

SUBREGIONAL EVALUATION
OF IFAD'S EXPERIENCE IN THE

Dry Corridor of Central America

Executive Summary



IOE



IFAD

Investing in rural people

Independent Office of Evaluation

Executive summary

I. Introduction

1. This is the second subregional evaluation conducted by the Independent Office of Evaluation of IFAD (IOE), and has the following objectives: (i) identify IFAD's development challenges and strategic opportunities in the Dry Corridor of Central America; (ii) identify the intervention approaches backed by IFAD and the results achieved; and (iii) provide lessons learned that IFAD can use to strengthen its results in collaboration with the national authorities and other national and subregional partners.
2. **The Dry Corridor is an ecological zone in the Central America subregion.** The commonly accepted definition of the Dry Corridor of Central America is the one established by the Food and Agriculture Organization of the United Nations (FAO) in 2012: a group of ecosystems within the ecoregion of dry tropical forests in Central America extending from Chiapas (Mexico) and covering the lowlands of the Pacific coastal area and most of the pre-mountain central region of El Salvador, Guatemala, Honduras and Nicaragua. The Dry Corridor is characterized by prolonged cycles of drought followed by intense rainfall.
3. Rural poverty in the Dry Corridor is multidimensional. The evaluation detected socioeconomic gaps for specific groups (women, youth, Indigenous Peoples), institutional fragility, violence and criminal activity that undermines the social fabric and development. High levels of out-migration bring income and investment opportunities but pose risks to migrants and lead to labour scarcities and a loss of capacities in their territories of origin.
4. There is evidence of at least 18 official cooperation projects operating in the Dry Corridor, approved between 2011 and 2023 for an amount of US\$717 million. Despite the significant size of this amount, interinstitutional coordination among operations is limited. In recent years, the Central American Bank for Economic Integration (CABEI) and FAO have prepared dedicated subregional strategies and programmes for the Dry Corridor.
5. **Scope of evaluation.** This is a strategic subregional evaluation focusing on the Dry Corridor ecological zone (with case studies in El Salvador, Guatemala, Honduras and Nicaragua) during the period 2008–2023. The aim is to assess the performance of closed and ongoing operations and the evolution of their approaches.
6. Although IFAD and the Governments of El Salvador, Guatemala, Honduras and Nicaragua have approved individual country strategic opportunities programmes (COSOPs), IFAD does not have a specific (explicit or implicit) strategy for the Dry Corridor or for Central America. This evaluation identified 15 loans provided by IFAD for projects in El Salvador, Guatemala, Honduras and Nicaragua with interventions in the Dry Corridor municipalities. Eight of the projects were carried out almost exclusively in the Dry Corridor, whereas seven included both Dry Corridor municipalities and other external municipalities.
7. IFAD has financed grants (mainly subregional grants) to promote collaboration among the countries and interaction with intergovernmental organizations in Central America. A sample of 14 grants were selected for more in-depth analysis for this evaluation.
8. The evaluation was based on: (i) a theoretical study of existing documentation on IFAD's activities, COSOPs, loans and grants; and scientific publications and analytical studies on the context of the Dry Corridor; (ii) an analysis of data from the IFAD-funded portfolio of loans, using the Fund's existing databases; (iii) remote and hybrid interviews with IFAD personnel, government authorities, representatives of international and subregional organizations, research institutes

and centres and NGOs; (iv) missions to the countries (El Salvador, Guatemala, Honduras and Nicaragua); and (v) an analysis of data from geographic information systems (municipalized geographical statistics and satellite images).

