, the project contributes by fulfilling the terms of the treaty to peacekeeping, apart from its potential to educational impacts.

Education spending was the largest item in the government's budget at the time of the project appraisal and continues to be the largest item in the government's budget to date, which is evidence for the political priority of the education sector – even though the available budget is too small in absolute terms due to the small overall budget. Therefore, it can be assumed that the project was in line with the objectives of the partner country.

The project's underlying results chain “increasing the value of peace by creating improved earning opportunities” is plausible and corresponds to today's sectoral standard result chains. The acceptance of the democratically elected government can also be increased by satisfying the requirements of the peace

¹ Source: Uppsala Conflict Data Program, <https://ucdp.uu.se/#country/90>

² See BBC 18 April 2019 on the cooperation of presidential candidate Estrada with the drug cartel: https://www.bbc.com/news/world-latin-america-47975014?intlink_from_url=https://www.bbc.com/news/topics/cp7r8vqlq01t/guatemala&link_location=live-reporting-story

treaty and reducing major causes of conflict in the past (inequality). However, the project does not address problems such as insufficient training to meet the needs of the labour market or other constraints in the labour market that could prevent graduates from being absorbed. Thus, such kind of problems could disrupt the functionality of the results chain.

If the project had been a stand-alone project, the question would have been posed as to what extent shortcomings in tertiary education were the most important core problem of the target group. However, since the project is a complementary part of the German Development Cooperation (DC) priority area and the other parts of the Guatemalan education system are addressed by other projects, the measures are interlinked in a meaningful and collaborative way.

We rate the project's relevance as extremely high (rating 1) because it focuses on the core problem of inequality and the disadvantaged population group and because it was embedded in all DC education projects existing during the time of the appraisal.

Relevance rating: 1

Effectiveness

The Financial Cooperation (FC) measure aimed to promote the use of the improved training, further education and legal advice offered at the supported sites of Rafael Landívar University (URL), primarily by indigenous and/or poor sections of the population (outcome).

The infrastructure measures were largely implemented as planned, but could not be fully executed because the budget was decreased, in particular due to fluctuations in exchange rates. Only three of the four sites originally planned in rural areas were considered for infrastructure measures. The number of scholarships was exceeded, which was achieved by reducing the planned amounts while keeping the budget the same. The measures to strengthen what are known as “Bufetes Populares” (legal advice centres) were fully implemented.

The target achievement at outcome level can be summarised as follows:

Indicator	Status PA, Target PA	Ex post evaluation
(1) Number of students at the supported URL sites	Status PA: 4,300 Target value: 6,600	Achieved: 7,673
(2) Annual drop-out rate at the supported URL regional centres	Status PA: >40% Target value: < 40%	40-50%. Not achieved, but drop-out rate among scholarship recipients lower than average
(3) Number of supported scholarship recipients	Status PA: 0 Target value: 200	Achieved: 377
(4) Number of legal consultations provided	Status PA: n.a. Target value: 800	Not achieved: 535

Overall, the target achievement at outcome level varies depending on the components (infrastructure and equipment, legal advice, scholarship programme).

Indicator 1: the number of enrolled students has increased significantly since the project appraisal and the outcome target was exceeded by about 16%. This is also noteworthy in view of the fact that the number of students at the non-supported sites of the URL decreased by approximately 3% in the period 2015-2019. Therefore, it seems plausible that the investment measures implemented and the scholarships awarded within the project made a significant contribution to increasing enrolment figures. The main criticism of the infrastructure component is still the unequal use of capacities on weekdays and weekends. In 2019, only 21.6% of students at the supported URL sites use the campus on weekdays. The infrastructure

capacities that have been created are therefore largely unused during the week. According to a study of the URL, the reason for this is the high opportunity costs of studying full-time, especially lost earning opportunities. Scholarships were also unable to solve this problem as they only covered the actual costs of studying, but did not compensate for lost earning opportunities. This also explains why **Indicator 2** was not reached, although the drop-out rate was lower than the average of 40%, at least among scholarship recipients. In addition to the economic reasons, socio-cultural reasons such as the incompatibility of family and study and insufficient academic requirements are cited as explanations in a study commissioned by the URL on the reasons for dropping out.

