

## **Convento Viejo Reservoir, 1978**

### Summary:

This study sought to foster the use of decision-making methodologies for agricultural investments and the irrigation sector in general. Perhaps the greatest merit of this work was that it divided the overall project into three sub-projects that lent themselves well to separation – both conceptually and in terms of decision-making – and this approach allowed the identification of those components of the overall project that would contribute most to achieving a positive investment outcome.

In effect, the study distinguished three sub-projects: (1) technical assistance for improving the efficiency of irrigation techniques, which would enable reliable irrigation of a greater area through more rationed use of water; (2) comprehensive technical assistance, based on improving irrigation efficiency that would lead to changes in agro-technical practices and in the use of improved inputs; and (3) the construction of the Convento Viejo reservoir. The combination of these three sub-projects led to a fourth: (4) “construction of the reservoir and comprehensive improvement,” which was highly profitable, as previous studies had also indicated.

Nonetheless, the comparison of sub-project (4) and sub-project (2), indicated that the reservoir construction would have a negative effect on profitability indicators, even under optimistic projections of crop yields and timeframes for achieving them. In other words, hidden within the overall project was one unprofitable project.