II. Main findings

A. Relevance

9. **Although the COSOPs are not specifically oriented towards the Dry Corridor, the most recent ones make reference to environmental and climate risks.** COSOPs prepared since 2010 (when IFAD introduced policies and strategies on natural resources and climate change adaptation) include references to the following issues: (i) climate change and natural resource vulnerability; (ii) Adaptation of Smallholder Agriculture Programme (ASAP) resources; (iii) national programmes on natural resource protection and restoration and national programmes on adaptation to climate change. Although the COSOPs mention contextual socioeconomic problems (violence, organized crime and citizen insecurity, migration and remittances), they are not given a central role. The strategic objectives respond rather to traditional designs: improving access for small-scale producers to assets, financial resources, markets and technology.
10. **In general, the projects reviewed lacked a territorial approach and the kind of territorial targeting criteria** that can help to organize and prioritize interventions relating to productive opportunities in the area and actively involve public institutions, producers' organizations and enterprises. This lack of a territorial focus often generated multiple interventions with no specific links to the Dry Corridor or to municipal priorities.
11. **Despite the lack of a strategic or systemic approach, some practices warrant attention with a view to future interventions.** In El Salvador, the *Rural Adelante* project promoted climate change adaptation plans for municipalities and associations. Other orientations of interest were adopted by projects developing the production and commercialization of products adapted to the Dry Corridor, such as cashews, beekeeping, livestock (mixed, meat and dairy) and coffee growing (in Honduras, Sustainable Rural Development Programme for the Southern Region [*Emprende Sur*], and in Nicaragua, the Inclusion of Small-scale Producers in Value Chains and Market Access Project [PROCAVAL] and Adapting to Markets and Climate Change Project [NICADAPTA]).
12. Some of the projects approved recently or in preparation (the Programme for the Sustainable, Inclusive and Nutritional Economic Development of Rural Areas [*Rural Adelante*] 2.0 in El Salvador and INNOVASAN in Honduras) put forward concepts – such as watershed development or multidimensional sustainability – that, were they to be developed appropriately, could help to make work in the Dry Corridor more consistent.
13. **Some of the grants supported by IFAD have carried out activities closer to an integrated subregional approach.** The IFAD grants supported issues relevant to the subregion as well as the Dry Corridor (family farming adapted to climate change, youth, innovation in rural finance) and involving several countries and different actors (intergovernmental organizations and civil society organizations). The grants provided an opportunity to update and renew the practices of both IFAD and the Governments within the Dry Corridor. However, synergies among IFAD loans and grants were limited. The grants were not designed to contribute directly to IFAD's investments or the individual country strategies. The implementation periods of the grants were too short (typically two or three years) to institutionalize the initiatives and prepare an exit strategy.

B. Coherence

14. **Leveraging of important IFAD experiences in other Latin America and the Caribbean subregions was limited.** In the Plurinational State of Bolivia, Brazil, Colombia and Peru, IFAD supported innovations in connection with: (i) the preparation of organizational development plans and business plans; (ii) territorial development approaches; (iii) the subregional and regional agrifood heritage and local markets; and (iv) adaptation to semiarid conditions (northeastern Brazil). Many of these experiences are little known in the four countries considered in this evaluation.
15. **National policy dialogue on policies relevant to the Dry Corridor was not a core element of country programmes.** Rather than seeking to have an impact on the formulation or updating of public policies, the projects were aligned with government policy frameworks and invested funds within those frameworks. There were no structured processes to engage in dialogue on public policies relevant to the Dry Corridor. However, some projects were more proactive in performing thematic studies (e.g. the *Amanecer Rural* programme in El Salvador, on rural financial services; *Emprende Sur* in Honduras, on the cashew value chain) that could provide inputs to the dialogue on public policies.
16. **IFAD collaborated with the Central American Integration System (SICA) through grants for subregional policy dialogue.** The SICA representatives underscored the significance of the collaboration in strengthening public institutions dedicated to youth and support for rural youth networks. This initiative called for activities to promote rural youth entrepreneurship. Also worth noting is the contribution made to preparation of the Policy on Peasant, Indigenous, Afro-descendant and Family Farming, which was approved by the Central American Agricultural Council Cabinet in 2018 as a reference public policy instrument on family farming in the subregion. However, the interviews indicated that there was limited follow-up by national authorities.

