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Invertir en la población rural

Informe anual sobre los resultados y el impacto de las actividades del FIDA evaluadas en 2013

Nota para los representantes en la Junta Ejecutiva

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Para examen

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Apéndice

Informe principal: Informe anual sobre los resultados y el impacto de las actividades del FIDA evaluadas en 2013

Agradecimientos

El Informe anual sobre los resultados y el impacto de las actividades del FIDA, el ARRI de 2014, se elaboró bajo la dirección de Ashwani Muthoo, Director Adjunto de la Oficina de Evaluación Independiente del FIDA (IOE), quien contó con el eficiente apoyo de Michael Flint (consultor jefe), Anil Sood (consultor en la gestión de proyectos), Simona Somma (Oficial de Evaluación), Renate Roels (Analista de Investigación en Evaluación) y Linda Danielsson (Auxiliar del Director Adjunto de la IOE). El informe fue examinado internamente por otros funcionarios de la IOE, con lo cual se benefició de sus observaciones y puntos de vista.

La IOE desea manifestar su profundo agradecimiento al personal y la dirección del FIDA por el apoyo general prestado y por sus valiosas observaciones sobre el borrador del informe final, que se han tenido debidamente en cuenta en la elaboración del informe final, en consonancia con la Política de evaluación del FIDA. En el documento también se abordan las observaciones proporcionadas por el personal del FIDA durante la sesión de aprendizaje dedicada especialmente al ARRI de 2014, celebrada el 19 de septiembre.

Las observaciones contenidas en la respuesta escrita de la dirección del FIDA al ARRI de 2013, así como las del Comité de Evaluación y la Junta de Evaluación sobre la edición del año pasado, también se han tenido en cuenta en la edición de este año.

Resumen

1. **Antecedentes.** Este es el duodécimo del informe anual sobre los resultados y el impacto de las actividades del FIDA (ARRI). La Oficina de Evaluación Independiente (IOE) del FIDA lleva desde 2003 preparando estos informes cada año. El Fondo es una de las pocas organizaciones de desarrollo en el ámbito multilateral y bilateral que produce este tipo de informes con una frecuencia anual, lo cual ilustra su compromiso de fomentar la transparencia, la rendición de cuentas y el aprendizaje para mejorar los resultados institucionales y operativos.
2. **Objetivos.** El ARRI tiene dos objetivos principales, a saber: i) presentar una síntesis de los resultados de las actividades financiadas por el FIDA sobre la base de una metodología de evaluación común, y ii) poner de relieve las cuestiones sistemáticas y transversales, las enseñanzas y los desafíos que el FIDA y los países receptores han de abordar para mejorar la eficacia de sus actividades en el ámbito del desarrollo.
3. **Fuente de los datos y estructura.** En el ARRI se agrupan y resumen los resultados y el impacto de las actividades financiadas por el FIDA, para lo cual se utilizan las evaluaciones independientes realizadas en el año anterior. El informe de 2014 se nutre de una base de datos de 224 evaluaciones de proyectos concluidas por la IOE desde 2002, e incluye 35 calificaciones de evaluación de proyectos derivadas de los 29 informes de evaluación que se han utilizado para elaborar este informe. Estos informes comprenden dos evaluaciones a nivel institucional, tres informes de síntesis de evaluación, cinco evaluaciones de programas en los países (EPP), nueve validaciones de informes finales de proyectos (IFP), nueve evaluaciones de los resultados de los proyectos y una evaluación del impacto realizada por la IOE.
4. Tal como se acordó en el ARRI del año pasado, las calificaciones de evaluación de proyectos asignados por la IOE se presentan ahora en dos series de datos: i) todos los datos de evaluación, y ii) los datos de las validaciones de los IFP y de las evaluaciones de los resultados de proyectos únicamente. La primera presenta las calificaciones de proyectos contenidas en todos los informes de evaluación hasta 2002. La segunda contiene solo datos provenientes de las validaciones de los IFP, de las evaluaciones de los resultados de proyectos y de las evaluaciones del impacto. La IOE ha realizado hasta la fecha, en un período relativamente corto de tiempo, más de 70 validaciones de los IFP y evaluaciones de los resultados de proyectos que proporcionan una base bastante sólida para analizar el desempeño de las operaciones del FIDA. Sin embargo, dado que la IOE solo introdujo las validaciones de los IFP y las evaluaciones de los resultados de proyectos en 2010, solo se dispone de un número suficiente de calificaciones para aquellos proyectos que finalizaron en el período 2007-2009 y de allí en adelante. También, como se acordó el año pasado, ambas series de datos presentan las calificaciones por año de finalización del proyecto y como medias promedios trienales. Además, el ARRI incluye por primera vez este año un análisis de las calificaciones otorgadas en las evaluaciones independientes en función de los períodos de reposición del FIDA.
5. El ARRI de este año tiene un formato similar al del año pasado y se organiza en dos partes. La primera parte (capítulo II) presenta un informe de los resultados de los proyectos desde 2002 y una síntesis de las principales cuestiones surgidas de las evaluaciones del año pasado. Esta parte también incluye una sección en la que se compara el desempeño de las operaciones del FIDA con las de otras instituciones financieras internacionales en el ámbito agrícola. La segunda parte (capítulo III) está dedicada al tema de aprendizaje de este año: la gestión de proyectos. Por último, el informe contiene un capítulo con conclusiones y recomendaciones.
6. **Principales conclusiones.** El ARRI de este año muestra que el desempeño del FIDA como institución asociada ha sido el mejor desde que comenzaron a redactarse los ARRI en 2003. Los numerosos cambios y reformas que se han introducido al

modelo operativo del FIDA están teniendo un efecto positivo en los resultados, en especial, en lo que respecta a la supervisión directa y el apoyo a la ejecución, el establecimiento de oficinas del FIDA en los países y una mejor gestión de la cartera.

7. Entre otras áreas con buenos resultados se incluyen la pertinencia de las operaciones y el impacto sobre la pobreza rural, en las que se destacan la promoción de la igualdad de género y el empoderamiento de la mujer, y la innovación y la ampliación de escala. De hecho, en más del 90 % de los proyectos evaluados durante el período 2012-2014 el impacto sobre la pobreza rural es moderadamente satisfactorio, como mínimo.
8. Tal como se mencionó anteriormente, en el ARRI se hizo un análisis de las calificaciones de las evaluaciones independientes agrupadas de acuerdo con los períodos de reposición del FIDA, comenzando con el período de la Quinta Reposición (2001-2003). En general, salvo en el ámbito de la eficiencia, las operaciones del FIDA han obtenido resultados muy buenos durante el período de la Novena Reposición, por ejemplo en esferas como la sostenibilidad y el desempeño de los gobiernos, que suelen ser deficientes.
9. Si los resultados se comparan con los de otras entidades, la conclusión del ARRI es que el desempeño de las operaciones del FIDA está a la par, como mínimo, con el del Banco Asiático de Desarrollo, el Banco Africano de Desarrollo y el Banco Mundial. Al interpretar estas conclusiones, es necesario tener en cuenta las diferentes características y tamaño de estas organizaciones, en especial, el hecho de que las actividades del FIDA se llevan a cabo generalmente en contextos más difíciles como las zonas rurales remotas y prestan una particular atención al uso de enfoques participativos, la incorporación de las cuestiones de género, la focalización y la creación de instituciones de base.
10. Hay áreas con posibilidades de mejora. En primer lugar, la eficiencia continúa siendo el área más problemática en cuanto a los resultados de las operaciones financiadas con el apoyo del FIDA. A lo largo de los años no se ha registrado una mejora de la eficiencia operativa. No obstante, en el ARRI se menciona que, el año pasado, la Junta Ejecutiva aprobó el Plan de acción consolidado para mejorar la eficiencia del FIDA que incluye varias medidas dirigidas a abordar las causas profundas de la baja eficiencia institucional y operacional.
11. El desempeño es relativamente deficiente en otras dos áreas, a pesar de algunas mejoras registradas en los últimos años: la sostenibilidad de los beneficios y el desempeño de los gobiernos. Varias áreas requerirán atención adicional para mejorar la sostenibilidad, entre ellas, el diseño de proyectos con objetivos más simples y mejor adaptados al contexto institucional y normativo de los países receptores. Se deberá hacer todo lo posible por apoyar a los gobiernos para que aumenten su capacidad y mejoren su desempeño, en especial, en los estados frágiles dado que, en última instancia, son los gobiernos los responsables de la ejecución de los proyectos y programas financiados por el FIDA.
12. En el ARRI también se detectaron deficiencias en el desempeño actual según las calificaciones de las evaluaciones independientes y en relación con las metas globales de las operaciones que se habían fijado durante la Novena Reposición, y deberían alcanzarse antes de que termine 2015. Aunque las deficiencias en determinadas esferas (pertinencia e impacto) son relativamente pequeñas, en otras (eficiencia, sostenibilidad, asociaciones y desempeño gubernamental) son bastante grandes. De igual manera, pocos proyectos fueron calificados de muy satisfactorios, lo cual puede explicarse en parte por las razones expuestas en el párrafo 9.
13. A partir de la introducción de las validaciones de los IFP en todos los proyectos terminados y las evaluaciones de los resultados de proyectos en un determinado número de operaciones, la IOE ha podido determinar la "divergencia neta" entre los resultados de los proyectos según constan, respectivamente, en los informes

independientes y en los de autoevaluación. Resulta alentador que la divergencia neta entre los datos de las validaciones de IFP y las evaluaciones de los resultados de proyectos señalados por la IOE y los datos de IFP elaborados por el FIDA sea actualmente pequeña. Al mismo tiempo, la IOE ha advertido que la calidad de los IFP es variable y que todavía se puede mejorar más, en especial en lo que se refiere a la calidad de los datos y los datos objetivos generales. En este sentido, todavía queda margen para mejorar la calidad y la puntualidad de los estudios de referencia y los sistemas de seguimiento y evaluación (SyE) en general.