Indicator 3: the fact that the indicator is exceeded generally shows there is a need for scholarships and that appropriate programmes are being taken advantage of. However, it must be taken into account that the budget for the scholarships was increased by a transfer from Phase I of the project and as a result it was possible to grant more scholarships.

Indicator 4: the number of legal consultations was 800-900 per year in 2012-2014, according to the information provided by the implementing agency. We think it is plausible that promoting legal advice through the project in the form of equipment and internships for law students had a positive effect on the number of consultations. However, this can no longer be quantified based on the data available. In any event, the number of legal consultations in 2018, at 535, was well below the level during the implementation period.

Overall, we rate the project's effectiveness as satisfactory. While the number of students exceeded expectations and the number of scholarship recipients was higher than expected due to a budget extension, the objectives related to the drop-out rate and legal advice were not achieved.

Effectiveness rating: 3

Efficiency

The tendering processes complied with the rules, but took longer than planned. This led to delays up to the start of construction. Overall, however, the project duration of 73 months is still reasonable. A cost comparison with other projects is difficult because we do not have any information on other projects in university construction in Latin America and the costs depend strongly on the faculty and the type of construction measures or equipment. The professionalism of the implementing agency and its willingness to increase its own contribution in order to bear the additional costs arising from exchange rates have had a positive impact. The extremely low proportion of consulting costs (2.8%) in the total budget is also impressive.

The project's biggest weakness seems to be its allocation efficiency. In view of the unequal use of the buildings on weekdays and weekends, from today's perspective the objectives at outcome level (increase in the number of students, number of students from disadvantaged population groups) could have been achieved at lower cost if the project budget had been allocated differently. Approximately 62% of the budget was used for construction and equipment. However, the newly created infrastructure capacities were and still are underutilised on 5 out of 7 days a week. The scholarship programme accounted for only 16% of the budget. Due to the high opportunity costs of full-time studies for the target group, the preference for weekend studies with a scholarship persisted. The scholarship amounts were therefore too low to compensate for the opportunity costs of the students mentioned above.

The decision to discontinue investments at the La Verapaz site due to the budget cut must also be questioned from an efficiency standpoint. The socio-economic data for the Zacapa site indicates that better results could have been achieved in La Verapaz in relation to the project's objectives.

Overall, we rate the efficiency of the project as satisfactory, despite the aforementioned weaknesses in budget allocation.

Efficiency rating: 3

Impact

The objective “contributing to peacekeeping and crisis prevention” was defined at impact level. We have used nationally aggregated indicators (GINI coefficient, Fragile State Index) to assess the developmental impact, but we have also consulted conflict databases that record the emergence of conflicts all the way down to the project regions. In addition, we were provided with a qualitative study of the URL, which surveyed the scholarship recipients supported by the project about the effects on their lives.

Indicator	Status PA, Target PA	Ex post evaluation
(1) GINI coefficient*	2006: 54.6	2014: 48.3
(2) Fragile State Index (FSI)**	2009: 81.2	2019: 81.4

*) Source: World Bank, <https://data.worldbank.org/indicator/SI.POV.GINI?locations=GT>

***) The FSI is calculated by the “Fund for Peace” and covers a set of different indicators from the areas of economy, social issues, politics and cohesion..

While income inequality measured in terms of the GINI coefficient has decreased over the course of the project, the FSI has hardly changed. However, the impact of the project on these indicators can be assessed as very low given the small size of the target group.

No deaths caused by conflicts in the regions where the project was implemented were recorded in the conflict database of the University of Uppsala between 2009 and 2017. Between 1998 and 2009 there were over 34 conflict deaths in the same regions. However, the project’s impact on this development should also not be overestimated.