C. Effectiveness

17. **During implementation, the projects covered a high proportion of the Dry Corridor municipalities, particularly in El Salvador and Nicaragua.** The projects considered covered 100 per cent of the Dry Corridor municipalities in El Salvador, 90 per cent in Nicaragua, 71 per cent in Guatemala and 43 per cent in Honduras. The interventions reviewed were carried out in a geographic environment of high investments by international cooperation. The achievements are not attributable exclusively to the IFAD projects, but rather to a sequence of interventions by multiple actors (multilateral organizations, NGOs), including IFAD.
18. **Basic needs and human capital.** At least seven projects contributed to improving hygiene and health conditions and access to transportation. Despite the rather limited budgets, these investments (e.g. water systems, latrines, improved stoves and cisterns) increased access to drinking water, hygiene and health, reducing gastrointestinal and respiratory illnesses and workloads for women and children. The project with the greatest direct result was the Nicaraguan Dry Corridor Rural Family Sustainable Development Project (NICAVIDA), which facilitated access to drinking water for more than 15,000 families by expanding the system of rural wells and aqueducts.
19. **Some of the projects promoted the use of environmentally friendly technologies and practices, including soil and water management and crop diversification.** Less recent projects (the Programme for the Economic Development of the Dry Region in Nicaragua [PRODESEC], Technical Assistance Fund [FAT], Rural Development and Modernization Project for the Eastern Region [PRODEMORO], PRODEMORO-Central, National Rural Development Programme [PRONADER I], National Rural Development Programme: Central and Eastern Regions [PNDR Oriente]) did not lay emphasis on soil conservation measures, land

rehabilitation or reforestation. One more recent project, NICADAPTA, addressed the climate change vulnerability of farms and coffee and cacao production systems.

20. Overall, several projects (PRODESEC, PRODEMOR-Central-Expansion, *Amanecer Rural*, PRONADER I, the Sustainable Rural Development Programme for the Northern Region [PRODENORTE], PROCAVAL) confirmed that they had supplied about 5,000 water catchment systems and micro and drip irrigation systems on 4,800 hectares. However, there is little data on the effectiveness of these investments or their continuity after project closure.
21. **Some projects supported the socioeconomic transformation of rural areas within the Dry Corridor** through business development, facilitation of market access and value chain strengthening. NICADAPTA supported the coffee and cacao value chains through infrastructure improvements and commercial linkages. Projects such as PRODENORTE, *Amanecer Rural* and *Emprende Sur* promoted the diversification of production (e.g. honey, cashew and processed foods). These projects achieved their best results when improving product quality and facilitating sales in more demanding markets at more remunerative prices. In the case of other projects, a frequent finding was the lack of an effective strategy for market access.
22. **Several projects successfully generated employment and raised the incomes of rural families.** Some examples include the following: (i) *Emprende Sur* (Honduras), with a 10 per cent increase in the incomes of beneficiary families; (ii) *Amanecer Rural* (El Salvador), with a 25 per cent increase in the incomes of beneficiaries; (iii) FAT (Nicaragua), which reported increases in agricultural production gross margins for more than 74 per cent of family units with no land tenure; (v) NICADAPTA (Nicaragua), with a 25 per cent increase in average gross incomes for products such as coffee and cacao, although the impact study prepared by IFAD did not observe significant changes in net incomes, probably because of outlays on inputs (fertilizers) and organic certification with no significant increase in selling prices (when it was not possible to sell organic coffee or cacao on international markets).