14. **Gestión del proyecto.** Según se acordó con la Junta el año pasado, el tema de aprendizaje de este año es la gestión de proyectos. Es útil recordar que los proyectos financiados por el FIDA están gestionados enteramente por autoridades e instituciones nacionales, y no incluyen al personal internacional contratado por el FIDA. En general, las evaluaciones de la IOE y de otro tipo concuerdan en que un equipo bien constituido de gestión del proyecto es un determinante clave para alcanzar los resultados del proyecto.
15. En el ARRI se señalan una serie de aspectos positivos que mejoran el desempeño de la gestión de los proyectos. Entre ellos se incluyen, por ejemplo, el nivel de compromiso y apropiación del proyecto por parte del equipo de gestión; el apoyo regular del FIDA a la ejecución del proyecto; la participación en el examen anual de la cartera en el país y en los talleres regionales de ejecución; la disponibilidad de directrices y procedimientos claros de adquisición y contratación, y de gestión financiera, y la participación en actividades de capacitación dedicadas a cuestiones específicas de prioridad para el FIDA y el proyecto.
16. Al mismo tiempo, hay una serie de factores que influyen en el desempeño de la gestión de proyectos, entre ellos, los retrasos en el nombramiento del personal del proyecto y la frecuente rotación o los cambios de que son objeto; la escasa prioridad otorgada a las actividades de SyE; las dificultades de aplicar el sistema de gestión de los resultados y el impacto (RIMS) del FIDA; el conocimiento limitado de las políticas, las prioridades y los procedimientos operativos del FIDA, y la interferencia de la entidad de ejecución designada. Además, el análisis desveló que, si bien los comités directivos cumplen una función importante al proporcionar orientación estratégica y supervisión al equipo de gestión del proyecto, en general no se han desempeñado adecuadamente.
17. **Resultados de los programas en los países.** Aunque las actividades no crediticias experimentaron una mejora, aún hay margen para que sus resultados mejoren todavía más: la gestión de los conocimientos, el diálogo sobre políticas y el fomento de las asociaciones son todas ellas actividades esenciales para ampliar la escala del impacto y la transformación rural. Las evaluaciones señalan cada vez con mayor claridad la importancia de que el FIDA apunte sus actividades no crediticias en las experiencias de proyectos financiados por medio de préstamos.
18. Son muy valiosos los esfuerzos por consolidar las oficinas del FIDA que existen en los países y establecer nuevas con gerentes de programas destacados sobre el terreno, pero la escasez de recursos humanos y financieros sigue siendo una limitación para el FIDA. Las oficinas regionales y subregionales también juegan un papel importante y, a juzgar por la experiencia de la oficina regional en Kenya, poseen el potencial para mejorar la eficiencia y la eficacia de las operaciones. Una esfera que merece mayor atención y deberá estudiarse en el futuro es la de las oportunidades y desafíos que supone la descentralización institucional del FIDA, un aspecto esencial para que el Fondo se compenetre más con las situaciones en el terreno y logre una mayor eficacia del desarrollo, y los costos relacionados con dicha descentralización.
19. En el ARRI también se señala que los programas sobre oportunidades estratégicas nacionales (COSOP) son instrumentos fundamentales para dotar de orientación estratégica general a las actividades del FIDA en los países. No obstante, no se

cuenta con suficiente financiación para la preparación de estos programas, los cuales no siempre se formulan teniendo en cuenta los exámenes finales de los COSOP o las evaluaciones de los programas en los países. Valga aclarar que la IOE solo puede llevar a cabo estas evaluaciones en un número reducido de países en un año determinado. También hay ciertas posibilidades de lograr una mayor integración y mayores sinergias entre las distintas actividades apoyadas por el FIDA dentro de cada país (a saber: préstamos, donaciones, actividades no crediticias y asistencia técnica reembolsable, según corresponda), lo cual redundaría en mejores resultados a nivel nacional, sin limitarse a los proyectos individuales financiados por el Fondo.

20. **Recomendaciones.** En el ARRI de 2014 se formulan las siguientes recomendaciones de la dirección del FIDA:
- i) **Exámenes finales de los COSOP.** Asegurar que a partir de 2015 se lleven a cabo de manera sistemática los informes finales de los COSOP (autoevaluaciones). Se deberán tener en cuenta las posibles implicancias para el presupuesto.
 - ii) **Presupuestos para los COSOP y proyectos.** Considerar un enfoque más diferenciado de las asignaciones presupuestarias (por ejemplo, en función del contexto del país) destinadas a la elaboración y gestión de los COSOP, el diseño de proyectos, la supervisión y el apoyo a la ejecución y las actividades no crediticias. La dirección del FIDA deberá estudiar las posibilidades y dificultades en torno a establecer fondos fiduciarios especiales, financiados por donantes, para tales actividades de forma que se complementen los presupuestos administrativos anuales del Fondo. Además, también es preciso reflexionar sobre la posibilidad de integrar algunos de los costos relacionados con la preparación de proyectos dentro de los préstamos del FIDA.
 - iii) **Descentralización institucional del FIDA.** Teniendo en cuenta los logros conseguidos y con el fin de alcanzar mejores resultados sobre el terreno, se deberá estudiar la manera de lograr una mayor descentralización de la organización, por ejemplo aumentando el número de gerentes de programas destinados en los países. A este respecto, debería tomarse en consideración la posibilidad de establecer otras oficinas regionales o subregionales en función de la experiencia acumulada hasta la fecha, por ejemplo, en la región de África Oriental y Meridional. Se deberán tener en cuenta las posibles implicancias de esta recomendación para el presupuesto.
 - iv) **Uso de las calificaciones de las evaluaciones independientes.** Las calificaciones de las evaluaciones independientes provenientes de la IOE deberán utilizarse, en el caso de estar disponibles, en el Informe sobre la eficacia del FIDA en términos de desarrollo (RIDE) con el fin de proporcionar información en relación con los criterios e indicadores del marco institucional de medición de los resultados y en cualquier otro informe específico sobre los resultados.
21. Se invita a la Junta Ejecutiva a aprobar las dos recomendaciones siguientes propuestas por la IOE:
- i) **Tema de aprendizaje para el ARRI de 2015: la sostenibilidad.** La IOE deberá abordar la sostenibilidad de los beneficios como tema de aprendizaje del ARRI del año que viene.
 - ii) **Base de datos del ARRI.** En 2015, la IOE deberá revisar la base de datos del ARRI, incluidas las calificaciones de las evaluaciones independientes, para garantizar, entre otras cosas, que esté completa y sea clara para los usuarios externos, y con objeto de mejorar su estructura y el acceso a la misma para facilitar la consulta y el análisis estadístico.

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Abbreviations and acronyms

AfDB	African Development Bank
ARRI	Annual Report on Results and Impact of IFAD Operations
ADB	Asian Development Bank
COSOP	country strategic opportunities programme
CPE	country programme evaluation
CPM	country programme manager
DANIDA	Danish Development Assistance
FCS	fragile and conflict-affected states
GNI	gross national income
IEE	Independent External Evaluation
IFI	international financial institution
ICO	IFAD country office
IOE	Independent Office of Evaluation of IFAD
LDCs	least developed countries
MICs	middle-income countries
M&E	monitoring and evaluation
NGO	non-governmental organization
PCR	project completion report
PCRv	project completion report validation
PMD	Programme Management Department
PPA	project performance assessment
PRISMA	President's Report on the Implementation Status of Evaluation Recommendations and Management Actions
RIDE	Report on IFAD's Development Effectiveness
RMF	rResults management framework

Annual report on results and impact of IFAD operations evaluated in 2013

I. Introduction

1. **Background.** This is the 12th version of the Annual Report on the Results and Impact of IFAD Operations (ARRI). It has been prepared each year since 2003 by the Independent Office of Evaluation of IFAD (IOE) and is a requirement of the IFAD Evaluation Policy¹. In line with past practice the ARRI, together with the Management Response, is discussed with the IFAD Management and staff, and with the Evaluation Committee and Executive Board.
2. When the ARRI was first produced in 2003, IFAD was one of the very first development organisations to produce a report of this type. The Fund remains one of very few multilateral and bilateral organizations to produce an annual evaluation report similar to the ARRI². The production of the ARRI is a reflection of IFAD's continued commitment towards accountability and transparency in reporting on results, as well as learning for better impact on the ground.
3. **Objectives and audience.** The ARRI consolidates and summarizes the results and impact of IFAD-funded operations on the basis of independent evaluations conducted in the previous year³. The ARRI has two main objectives. These are to: (i) present a synthesis of performance of IFAD-supported operations based on a common methodology for evaluation⁴; and (ii) highlight systemic and cross-cutting issues, lessons and challenges that IFAD and recipient countries need to address to enhance the development effectiveness of IFAD-funded operations.
4. While the primary audience of the ARRI is the IFAD Management, staff and consultants, and the Fund's Evaluation Committee and Executive Board, the report is also of interest to recipient countries and the wider development community.
5. **Data sources.** The 2014 ARRI draws on a robust sample of ratings from 224 project evaluations done by IOE starting from 2002. This includes ratings from 35 individual project evaluations done in 2013⁵. The 35 project evaluations are listed in Annex IV and include: 16 project evaluations covered in 5 CPEs, 1 Impact Evaluation, 9 Project Completion Report Validations (PCRVs), and 9 Project Performance Assessments (PPAs). In addition, 2 Corporate-Level Evaluations (CLEs) and 3 Evaluation Synthesis⁶ reports have been used in the preparation of the 2014 ARRI, in particular by building on the vast amount of evaluative evidence and lessons contained in such reports. These CLEs and evaluation synthesis reports are also listed in Annex IV. Details on the objectives of country programmes and individual projects evaluated can be found in Annex V.
6. Of the 35 IFAD-financed projects included in this year's ARRI, 11 were approved between 1997 and 2001, 18 between 2002 and 2005, 6 between 2006 and 2009. Five projects are still on-going, 27 closed between 2010 and 2013, and 3 closed between 2007 and 2009. The average project duration is 8.5 years. Ten of the 35 projects had an implementation period of more than 10 years. The evaluations contributing to this ARRI include the first impact evaluation in Sri Lanka done by

¹ See <http://www.ifad.org/gbdocs/eb/102/e/EB-2011-102-R-7-Rev-1.pdf>.