The best insights are provided by the scholarship recipients interviewed in the Impact Study commissioned by the URL. According to their statements, the scholarships provided the target group with previously unimaginable access to tertiary education. The better income opportunities provided by their studies played a secondary role for the interviewees. Nearly half of the graduates were able to find a job right after their studies. One key impact of the scholarship programme for the interviewees was their higher social status in their social environment and their function as role models for others in their environment. Particularly, this applies to the 60 scholarship recipients who have qualified for teaching positions at the URL and thus assume an important role as disseminators. It seems reasonable to assume that the project has increased the hope of peaceful coexistence among the scholarship recipients and their immediate environment and that the opportunity costs for violence have thus also increased, such that more people strive to preserve peace in their day to day lives.

Given the relatively small scale of the project as well as the size and complexity of the developmental problem, we rate the effectiveness of the project as good, especially with regard to the results of the survey of scholarship recipients.

Impact rating: 2

Sustainability

By selecting the private-sector Jesuit URL as the project’s implementing agency, the project has remarkable potential to maintain the capacities created in the long term, especially in the area of infrastructure. The URL subsidises its regional sites across the board from the income it generates in the capital city. This provides access to the resources needed to maintain the buildings and equipment as well as to pay for the staff. To date, no major maintenance problems have been reported for the buildings financed. Also, there are still scholarship programmes at the URL independent of the FC project. Indeed, the scholarship funded by FC was the most extensive. However, the resources of the URL are not sufficient to continue this scholarship component, which limits the sustainability of the project in the long term. The scholarship programme can be continued in the short to medium term through the FC follow-up project (Phase III). Regardless of this, it can be assumed from the results of the Impact Study that the effects achieved by these investments in human capital are of a long-term nature for the scholarship recipients, and continue

to have knock-on effects through their work in the teaching profession and their function as role models. Legal advice is still provided at the funded sites, although to a lesser extent since the end of the project.

Due to the pronounced willingness of the implementing agency to subsidise the operation of the regional sites from the income generated in the capital city and the positive changes in the target group, which are expected to be achieved throughout the entire duration of the project, we rate the sustainability as exceptionally high.

Sustainability rating: 1

Notes on the methods used to evaluate project success (project rating)

Projects (and programmes) are evaluated on a six-point scale, the criteria being **relevance, effectiveness, efficiency** and **overarching developmental impact**. The ratings are also used to arrive at a **final assessment** of a project's overall developmental efficacy. The scale is as follows:

Level 1	Very good result that clearly exceeds expectations
Level 2	Good result, fully in line with expectations and without any significant shortcomings
Level 3	Satisfactory result – project falls short of expectations but the positive results dominate
Level 4	Unsatisfactory result – significantly below expectations, with negative results dominating despite discernible positive results
Level 5	Clearly inadequate result – despite some positive partial results, the negative results clearly dominate
Level 6	The project has no impact or the situation has actually deteriorated

Rating levels 1-3 denote a positive assessment or successful project while rating levels 4-6 denote a negative assessment.

Sustainability is evaluated according to the following four-point scale:

Sustainability level 1 (very good sustainability): The developmental efficacy of the project (positive to date) is very likely to continue undiminished or even increase.

Sustainability level 2 (good sustainability): The developmental efficacy of the project (positive to date) is very likely to decline only minimally but remain positive overall. (This is what can normally be expected).

Sustainability level 3 (satisfactory sustainability): The developmental efficacy of the project (positive to date) is very likely to decline significantly but remain positive overall. This rating is also assigned if the sustainability of a project is considered inadequate up to the time of the ex post evaluation but is very likely to evolve positively so that the project will ultimately achieve positive developmental efficacy.

Sustainability level 4 (inadequate sustainability): The developmental efficacy of the project is inadequate up to the time of the ex post evaluation and is very unlikely to improve. This rating is also assigned if the sustainability that has been positively evaluated to date is very likely to deteriorate severely and no longer meet the level 3 criteria.

The **overall rating** on the six-point scale is compiled from a weighting of all five individual criteria as appropriate to the project in question. Rating levels 1-3 of the overall rating denote a "successful" project while rating levels 4-6 denote an "unsuccessful" project. It should be noted that a project can generally be considered developmentally "successful" only if the achievement of the project objective ("effectiveness"), the impact on the overall objective ("overarching developmental impact") and the sustainability are rated at least "satisfactory" (level 3).