D. Gender equality, inclusion of youth and Indigenous Peoples

23. Most of the projects had set targets for inclusion of at least 30 per cent women. In several cases, greater than 50 per cent participation by women was achieved (PRODEMORO, PRODEMOR-Central-Expansion, *Amanecer Rural* and *Emprende Sur*). Several projects included components on **social inclusion and strengthening women's status** (e.g. literacy, prevention of intrafamily violence, support for women's leadership training). The projects successfully increased women's participation in rural organizations. In El Salvador, under PRODEMOR-Central-Expansion, 33.8 per cent of leadership positions in the organizations reviewed were held by women. In Honduras, 48 per cent of the organizations supported by *Emprende Sur* had more than 11 women participating in decision-making positions. In Nicaragua, women represented 44 per cent of the membership of boards of directors for coffee or cacao producers' organizations supported by NICADAPTA.
24. **Some projects contributed to reducing household workloads for women** by supplying them with improved stoves. In El Salvador, under *Amanecer Rural*, families saved an estimated three hours a day on carrying water and fuel. In Guatemala, PRODENORTE reduced the workload of 2,963 women by delivering fuelwood-saving stoves and supplying cisterns (reduction of three hours of work a day on food preparation and water collection).
25. Targets for **youth inclusion** ranged between 10 and 26 per cent. In general, achievements were below expectations. Migration (which affects primarily young people) and a lack of initiatives dedicated to youth interests and challenges explain

these limited achievements. Understanding the dynamics, challenges and characteristics of youth and taking into account the evolution of the rural economy and the increasing dependency on services is a major challenge.

26. Twelve projects focused on **Indigenous Peoples** by targeting geographical areas where they were prevalent. Depending on local concentrations of population, dedicated attention and capacities for adopting initiatives, effective participation was variable. In Honduras, the Project for Competitiveness and Sustainable Development in the South-Western Border Region (PROLENCA) achieved high coverage based on project estimates (95 per cent), but *Emprende Sur*, which did not clearly target Indigenous Peoples, achieved just 6 per cent. In El Salvador, *Rural Adelante* stood out for its focus on Indigenous Peoples through diagnostics, affirmative actions and participation quotas: 35 per cent of the beneficiaries belong to Indigenous Peoples. One of the conclusions reached by the evaluation mission was that a lack of prioritization and insufficient understanding of the strategies and demands of the Indigenous populations by public agencies were limiting factors.

E. Innovations

27. **Most of the initiatives supported in the Dry Corridor were not completely new, but lacked practical application in the project areas.** In areas where they had not yet been disseminated, irrigation and water catchment systems, greenhouses and drying equipment were promoted. In Guatemala, PRODENORTE supported irrigation systems, water catchment systems and cold storage rooms. In El Salvador, greenhouses introduced in some of the areas covered by PRODEMORO, *Amanecer Rural* and *Rural Adelante* contributed to reducing women's workload, generating new employment for part-time day workers and diversifying incomes.
28. **The most recent IFAD operations show an interest in agrometeorology.** The most institutionalized cases were located in Nicaragua: NICADAPTA strengthened the capacities of the agrometeorological office of the Nicaraguan Institute for Territorial Studies, constructed automatic weather stations and installed rain gauges in communities. In El Salvador and Honduras, the projects facilitated the delivery of weather stations for the national information system and information technology applications providing farmers with weather warnings. However, there is no evidence of their widespread use among farmers.
29. **Innovative experimental technical initiatives took place under IFAD grants but had little connection to loans.** The grants played an important role, albeit not a very visible one, given the limited synergies with investment projects. Of note are the grants INNOVATECH and Agriterra, which provided specialized assistance to small-scale producers in the form of easy-access technology solutions (digital platforms for product commercialization and promotion of partnerships between small-scale producers and buyers). In Guatemala, an IFAD grant cofinanced an experimental weather-based micro-insurance programme for maize and bean producers in collaboration with the World Food Programme, Heifer International, German Agency for International Cooperation (GIZ) and the insurance company *Aseguradora Rural*.

F. Sustainability

30. **There are factors of fragility inherent to the national and subregional contexts.** Those interviewed repeatedly mentioned problems with institutions (governance, systems providing care and services to rural areas, operationalization of existing laws, questionable transparency in the use of funds, organized crime, situations of violence). The IFAD operations have had to deal with a fragile institutional environment that, with a few exceptions, has not taken ownership of the processes and results achieved.