² The Independent Evaluation Department of the Asian Development Bank and the Independent Evaluation Group of the World Bank also produce annual reports similar to the ARRI.

³ Some of the evaluations included in this ARRI were finalised in the first part of 2014.

⁴ The methodology and processes followed by IOE is captured in the IFAD Evaluation Manual, which may be seen at http://www.ifad.org/evaluation/process_methodology/doc/manual.pdf.

⁵ The evaluations of the 35 individual IFAD-financed projects are included in 29 evaluation reports used to prepare this year's ARRI. This is because, as per established practice, CPEs include the evaluation of more than one IFAD operation.

⁶ CLEs and evaluation synthesis reports do not generally include evaluations/ratings of individual projects financed by IFAD.

IOE in 2013. Impact evaluations were introduced by IOE as a new product last year, in line with the provisions in the IFAD Evaluation Policy, requests by the Evaluation Committee and Executive Board, as well as the prevailing practice followed by evaluation offices in other IFIs and United Nations specialised agencies, programmes and funds. Among other issues, impact evaluations allow IOE to more rigorously measure poverty impact in IFAD operations as well as to experiment with innovative evaluation methodologies, which also benefit other evaluations done by IOE.

7. **The second edition of the Evaluation Manual.** The introduction of impact evaluations by IOE, and other enhancements to IOE's methodologies and processes in general will be reflected in the second edition of the IFAD Evaluation Manual, which is currently under development by IOE. The manual is a major undertaking, and is fundamental for ensuring the quality of, and consistency across, evaluations done by the Office. Moreover, the manual will contribute to generating 'value for money' for IOE and IFAD, as it will lead to strengthened methodologies for better evaluations as well as help streamline evaluation and internal administrative processes. The manual will be finalised in 2015, following due interactions with the IFAD Management and Evaluation Committee.
8. **Learning themes.** Each year since 2007, the ARRI has focussed on one or two learning themes. The topics for the learning themes are agreed with the Executive Board, with the aim of deepening the analysis on selected issues that merit additional reflection and debate in order to enhance the performance of IFAD operations. The second part (chapter III) of the document addresses the learning theme selected for the 2014 ARRI, namely project management⁷. The quality of project management was identified as a key factor in explaining particularly successful or unsuccessful projects in last year's ARRI. The Executive Board in December 2013 reiterated the importance of this learning theme, especially given that the performance of governments (of which project management is a key component), as assessed by IOE in the context of IFAD operations, have not shown much improvement over the years.⁸
9. **Comments on the 2013 ARRI.** Specific efforts were made by IOE in the production of the 2014 ARRI to address carefully the main comments of the IFAD Management, Evaluation Committee and Executive Board on last year's ARRI edition. These included, among other things, a request for a more complete picture of project performance⁹ and inclusion of strategic overarching recommendations in the ARRI. While welcoming the methodological improvements to the 2013 ARRI and the approach of analysing project performance trends over the long run as well more recent trends, IFAD Management expressed some reservations about the inclusion of ratings on non-lending activities (policy dialogue, partnership building, and knowledge management) from country programme evaluations (CPEs), given the relatively small number of CPEs available.
10. In this regard, it is important to underline that the number of CPEs with a common methodology (introduced in 2006) is gradually increasing. IOE has completed 31 CPEs since 2006 based on a common methodology and process, and each year works on around 5 new CPEs. Historically, in total, IOE has conducted 50 CPEs (see Annex X). As such, IOE has evaluated through CPEs around half the countries in which IFAD has been active. The CPE sample size is robust and provides an invaluable source of evaluative evidence and knowledge on IFAD country

⁷ The learning themes addressed by previous ARRIs include: sustainability, and innovation (2007); country context, and project level monitoring and evaluation (2008); Access to Markets, and Natural Resources and Environmental Management (2009); Efficiency (2010); Direct Supervision and Implementation Support (2011); Policy Dialogue (2012) and Understanding Exceptional Projects (2013).

⁸ Minutes of the 110th session of the Executive Board, December 2013.

⁹ As requested by the Governing Bodies, data on all rating categories (satisfactory and unsatisfactory) are now included in Annex VII of the document.

programme performance, which contributes to enriching the analysis and reporting in the ARRI.

11. IOE therefore believes there is value in reporting ratings from CPEs as they are the only instrument currently in IFAD that systematically assess the performance of, and generate lessons on, IFAD country strategies (i.e., the Country Strategic Opportunities Programmes) and non-lending activities. In addition and in line with the Evaluation Manual agreed with the IFAD Management and the Evaluation Committee, IOE evaluates a cohort of IFAD-supported projects in the context of CPEs. The projects to be included in each CPE are agreed with the Programme Management Department and the concerned Government at the outset of the process. This allows CPEs to make an overall assessment of IFAD's portfolio performance in a given country during the period covered by a particular CPE¹⁰, and would include a mix of on-going and closed operations. Closed projects in CPEs are rated based both on a desk review (as done for PCRVs), but with the additional benefit of field visits. The value of using the CPE ratings from on-going operations in the ARRI is to identify contemporary issues of a systemic nature that can help the organisation work towards better development outcomes in all on-going operations.
12. **The independent evaluation ratings database.** Related to ratings, it is also useful to recall that last year IOE made its independent evaluation database¹¹ - with historic data/ratings since 2002 - publicly available. This is in line with the Evaluation Policy and the practice followed by the Independent Evaluation Group of the World Bank. The aim of this measure is to enhance transparency and accountability, as well as make the IOE independent evaluation dataset available to others interested in conducting further research and analytic work on smallholder agriculture and rural development.
13. It is worth clarifying that ratings for all country programme and project evaluations done by IOE are included in the independent evaluation database, thereby ensuring the completeness of the database. It also implies that the database includes some ratings for the same country or project that might have been evaluated more than once by IOE over the years. However, it is essential to underscore that only the most recent evaluation ratings are used in preparing the ARRI, to avoid double counting in the performance and trend analysis presented in the document.
14. There is one important reason why only the more recent evaluation ratings are used in the ARRI. This especially relates to on-going projects evaluated in CPEs. That is, depending on their stage of implementation at the time of a CPE, projects evaluated might not be assessed and rated across all evaluation criteria used by IOE. While 'young' projects would mostly be evaluated in CPEs for relevance, they would not normally be assessed in terms of effectiveness, impact or sustainability. However, the same project, once completed, would eventually be separately evaluated through a dedicated PCRV or PPA (or an impact evaluation), and therefore present a more complete and up-to-date evaluation of results across all criteria.
15. **The ARRI process.** In terms of process, as in previous years, the ARRI was internally peer reviewed by IOE. Thereafter, an in-house learning workshop was held on 19 September 2014, to discuss the ARRI's main findings and recommendations. The workshop was attended by IFAD Management, staff and consultants, as well as representatives of the Swiss Agency for Development Cooperation and the United Nations Development Programme. The comments

¹⁰ CPEs normally cover a 10 year period of IFAD activities in the concerned country. The period of coverage in a CPE is agreed with the IFAD Management and the Government at the outset of the process, in the context of developing the approach paper for each CPE.

¹¹ The database may be accessed at: <http://www.ifad.org/evaluation/arri/database.htm>.

generated at the workshop and IFAD Management's written feedback on the draft 2014 ARRI have been duly considered in the final document.

16. **Document structure.** This year's ARRI follows the same format as last year and is structured in two parts. The first part (chapter II) reports on the performance trends using independent evaluation ratings available since 2002, benchmarks the performance of IFAD operations against other International Financial Institutions (IFIs) and internal targets adopted by the Fund, and highlights the major issues raised in the evaluation reports used as a basis for producing this year's ARRI edition. The second part of the document (chapter III) is entirely devoted to project management, which as mentioned earlier, is the learning theme of this year's ARRI. The main conclusions and recommendations are included in chapter IV.

II. Performance 2000-2013¹²

17. This chapter is divided into four sections. Section A discusses project performance since 2000, followed by an analysis of country programme performance based on CPEs in section B. Section C benchmarks the performance of IFAD-financed projects: (i) with the performance of the agriculture sector operations of other IFIs; (ii) with IFAD's own internal targets (e.g., as contained in the IFAD9 results measurement framework); and (iii) across the five geographic regions covered by IFAD operations. Finally, section D summarises some of the main cross-cutting issues and lessons emerging from the evaluations undertaken in 2013.