31. **The IFAD-funded interventions promoted planning processes involving multiple levels and multiple actors** in order to promote local sustainability. However, the plans were prepared by external service providers with experience in basic production but with less experience in supporting more elaborate processing or quality production (e.g. organic fertilizer, dairy products and coffee). The projects did not exercise sufficient quality control over service providers. The plans were often accompanied by short-term training, even when the end users needed specialized long-term support.
32. **All of the IFAD project in the subregion endeavoured to strengthen producers' organizations at various levels** and phases of maturity. Although the projects stressed capacity-building, the methodological basis was not always presented clearly. The project designs and implementation include multiple training activities, technical assistance, workshops, courses and farmer field schools, among others. However, these activities often overlapped, took up the time of beneficiaries and ended at project completion. Generally speaking, there were no indicators or measurement of the results of lessons learned or their effective and well-founded use (knowledge, competencies).

G. Sustainability of natural resources and adaptation to climate change

33. **The evaluation identified initiatives to protect natural resources and promote resilience to climate change.** Also identified were a range of interventions seeking to promote environmental and climate resilience:
- Crop management techniques: diversification, rotation, organic fertilizer production and application, use of living and dead hedges;
 - Reforestation, agrosilviculture in sub-basins to recharge watersheds, volunteer brigades to prevent fires and protect water sources;
 - Efficient fuelwood consumption (improved stoves for cooking and heating) to reduce pressure on forests and greenhouse gas emissions. However, there were few activities focusing on the use of renewable energy or solar energy;
 - Drought-resistant varieties and techniques to combat drought: water storage, drip irrigation, greenhouses to maintain production during dry periods; and
 - Varieties resistant to dry climate conditions (coffee, cacao).
34. **However, the evaluation noted a lack of integration** between these activities in the territory (valid but fragmented initiatives) and between activities in support of environmental resilience and those in support of value chains. This is likely attributable to the absence of a territorial approach.
35. Although the projects favoured environmental protection practices, the evaluation also observed potentially harmful practices – such as the intensive use of inorganic pesticides in greenhouses producing vegetables and on shrimp farms, which could damage mangroves in El Salvador; a lack of segregation of pollutant by-products in some processing plants in Honduras; and, in Guatemala, the improper disposal of solid waste and chemical containers.

III. Performance of the partners

36. **IFAD has an office in Panama, but not in the four countries considered.** In 2018, IFAD established a subregional hub in Panama and the Guatemala office closed in 2021. Currently the Panama office covers the portfolio for Central America, the Caribbean and Mexico (a total of 23 countries), hosting the country directors for El Salvador, Guatemala, Honduras and Nicaragua. The Panama office also hosts personnel from IFAD's Strategy and Knowledge Management Department (Environment, Climate, Gender and Social Inclusion Division and

Sustainable Production, Markets and Institutions Division), who provide support for operations.

37. Liaison consultants play an important role but face constraints in terms of resources and official recognition. The main function of these national consultants is to help resolve bottlenecks in operations and coordination of project activities. Despite their relevance for project implementation, the liaison consultants are not able to enter into formal agreements on behalf of IFAD or officially represent IFAD to the Government or cooperants.
38. Interviews highlighted **appreciation for IFAD's flexibility in formulating projects**. However, there is room for improvement in the process of design and promoting knowledge management and intercountry exchange, as well as generating synergies between loans and grants.
39. The documentation and the interviews underscored **IFAD's efforts to contribute to habitual project implementation by means of supervision and support missions**. The efforts to resolve bottlenecks and make adjustments with sufficient flexibility to extend implementation periods was noted, as well as to properly manage disbursements and negotiation with government institutions. Supervision and midterm reviews focused on operational issues, which is necessary, **but there is a lack of space for a more strategic review** on rural development issues in the Dry Corridor, such as adaptation to climate change, development of sustainable value chains and territorial development. A periodic review (e.g. every two years) at the national level could lead to better strategic reflection and exchanges with other countries and with initiatives funded by IFAD grants.
40. **Performance of Governments**. The most solid performance was delivered by El Salvador and Nicaragua, by means of a combination of clear direction from national authorities, stable personnel and attempts at interinstitutional collaboration. In El Salvador, the Government supported coordination between the Ministry of Agriculture and the Ministry of Natural Resources. However, it gave less priority to addressing the Indigenous Population, which affected the public policies component of the *Rural Adelante* project. In Nicaragua there is a tradition of coordination between public organizations at the national, departmental and municipal levels. In addition, there is stability among technical personnel in public agencies.
41. In Guatemala, although the projects were intended to adapt to the Government's guidelines, there was little integration or coordination between the projects and public programmes. In addition, interviewees informed of delays in mobilizing counterpart funding and limited follow-up on project activities. In Honduras, there are serious problems with preserving institutional memory of project implementation. The project coordination team are comprised of personnel who are hired on an ad hoc basis for implementation and terminated upon completion, do not return to permanent public institutions and take their experience with them.
42. The evaluation notes that, although local governments (of municipalities and *mancomunidades*) were consulted as part of programming activities in the Dry Corridor, **there was limited integration of projects in municipal plans and financial contributions from *mancomunidades***. In the case of financial contributions, part of the problem resides in limited fiscal decentralization. El Salvador and Nicaragua were better positioned. In El Salvador, *Amanecer Rural* and *Rural Adelante* obtained contributions from municipalities to generate a multiplier effect of interventions on environment and climate change. Despite this progress, the room for manoeuvre for municipalities in the coming years is unclear given the changes in land use planning recently issued by the central Government. In Nicaragua personnel from ministries and national technical agencies at the municipal level are assigned to facilitate the implementation of international cooperation projects.

43. The projects engaged in little collaboration with *mancomunidades* (groups of municipalities) with development plans that, in some cases, received support from international cooperation (e.g. the Spanish Agency for International Development Cooperation and United States Agency for International Development [USAID]) to promote local development and recover historical and cultural heritage, and for natural resource management (forest and watershed protection).

IV. Conclusions

44. **Cumulatively, over the past 15 years IFAD has achieved extensive coverage of municipalities within the Dry Corridor, with attention to local organizations and basic needs.** IFAD-funded projects achieved coverage of 71 per cent of the municipalities in the Dry Corridor. The projects supported grass-roots rural organizations and focused on training, investment plans and formalization of producer groups. One limiting factor was the lack of a solid methodology to systematize and prioritize multiple forms of training, technical assistance and workshops on a thematic and territorial basis.
45. **Some interventions promoted the socioeconomic transformation of rural areas within the Dry Corridor by promoting business development, facilitating market access and strengthening value chains.** The greatest achievements were contingent upon successfully improving product quality and promoting sales on well-paying international markets and domestic niche markets, as well as the capacity to control profitability. Five projects adopted value chain development approaches (*Amanecer Rural*, *Emprende Sur*, PROCAVAL, NICADAPTA, *Rural Adelante*). Although some projects correctly focused on international markets, less attention was dedicated to local public procurement systems (e.g. for school canteens) and markets linked to tourism, which could offer opportunities in the future.
46. **The lack of specific strategic guidelines for the subregion or the Dry Corridor hampered adaptation to particular structural characteristics in the context.** References to the Dry Corridor are secondary in national strategies, but the more recent COSOPs do mention environmental and climate risks. The socioeconomic problems in the context (insecurity and violence, migration and remittances, access to land and land tenure) did not play a central role in the COSOPs.
47. **The conception of initiatives supported in the Dry Corridor lacked a territorial approach to prioritize interventions and generate a critical mass.** The lack of an integrating territorial approach has repercussions on the dispersion of initiatives in natural resource management and adaptation to climate change. The solutions proposed by some projects are well-founded but run the risk of being lost in one-off actions with little budget or scope.
48. **In order to demonstrate their value added in an ecological zone that has a high profile in international cooperation, IFAD and the Governments need to ensure innovative approaches and greater specialization.** There has been little effort to leverage IFAD's experiences in other subregions in Latin America and the Caribbean. Knowledge management activities are short-term and backed with limited resources. Through the programme of grants, IFAD has carried out valuable and original experiences, such as techniques in crop management, soil and water, development of agricultural ecosystems, digitalization of financial and business services, and weather-based insurance plans. Despite the promising results, synergies with loans were limited.
49. **There was little institutionalization of projects within permanent public organizations in El Salvador, Guatemala and Honduras.** Project management teams left upon completion, taking the project experience with them. In addition, the gap in less traditional technical areas (value chains, adoption of digital