A. Project performance

18. **Methodology.** It is useful to underline upfront that each project is evaluated by IOE following the provisions in the Evaluation Manual, and are assessed and rated¹³ across seven internationally recognised evaluation criteria including: relevance, effectiveness, efficiency, rural poverty impact¹⁴, sustainability, gender, and innovation and scaling up. Two of these evaluation criteria (i.e., gender, and innovation and scaling up) are specific to IFAD's evaluation methodology, given the importance attributed by the Fund to these areas of work.
19. In addition, to give a more aggregate and consolidated picture of project results, IOE has two composite evaluation criteria, namely: (i) project performance; and (ii) overall project achievement. Project performance is based on the ratings of three individual evaluation criteria (relevance, effectiveness, and efficiency), whereas overall project achievement is based on all seven criteria applied by IOE.
20. Last but not least, each project is also evaluated for IFAD's own performance and Government performance, in line with the practice in other IFIs. The ratings for these two criteria do not inform either of the two above-mentioned composite criteria. This is because IFAD and Government performance, respectively, are factors that contribute to project performance and overall project achievement. The definitions for each evaluation criteria included in the Evaluation Manual and used in this ARRI may be found in Annex III.
21. As outlined in last year's ARRI, and agreed by the Evaluation Committee and the Executive Board, IOE project evaluation ratings are now presented in two data

¹² The ARRI was first issued in 2003 based on evaluations done in 2002. These evaluations included IFAD-financed projects that were completed in 2000 onwards.

¹³ In line with the Good Practice Standard of the Evaluation Cooperation Group of the Multilateral Development Banks for Public Sector Evaluation, IOE uses a six point rating scale to assess performance in each evaluation criterion. The rating scale is as follows: 6-highly satisfactory; 5- satisfactory; 4-moderately satisfactory; 3-modertaelly unsatisfactory; 2-unsatisfactory; and 1-highly unsatisfactory.

¹⁴ The rural poverty impact criterion is disaggregated into five impact domains. These are: (i) household income and assets; (ii) human and social capital and empowerment; (iii) food security and agricultural productivity; (iv) natural resources, environment and climate change; and (v) institutions and policies.

- series: (i) all evaluation data; and (ii) PCRV/PPA data only¹⁵. The latter contains data only for completed projects and is used as a basis for calculating the 'net disconnect' between independent and self-evaluation ratings (see paragraph 57).
22. **All evaluation data** presents the ratings from project evaluations¹⁶, CPEs, PCRVs, PPAs, and Impact Evaluations. The merit of this data series is its longevity and size. This evaluation data series goes back to 2002 and now includes ratings on 224 IFAD-funded projects comprising, as mentioned in the previous chapter, the 35 project evaluation ratings added in 2013 (see Annex IV).
 23. Its only drawback is the slightly different methodology employed by the different evaluations and the purposive nature of the sample¹⁷. For example, the sample of projects or country programmes evaluated each year was not randomly drawn, and in the early years relatively small, the data cannot be said to be truly representative of the total IFAD portfolio. The longevity of the data series also means that some of the evaluation criteria and methodologies have evolved in order to improve the quality of the evaluations, which makes consistent comparisons over time more difficult. These limitations need to be borne in mind when interpreting the data.
 24. The **PCR/PPA** data series was introduced for the first time in last year's ARRI to address the concern that the 'all evaluation data' series was based on too wide a variety of evaluations and possibly a non-representative sample. This data series only contains ratings from PCRVs, PPAs and impact evaluations¹⁸. These evaluations use a consistent methodology in line with international good practice.
 25. Moreover, as per the Evaluation Policy, IOE evaluates all IFAD-funded projects closing in any given year by validating the corresponding PCRs. In effect, IOE now assesses the entire portfolio at exit, which means that there are no sampling biases in the selection of projects evaluated¹⁹.
 26. For the aforementioned reasons, this data series is therefore considered to be more reliable as compared to the 'all evaluation data' series. However, because PCRVs/PPAs were introduced by IOE in 2010 and impact evaluations in 2013, a sufficient number of PCRVs/PPAs are only available for projects completed in the period 2007-2009 onwards.
 27. Notwithstanding the above, IOE has already thus far completed more than 70 PCRVs/PPAs in a relatively short period of time, which therefore provides quite a solid basis for analysing the performance of IFAD operations. However, the corresponding trend analysis is based on a shorter time series as compared to the all evaluation data series, given that, as mentioned previously, PCRVs/PPAs were only introduced in 2010. Therefore, this provides the justification for presenting both data series in the ARRI for the time being.

¹⁵ This includes impact evaluations by IOE, even though we only refer to it as the PCR/PPA data series.

¹⁶ Until 2010, IOE used to undertake 6-8 project evaluations per year, which would take about 8-10 months to complete and cost around US\$ 95 000 each. However, based on the recommendation of the Peer Review of IFAD's Evaluation Function (2010), IOE transformed its approach to project evaluations by discontinuing projects evaluations as done in the past and introducing PCRVs and PPAs. The new forms of project evaluations (PCRVs and PPAs) – which further aligns IFAD's independent evaluation function with other IFIs - allows IOE to evaluate all projects completed in any given year, and are quicker to undertake and cost much less.

¹⁷ The issue of sampling only applies to CPEs and PPAs but not to PCRVs, as IOE evaluates/validates the PCRs of all completed IFAD-funded projects.

¹⁸ As mentioned earlier, IOE has thus far completed one impact evaluation. It is undertaking another impact evaluation in 2014, and has plans for a third impact evaluation in 2015.

¹⁹ Project Completion Reports are a requirement for all completed projects. However, a small minority of projects are cancelled and the PCRs for some projects are not always provided on time. IOE can only produce PCRVs on the PCRs available.

28. As also agreed last year, both data series present the ratings by the year of project completion, rather than by the year of project approval²⁰ or by the year when the evaluations were undertaken. This is consistent with most other IFIs; is preferable to the previous method of presenting the data by the year of evaluation²¹; and allows the PCR/V/PPA data to be progressively updated as more PCRs become available. Three year moving averages are used to smooth both data series²². In this regard and with reference to the IFAD10 results measurement framework for 2016-2018²³, IOE welcomes the proposal by the Management to also use three year moving averages in the Report on IFAD's Development Effectiveness in the future.
29. This edition of the ARRI continues the practice of only presenting the three satisfactory ratings²⁴ in the charts. Presenting all six ratings in the charts (i.e., including the three unsatisfactory ratings) does not provide a clear picture of any performance trends. However, for sake of transparency and as suggested by the Evaluation Committee and the IFAD Management last year, data for all six ratings is contained in Annex VII for reference.

Trends since 2000²⁵ – all evaluation data

30. This section of the ARRI contains an overview of trends in performance over time using the 224 independent project evaluation ratings available. Annex VI of the document contains charts and graphs illustrating trends by the various evaluation criteria assessed by IOE. Three patterns can be discerned from the aggregated evaluation data available since 2002²⁶: (1) long-term improvement; (2) a recent upward trend; and (3) unchanged performance. These patterns are presented using three-year moving averages starting from 2000-2002 to 2012-2014²⁷.
31. In addition, for the first time, this year's ARRI provides an analysis on independent evaluation ratings by IFAD replenishment periods (starting from the 5th replenishment period: 2001-2003). The reason for including such an analysis is to see trends in performance over subsequent replenishment periods, which might be useful in light of the on-going Consultation on the Tenth Replenishment of IFAD's Resources (IFAD10) in 2014.
32. When organised by year of project completion, three evaluation criteria show clear **improvement since the period from 2000-2002**: IFAD's performance as a partner, sustainability, and rural poverty impact.
33. IFAD's performance as a partner was evaluated as moderately satisfactory or better only in 27 per cent of the projects completing in 2000-2002, as compared to around 90 per cent in 2012-2014. In particular, the percentage of projects rated as satisfactory increased from 0 per cent in 2000-2002 to 47 per cent in 2012-2014.

²⁰ Reporting by year of approval or year of completion give broadly similar results (see ARRI 2013, Annex 6). But on balance reporting by year of project completion is preferred as this includes all the inputs and changes to the project, not just project design and appraisal.

²¹ Presentation by year of evaluation results in a very wide spread of project approval dates and sometimes very old projects being included. Presentation by year of project completion provides a more homogenous cohort.

²² Three year moving averages were first used in the 2009 ARRI, before IOE started undertaking PCR/V/PPA. A three-year moving average allows for the assessment of trends in performance over time, and also overcomes any biases that may result from the sample of projects evaluated, which are not chosen on a random basis. Three year moving averages are calculated by adding evaluation results from three consecutive years and dividing the sum by three. The reason for introducing moving averages is that they produce statistically more valid results, since they smooth out short-term fluctuations and highlight long-term trends.

²³ See IFAD10 Results Measurement Framework: www.ifad.org/members/repl/10/3/docs/IFAD10-3-R-3.pdf.

²⁴ The three ratings are Highly Satisfactory, Satisfactory and Moderately Satisfactory.

²⁵ As mentioned earlier, the trends are from 2000, the completion year of several projects that provided the basis of the first ARRI edition issued in 2003.

²⁶ Only evaluation data since 2002 can be aggregated, as it was in 2002 that IOE introduced and started applying a systematic methodology across all project evaluations undertaken.

²⁷ As mentioned, the ARRI includes a trend analysis based on all projects evaluation rating using a 3 year moving average (2000-2002, 2001-2003.... 2012-2014). The ARRI includes the last data point (2012-2014) because it contains evaluations done in 2012 and 2013.