technologies, renewable energies, green business) is a constraint generally. The project teams and national organizations did not receive much information on experiences in other countries of Latin America and the Caribbean.

V. Recommendations

50. **Recommendation 1. Prepare strategic guidelines at the subregional level, focusing specifically on the Dry Corridor and its many development challenges**, including agroclimatic, socioeconomic, policy, institutional and cultural aspects. These guidelines could be structured as an internal and flexible document that could be adjusted and refined gradually. It would serve as a roadmap towards more consistent and systematic positioning to address the challenges of the context and provide fundamental opportunities: (i) update intervention approaches and methods; (ii) form strategic partnerships with subregional development actors with specific technical competencies; (iii) open up a space for greater participation in public policy dialogue of relevance to the Dry Corridor; and (iv) set priorities for IFAD personnel and decentralized resources.
51. **Recommendation 2. IFAD and the Governments need an integrating territorial approach so that resilient family farming and territorial development become central themes of cooperation in the subregion.** The territorial approach, consisting of a vision of resilient and versatile family farming, would imply: (i) actively involving local public institutions (e.g. municipalities and *mancomunidades*), grass-roots organizations and private entities; (ii) supporting income sources and non-agricultural employment with appeal for young people; (iii) contributing to innovation in agrifood systems based on small-scale production, improving value chain governance; and (iv) facilitating the virtuous circle between traditional knowledge and new knowledge and technologies.
52. **Recommendation 3. Improve targeting instruments for project users in the Dry Corridor**, so that targeting helps territorial development (aspects of agroecological, socioeconomic and institutional fragility), beyond assistance to individual families or associations, which continues to be necessary. As part of the territorial approaches, it is important to keep attention to sensitive groups such as women, youth and Indigenous Peoples.
53. In order to integrate young people, it is important to take into account the evolution of the rural economy, growth of product processing and value chain activities, as well as the incipient rise of services in rural areas. There are opportunities to integrate remittance flows into project design, collaborating with microfinance institutions to lower transfer costs, involving networks of migrants living abroad.
54. **Recommendation 4. Support innovative approaches in the Dry Corridor, with greater attention to knowledge management, strategic partnerships and public policy dialogue.** IFAD and the Governments need to integrate experiences in Central America (e.g. support for value chains, experimental initiatives in digitalizing business and financial services and weather-indexed insurance) with experiences in other subregions of Latin America and the Caribbean (e.g. business plans, territorial development, agrifood heritage, adaptation to semiarid contexts).
55. Initiatives in public policy dialogue could focus on exchanges among countries, with SICA and in synergy with IFAD grants. The priority is to help national organizations expand available instruments and procedures and use the lessons learned to inform public policies.
56. **Recommendation 5. Reaffirm IFAD leadership.** In a donor-saturated environment, IFAD needs to reaffirm its value added and its capacity to facilitate innovative solutions, promote exchanges of practices among countries and South-South cooperation, in coordination with international organizations, research

institutes, NGOs and organizations operating within SICA. IFAD needs to help the Governments institutionalize the projects within their public agencies and programmes.