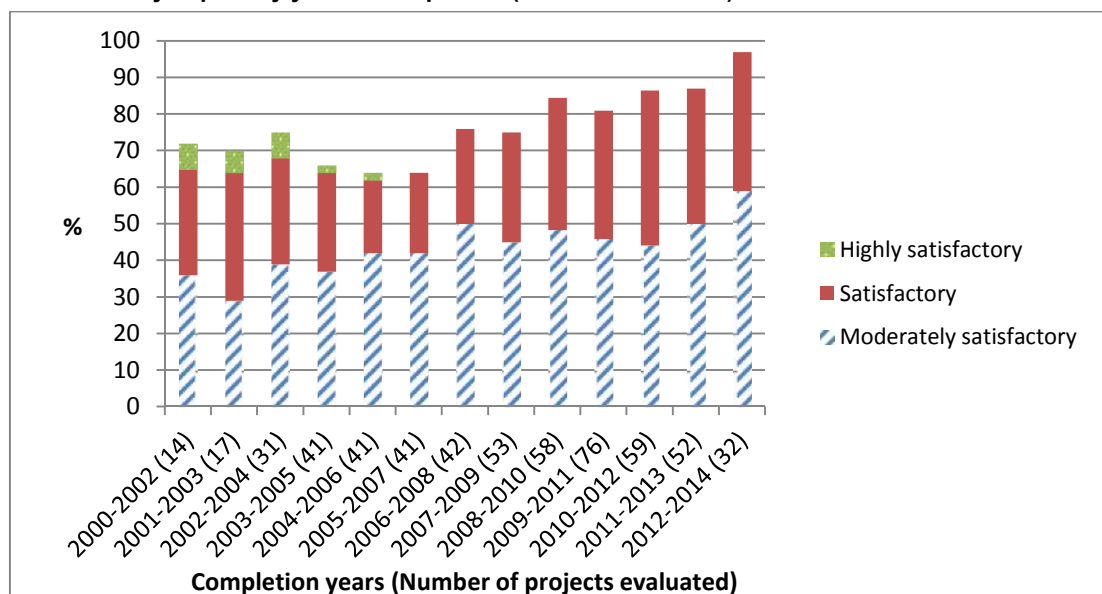
IFAD's own performance in projects completed in 2012-2014 is the best it has ever been since IOE started evaluating this criterion. There are several reasons that explain this improvement, including the introduction of direct supervision and implementation support, more rigorous portfolio management, and the introduction of IFAD country presence.

34. With regard to sustainability of benefits, performance has improved from around 40 per cent moderately satisfactory or better in 2000-2002, to 65 per cent moderately satisfactory or better in projects completed between 2012-2014. However, fewer projects are rated as satisfactory or better, and the share of projects assessed as moderately satisfactory has increased. Several factors explain this improvement (i.e., moderately satisfactory or better performance for sustainability), including more efforts in recent years to scale up success stories. However, sustainability is constrained in some countries by limited institutional capacity especially at the local level as well as by the availability of domestic resources to meet essential recurrent costs (e.g. for the maintenance of small rural infrastructure). Few projects have exist strategies that would clearly define the role and responsibilities of different actors after project closure. Sustainability was rated as moderately unsatisfactory in around 26 per cent of projects completed in 2012-2014 and unsatisfactory in 9 per cent of projects²⁸.
35. As mentioned earlier, the rural poverty impact is a summary criterion informed by the ratings of the five rural poverty impact domains that IOE assesses (which may be seen Annex I). Figure 1 below displays the data for rural poverty impact²⁹. Overall, around 97 per cent of projects closing between 2012-2014 are moderately satisfactory or better for rural poverty impact, out of which 59 per cent are moderately satisfactory and 38 per cent satisfactory. This is the best performance in terms of rural poverty impact since IOE first introduced a common methodology for all project evaluations in 2002. With regard to the impact domains, clear improvement over the past decade is evident for food security and agricultural productivity; institutions and policies; and natural resources and environmental management (see Annex VI).

²⁸ The percentages might not always add up to 100, due to rounding of figures.

²⁹ The charts for IFAD's performance and sustainability can be found in Annex VI.

Figure 1
Rural Poverty Impact by year of completion (all evaluation data)³⁰



36. There are many reasons for improvements in the aforementioned impact domains. For instance, promoting greater access to input and output markets – especially for communities that live in remote rural areas - is one determinant for better food security and agricultural productivity. In some projects (e.g., the Bangladesh Microfinance for Marginal and Small Farmers Project³¹), special attention devoted to establishing viable microfinance institutions to provide opportunities to small and marginal farmer households to invest in on- and off-farm enterprises - is an example of improving performance in the institutions and policies impact domain. And, finally, ensuring sustainable improvement of the environment, by reducing reliance on natural fuel wood supplies and introducing households to wood lots and agroforestry, is an example of activities in Rwanda³² that are contributing to better natural resources and environmental management.
37. The second pattern shows **a recent upward trend** in four evaluation criteria, namely effectiveness, government performance, project performance and overall project achievement. Figure 2 below displays the data for project performance, which as mentioned, is a composite of the relevance, effectiveness and efficiency evaluation criteria. Eighty three per cent of projects closing in 2012-2014 are rated moderately satisfactory or better, out of which 44 per cent are rated as satisfactory.
38. Recent improvements in Government performance is important, as they are ultimately responsible for the execution of IFAD-supported projects and therefore a major determinant of successful outcomes. Just 20 per cent of projects completed in 2012-2014 were rated as moderately unsatisfactory or unsatisfactory for government performance. It is important to clarify that in evaluating Government performance, IOE focuses on assessing the delivery of services and inputs in the context of IFAD operations, such as whether counterpart funding have been provided as per plan, loan covenants fulfilled in line with the financing agreement,

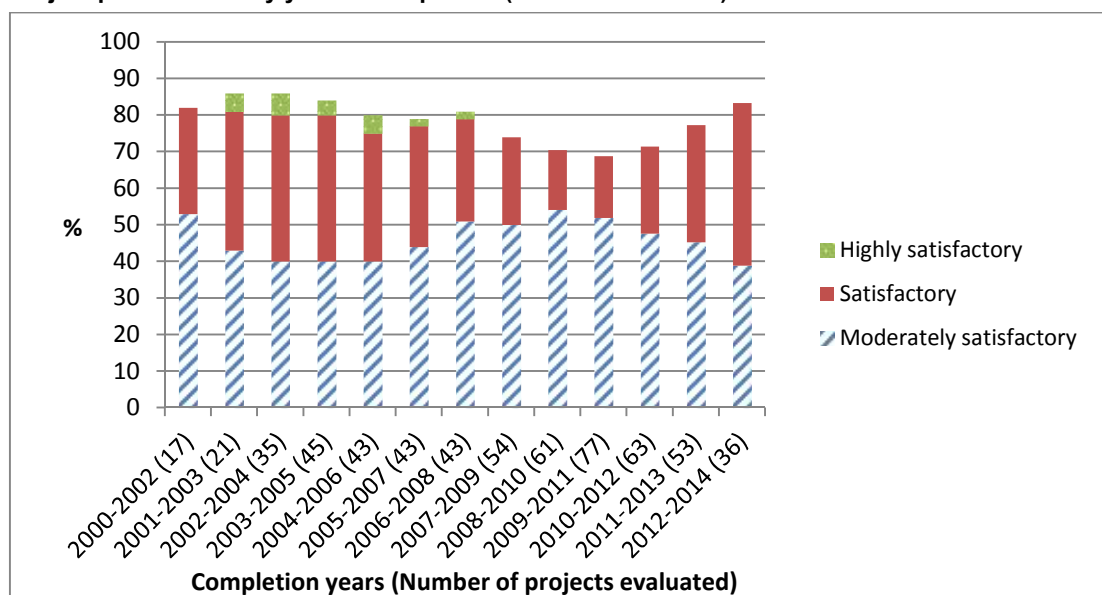
³⁰ To ensure transparency, in this and all other figures, IOE has shown the number of evaluations that have been used in calculating performance in each of the three-year periods used to discern trends in performance over time. However, it is important to note that, the number of evaluations in each three-year period, might change from figure to figure. For example, the number of projects in Figure 1 for the period 2012-2014 is 32, whereas in the same period in Figure 2 it is 36. This is because each figure illustrates performance in different evaluation criteria, and not all project evaluations assess each and every criteria applied by IOE. For example, IOE normally would not assess/rate impact on natural resources management in a project focusing on small enterprise development, and so on.

³¹ The USA Treasury Department provided its 2014 Annual Development Impact Award to this project for promoting innovative agricultural financing.

³² The Umutara Community Resource and Infrastructure Development Project.

and auditing undertaken in a timely manner. It does not aim to assess Government performance at large.

Figure 2
Project performance by year of completion (all evaluation data)



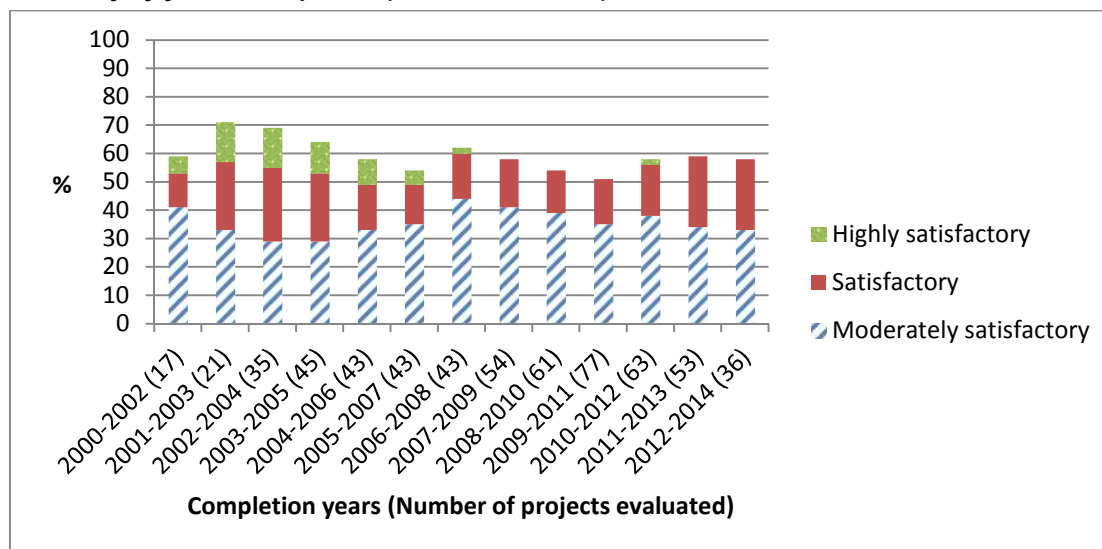
39. Another recent positive trend is the increasing percentage of projects evaluated as satisfactory rather than moderately satisfactory for some evaluation criteria. Relevance, IFAD’s performance as a partner (as mentioned above), and project performance show this characteristic. This is encouraging. For example, in 2007-2009, IFAD’s performance as a partner was rated as satisfactory or better in merely 21 per cent of projects evaluated. The equivalent figure in 2012-2014 was 47 per cent. At the same time, an extremely small number of projects are rated highly satisfactory for any of the evaluation criteria used by IOE.
40. The reality of the recent upward trends mentioned above is subject to some uncertainty. It has yet to be confirmed by the PCRV/PPA data series and appears to be dependent on project data from CPEs. On the other hand, it may be that the CPE data is reflecting recent improvements in IFAD policy and practice that have yet to be reflected in the PCRV/PPA data. Furthermore, it is important to note that some CPEs also include evaluations of on-going projects that might be one to two years (or more at times) from completion. This means that CPE data covers more recent operations, as compared to PCRV/PPA data which only exists for completed projects.
41. The third pattern shows broadly **unchanged performance over the period 2000-2002**. Relevance, innovation³³ and scaling up, and gender show unchanged positive performance, while programme operational efficiency displays unchanged unfavourable performance over the period.
42. Having said that, as mentioned above, the number of projects with satisfactory performance for relevance have increased. In particular, relevance has remained consistently high: 89 per cent of projects completing in 2012-2014 are moderately satisfactory or better, out of which 61 per cent are rated as satisfactory and 6 per cent highly satisfactory. Around 80 per cent of IFAD-financed projects completed between 2012-2014 are moderately satisfactory or better for innovation and

³³ IFAD has a corporate innovation strategy approved by the Board in September 2007 (see EB 2007/91/R.3/Rev.1). It includes a definition for innovation and IFAD’s overall objectives for innovation. Therefore, IOE takes the corporate innovation strategy as a starting point in assessing the innovative nature of IFAD supported country strategies and operations.

scaling up, out of which 33 per cent are satisfactory. In spite of this positive result, evaluations are underlining that greater attention and resources are needed in non-lending activities (i.e., policy dialogue, partnership building and knowledge management) for further achievements to be recorded in scaling up impact by other partners.

- 43. IOE only introduced a specific evaluation criteria for gender in 2010. Since then, performance in gender has been assessed, rated and reported regularly in all project and country programme evaluations. Performance has been consistently good in this area, with close to 90 per cent of projects completed between 2012-2014 rated either moderately satisfactory or better in promoting gender equality and women’s empowerment. In particular, projects have helped women obtain greater decision-making power both at the household and community levels, and improve their workload, nutrition and incomes. However, further progress may be achieved in ‘gender budgeting’³⁴ - an area in which work is on-going.
- 44. Programme operational efficiency has remained consistently low: 58 per cent moderately satisfactory or better in 2012-2014 (see Figure 3) and 42 per cent moderately unsatisfactory or worse. Efficiency of IFAD operations remains the least satisfactory of all evaluation criteria assessed by IOE. There are several contributing factors to this relatively poor performance, including wide geographic and sub-sector coverage of numerous projects. With regard to the latter, it is fair to note that one distinguishing characteristic of the design of IFAD-funded projects is that they are built on the priorities (e.g., geographic and sub-sector) of concerned governments, and are sensitive to promoting country ownership. At the same time, more attention will be needed in COSOPs and project design to ensure that government priorities can be reconciled with the need to work toward achieving highly performing operations and country programmes more broadly.

Figure 3
Efficiency by year of completion (all evaluation data)



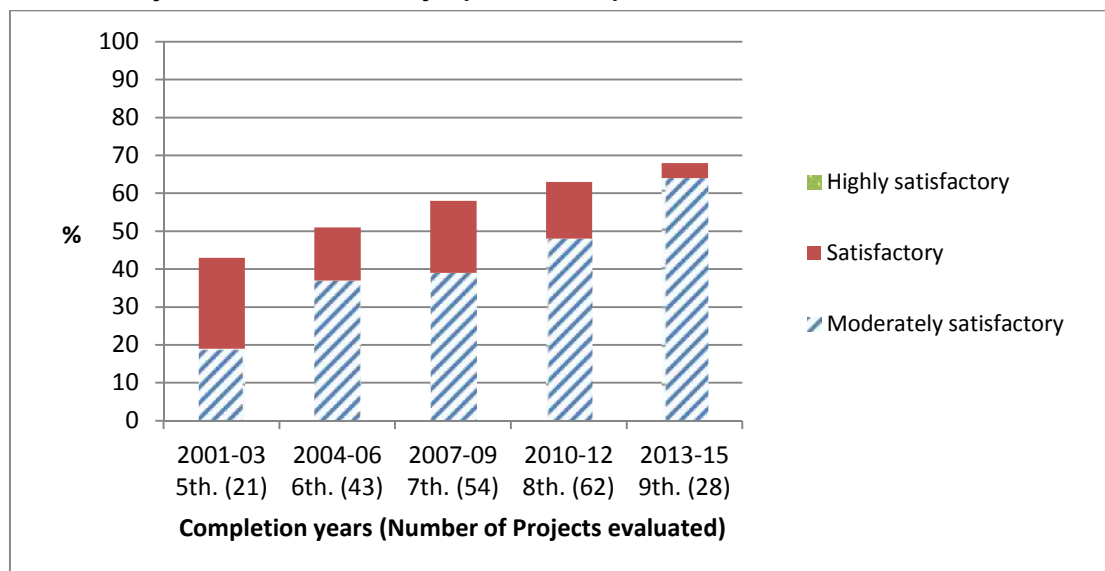
- 45. As mentioned earlier, in addition to presenting the three patterns and trends in three-year rolling periods starting from 2000-2002, Annex VI also presents the trends by IFAD replenishment periods as follows: 5th replenishment (IFAD5, 2001-2003), IFAD6 (2004-2006), IFAD7 (2007-2009), IFAD8 (2010-2012), and IFAD9

³⁴ This is one of the main recommendations from the corporate level evaluation on gender (December 2010). The need for more work on gender budgeting is noted in the results and analysis of IFAD’s achievements against the indicators in the UN Sector-Wide Action Plan for Gender Mainstreaming – see letter of the Executive Director of the UN Women to the President of IFAD, dated September 2014, which says that “there is no specific allocation of financial resources to gender equality and women’s empowerment at the corporate level”.

(2013-2015). This is potentially a more meaningful way of grouping the data than arbitrary three-year periods. It more clearly shows the gradual improvement in most evaluation criteria for projects completing in the IFAD6 period onwards.

- 46. The chart for sustainability is presented in Figure 4, as an example of a criterion that shows consistent improvement over replenishment periods. Around 64 per cent of projects completed in the IFAD9 period (2013-2015) are moderately satisfactory or better in terms of sustainability. However, none of the projects are highly satisfactory and only few are satisfactory.
- 47. IFAD’s performance as a partner is also the best in the IFAD9 period as compared to previous replenishments, with close to 90 per cent of projects being assessed as moderately satisfactory or better for this criterion. A significant number of projects are in fact satisfactory, but none are highly satisfactory.
- 48. A number of references have been made in previous paragraphs to the fact that few projects are highly satisfactory in one or more evaluation criteria. This is visible from the various charts and tables included in the ARRI, which also show a decreasing trend in highly satisfactory performance. There are a number of explanatory factors for this including: (i) the development and introduction of IFAD/IOE’s first Evaluation Manual in 2008 that promoted greater consistency, rigour and quality across evaluations; (ii) a more thorough internal peer review system in the past 5-6 years within IOE to ensure the minimisation of ‘inter-evaluator’ variability; and (iii) the fact that a large number of evaluation criteria are applied in determining *overall project achievement*, which makes it challenging for any operation to achieve a highly satisfactory rating overall. With regard to the latter and in the framework of the development of the second edition of the Evaluation Manual, IOE is carefully reviewing the number and nature of evaluation criteria to apply in each project evaluation in the future.

Figure 4
Sustainability – all evaluation data by replenishment period



- 49. In contrast, the evaluation data by replenishment period shows flat or slightly declining performance for relevance, programme operational efficiency, and innovation and scaling up. Efficiency of operations is particularly weak, with only around 50 per cent of the projects being assessed as moderately satisfactory or better in the IFAD9 period. Though efficiency is in general the weakest performing evaluation criterion, the projects evaluated by IOE will not yet have benefitted from the recent reforms introduced by the IFAD Management to improve efficiency as a response to the CLE on Efficiency completed in 2013.

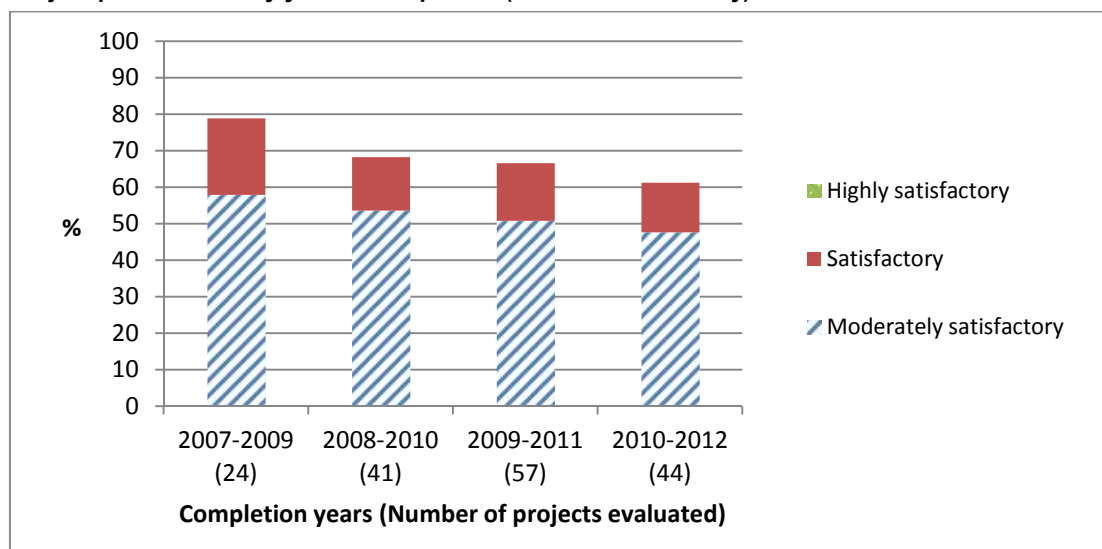
Recent trends in performance – PCRV and PPA data

50. This section includes an analysis only of data from PCRVs, PPAs and impact evaluations, excluding the individual projects evaluated in the context of CPEs. Out of the 35 projects evaluated by IOE in 2013 that have formed the basis for this ARRI, 18 are PCRVs/PPAs, 16 are project evaluations in the CPEs and 1 is an impact evaluation. So, a total of 18 project evaluations (PCRVs/PPAs/Impact Evaluations) in 2013 have been used for the analysis in this section. However, for discerning trends over time only based on the PCRV/PPA dataset, this section also draws on all PCRVs and PPAs (72)³⁵ done since 2010.
51. As mentioned earlier, IOE only started conducting PCRVs and PPAs in 2010 and impact evaluations in 2013. This means the data set overall is more limited for the time being. In principle, as also mentioned previously, the PCRV/PPA data set is more reliable, as they are based on the same methodology and process and cover all IFAD-financed projects that close each year.
52. It is important to note that more or less 25 projects are completed each year, and in line with the Evaluation Policy, IOE is required to validate the PCRs or undertake a PPA or an impact evaluation in 100 per cent of completed projects in any given year. However, IOE has not been able to do so thus far for two main reasons: (i) some completed projects were already evaluated in the framework of CPEs, and it would not represent a good use of IOE resources to undertake a PCRV in such cases, as this would result in a duplication of effort; and (ii) other completed projects could not yet be evaluated, as their PCRs were only received towards the end of the year and their validations were not available when the analysis for the 2014 ARRI was conducted. Such projects are currently however being validated and will be used for the 2015 ARRI. Anyhow, the above explains why the 2013 PCRV/PPA data set is based on 18 evaluations rather than more or less 25.
53. The charts in Annex VI include PCRV/PPA data for four data points starting with the three-year moving average for 2007-2009³⁶. The analysis reveals that there is no evidence of an improving trend for any of the evaluation criteria for projects completing in the five year period for which sufficient data is available (2007-2012). The trend is either flat or, if anything, slightly down. Figure 5 below shows the downwards trend in project performance, with 21 per cent of the projects completing in 2007-2009 rated as satisfactory against 14 per cent in 2010-2012. The PCRV/PPA data confirms that the efficiency of operations remains an area of challenge, with 43 per cent of operations rated as moderately satisfactory or better in 2010-2012.

³⁵ This includes the 18 project evaluations in 2013.

³⁶ The PCRVs/PPAs started by IOE in 2010 include projects completed from 2007 onwards.

Figure 5
Project performance by year of completion (PCR/PPA data only)



54. It is important to point out that although the PCR/PPA data is the most reliable and recent data available, it does still reflect the performance of a historical cohort of projects. The projects completing in 2010-2012 were approved between 1997 and 2005, and most could not be expected to have been significantly affected by the improvements in IFAD’s operating model introduced more recently. For example, quality assurance (QA) took effect from 2008; the changeover to direct supervision and implementation support (DSIS) was completed in 2010; and the Country Presence Policy and Strategy was approved in 2011. It is reasonable to assume that these improvements have not yet been substantially reflected in the projects covered by PCRVs or PPAs.
55. A comparison of the PCR/PPA data and the ‘all evaluation data’ is contained in Table 1 below. The PCR/PPA data shows slightly but consistently lower performance than the ‘all evaluation data’. However, the relative performance across the different criteria is broadly similar. Relevance of operations, rural poverty impact, promoting human and social capital, and IFAD’s own performance are high based on both PCR/PPA as well as the ‘all evaluation data’ sets. Efficiency, sustainability and government performance are the weakest areas in both data sets.
56. With regard to Government performance, as mentioned earlier, it is to be recalled that the ‘all evaluation dataset’ shows an improved performance in recent years. Therefore, given the uncertainty in trends in and the importance of Government performance for the success of IFAD operations, it is essential that continued efforts be devoted to supporting Governments improve their performance.

Table 1
PCR/PPA only and all evaluation data for projects completing in 2010-2012

<i>Evaluation criteria</i>	<i>per cent moderately satisfactory or better</i>	
	PCR/PPA data	All evaluation data
Relevance	89	92
Effectiveness	66	75
Efficiency	43	56
Project Performance	61	71
Rural Poverty Impact	83	86
Sustainability	56	63
Innovation and scaling up	70	78
Gender equality and women's empowerment	75	80
IFAD performance	77	82
Government performance	52	63
Overall project achievement	73	79
Household income and assets	78	84
Human and social capital and empowerment	78	85
Food security and agricultural productivity	78	80
Environment	67	71
Institutions and policy	69	79
Number of projects evaluated	N=44	N=63

57. In each PCR/PPA undertaken by IOE, a calculation is made of the difference in ratings by IOE and IFAD's Programme Management Department (PMD) across each evaluation criteria assessed. The 'disconnect' between the PCR/PPA data reported by IOE and the PCR data produced by IFAD Management is very small and appears to be decreasing over time. The average disconnect this year was -0.2 compared with -0.3 in 2013 and -0.4 in 2012 (see Annex IX). Among other issues, the narrow disconnect shows there is a common view between IOE and the IFAD Management of the areas of strengths and weakness in IFAD operations.
58. Each PCRV also includes an overall assessment of PCRs documents using four criteria: (i) scope, (ii) quality in terms of methods used and data, (iii) lessons, and (iv) candour. On a general note, it is encouraging that efforts are being made to ensure that 100 per cent of completed projects produce a PCR. In spite of that, IOE notes that there are some examples of PCRs that have not been delivered as well as delays in the submission of PCRs. Also, IOE finds that the quality of PCR documents varies from project to project, and therefore there are opportunities to ensure greater consistency across the board.
59. More specifically, the overall assessment of PCR documents³⁷ appears to be improving, as close to 70 per cent of the PCRs validated by IOE are moderately satisfactory or better (see Annex IX). In fact, 35 per cent were rated satisfactory or

³⁷ PCRs are produced by the borrowers. However, IFAD provides support to the concerned authorities in their production (e.g., by having guidelines for the production of PCRs and, on a case by case basis, mobilising consultant(s) to assist the borrower in specific aspects to be covered in the final reports).

better overall up to this year, compared with 28 per cent up to last year. PCRs tend to be strongest on 'lessons learned' and 'scope', and weakest on 'candour' and 'quality'. With regard to quality, the main concern remains with the availability of data and quality of evidence in PCRs to support findings and ratings. In fact, on this issue, performance is lagging in relation to the target set (90 per cent moderately satisfactory or better) for 'PCR quality'³⁸ in the IFAD9 results measurement framework by the end 2015.

60. One specific area of concern relates to weaknesses in project level monitoring and evaluation (M&E) systems. M&E is an area of challenge to both IFAD and other multilateral and bilateral development organisations. While there are good examples of M&E systems in some projects, others still face challenges, including limited attention to measuring outcomes, and late and inadequate quality of baseline surveys. This points both to the need for continued support to individual projects as well as more general capacity building focused on institutions in developing member countries that can undertake monitoring and evaluation activities.
61. Table 2 below ranks the criteria using the percentage of projects rated as satisfactory or better based on PCR/PPA data. Projects score best in terms of rural poverty impact overall and in the individual impact domains, with the exception of environment and natural resources which historically has been the weakest domain (though improving in recent years)³⁹. The relatively poor project performance in terms of programme operational efficiency and sustainability is not a new observation⁴⁰. These have always been weak areas. However, the relatively low effectiveness of projects – only 21 per cent rated as satisfactory or better – has not been highlighted in previous reports. Greater realism in the setting of project objectives is one factor that would improve project effectiveness in the future.

³⁸ See indicator 4.5.3 in Level 4 of the IFA9 results measurement framework.

³⁹ The 2009 ARRI treated natural resources and environment as one of the two learning themes (the other being access to markets). It underlined several reasons why the performance of IFAD operations was weak in natural resources and environment. For example, it found that relatively few resources were allocated to address the major challenges in this thematic area in the past, the lack of a corporate policy on the topic, the availability of insufficient in-house technical expertise, and so on. Since then however, IFAD has undertaken a number of measures to strengthen performance in this area including the establishment of the Environment and Climate Change Division,

⁴⁰ Sustainability also appears to be a challenge in other organisation, such as the AsDB. For example, the 2014 Annual Evaluation Review by the Independent Evaluation Department of the AsDB finds that 54 per cent of agriculture operations evaluated between 2000 and 2013 are 'most likely sustainable' or 'likely sustainable'. That is, close to half their agriculture operations are 'unlikely sustainable' or 'less than likely sustainable'.

Table 2

Ranking of evaluation criteria by percentage of projects completed in 2010-2012, rated as satisfactory or better (PCR/PPA data only)

	<i>Evaluation criteria</i>	<i>Percentage of projects rated satisfactory or better</i>
Best	Human and social capital and empowerment	41
	Food security and agricultural productivity	41
	Household income and assets	35
	Rural poverty impact	35
	Relevance	30
	Gender equality and women's empowerment	34
	Innovation and scaling up	32
	IFAD as a partner	27
	Overall project achievement	25
	Institutions and policies	28
	Government as a partner	23
	Effectiveness	21
	Project performance	14
	Efficiency	16
	Worst	Sustainability
Environment and natural resources		9

Note: the above table is based on 44 completed projects evaluated.

Explaining project performance

62. Last year's ARRI learning theme focused on understanding the performance of particularly successful or unsuccessful projects. This confirmed the importance of, and the strong association between, project design, management and national/regional context. While context is clearly important, good design and good management (by project management, implementing institutions, government and IFAD) can compensate for a difficult context.
63. This year's evaluations confirm the importance of design and management, and particularly the importance of ensuring that the project design addresses the institutional context so that good management is more likely. In MIOP in Pakistan⁴¹, the implementation arrangements designed were consistent with the strengths and weaknesses of implementation partners and built on sustained institutional development. A project design that clearly identified institutional weaknesses as well as ways of countering them was also one of the success factors in the Uruguay Rural Project. This same project exhibited two other features of more successful projects: clear government commitment and ownership, and IFAD's active participation in project supervision. Well-supported participatory management involving beneficiaries also featured as a success factor in a number of projects this year. Along the same line, the Bangladesh Microfinance Project is another example of a well-designed project relevant to the country context and to small and marginal farmers. The project was implemented effectively and efficiently, with some appropriate adjustments, resulting in positive impacts on the livelihood of the target group.

⁴¹ The Microfinance Innovation and Outreach Programme.

64. Design weaknesses were one of the most common reasons for poor project performance: over-ambitious objectives, over-complex designs with multiple components and activities, and/or geographically over-extended project areas. All four of the projects rated as unsatisfactory in PCRV/PPAs were criticised for some or all of these design flaws. Equally important, designs need to be based on, and matched to, a systematic and detailed understanding of institutional capacity. This did not happen in either NORPREP in Ghana or PRONADER in Guatemala. In both cases management capacity was insufficient⁴² and project performance was rated as moderately unsatisfactory or unsatisfactory. A lack of competent staff, and a lack of solid ownership and understanding across all the major stakeholders from the start, was also identified in a number of evaluations, including one of the two projects rated as unsatisfactory for Overall Project Achievement⁴³.
65. The PCRV done this year of the NAADS in Uganda⁴⁴ confirmed the Uganda CPE (2012) findings that ownership and understanding is particularly critical for innovative projects. NAADS was a major programme with the participation of more than ten donor organisations including IFAD. Insufficient attention to marketing and market access; weak monitoring and evaluation systems; insufficiently differentiated poverty targeting; and weak initial project supervision were also identified as contributing to lower project performance. It is however fair to note that the World Bank was the cooperating institution in NAADS, and IFAD therefore did not have the advantage of directly supervising this operation as it does in other cases.

B. Country programme evaluations

66. CPEs assess and rate the performance of: (i) the project portfolio; (ii) non-lending activities including knowledge management, policy dialogue, and partnership building; and (iii) the country strategy (i.e., the COSOP), in terms of its relevance and effectiveness. A visual illustration of the CPE methodology may be seen in Annex II.
67. As the findings of CPEs with respect to portfolio performance are included in the previous chapter of the ARRI, this chapter will be limited to non-lending activities and COSOP performance. This chapter is based on five CPEs done by IOE in 2013 including in China, Bolivia, Moldova, Senegal and Zambia⁴⁵. Lessons learned from some past CPEs have also been utilized, as and when appropriate.
68. **Non-lending activities.** As mentioned earlier, non-lending activities include policy dialogue, knowledge management, and partnership building, which are extremely important for scaling up successes and to ensure wider results on rural poverty at the country level. For instance, through better policy dialogue, IFAD can contribute to policy and institutional transformation in the agriculture sector at the country level, in partnership with other IFIs and UN organisations. Better national policies and stronger institutions at all levels are at the foundation for sustainable smallholder agriculture and rural development. It is however important for IFAD to realistically set objectives and determine the type and extent of policy dialogue it can undertake in large countries (e.g., in Brazil, China, India and others), which traditionally have very strong political and administrative systems and institutions.
69. While the ratings for non-lending activities have improved since 2006-08 (see Figure 6), the majority of country programmes are rated as moderately satisfactory

⁴² In NORPREP (Northern Region Poverty Reduction Programme, Ghana) the design was too complex for the capacity of the small programme support team. In PRONADER (Programa Nacional de Desarrollo Rural, Guatemala) management was poor and inefficient. The PCRV concluded that a systematic and detailed study of institutional capacity should have been carried out at the design stage.

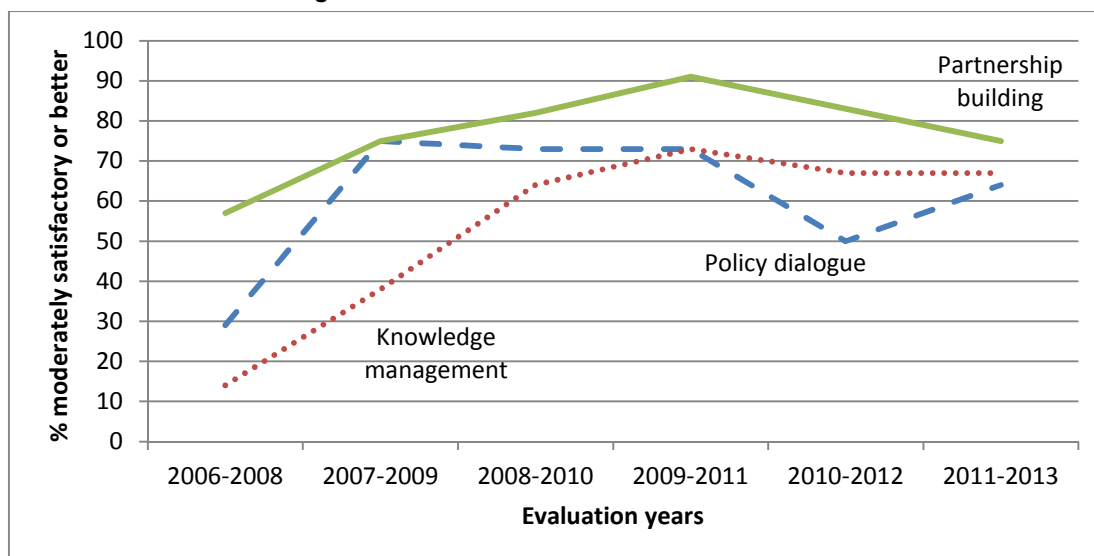
⁴³ Rural Development Programme for Mountainous and Highland Areas, Georgia

⁴⁴ NAADS - National Agricultural Advisory Services Programme, Uganda.

⁴⁵ Some of these CPEs were actually finalised in 2014.

for non-lending activities⁴⁶. Overall, non-lending performance was moderately satisfactory or better in 75 per cent of the programmes in the most recent period (2011-13), but rated as satisfactory or better in just 8 per cent of programmes evaluated.

Figure 6
Performance of non-lending activities 2006-2013



70. The China CPE and others concluded that it is fundamental for IFAD’s policy dialogue efforts to be solidly anchored in the experiences generated through IFAD loan-funded operations and grant activities. While most country programmes evaluated in 2013 were assessed to be moderately satisfactory or better for policy dialogue, there was generally a gap between the ambition outlined in COSOPs and actual policy engagement or results. Moreover, IFAD still does not sufficiently draw upon the outcomes of grant-funded research to inform its policy dialogue work at the country level. The latter was also highlighted in the CLE on the grants policy completed by IOE in 2014. In sum, around 65 per cent of the country programmes evaluated in 2011-2013 were moderately satisfactory or better for national policy dialogue, which is slightly lower than the target set in the IFAD9 results measurement framework⁴⁷.
71. Knowledge management is improving from a very low base in 2006-2008. Around 70 per cent of the country programmes evaluated between 2011-2013 were considered to be moderately satisfactory or better in knowledge management. Only some COSOPs (e.g., China) include knowledge management as a strategic objective. There is therefore room for improvement, for instance, also by learning from failures as well as promoting greater cross-fertilisation across IFAD geographic regions of lessons and good practices. For both policy dialogue and knowledge management, a shortage of human and financial resources partly explains much of the gap between ambition and achievement.
72. Partnerships are typically strong with governments, civil society organisations and NGOs. IFAD’s flexibility, participatory approaches and development focus is highly appreciated by them. Partnership with multilateral and bilateral organisations varies from country to country. For instance, in China, no projects have been co-financed with the Asian Development Bank (ADB) or the World Bank (WB) in the past decade and concrete partnership with FAO is limited. Of the five projects

⁴⁶ The data in Figure 6 is based on all CPEs since 2006, and not just the five CPEs done in 2013.

⁴⁷ The IFAD9 results measurement framework establishes a target of 70 per cent moderately satisfactory or better performance by the end of 2015 for this indicator (i.e., engagement in national policy dialogue, indicator 4.2.3 in Level 4 of the RMF).

evaluated by the CPE in Moldova, only one was co-financed (with DANIDA). In Zambia, there has been a reasonable amount of co-financing over the years from various donors, but not from the African Development Bank (AfDB) which is a major player in the region. Partnerships beyond the co-financing of projects can also be strengthened, such as in terms of undertaking of joint analytic work, sector studies, and knowledge sharing. FAO and UNDP are respectively hosting IFAD country offices in several cases, which is a good starting point for improved cooperation and coordination at the country level.

73. Recent initiatives have led to renewed cooperation agreements at the institutional levels (e.g., with AfDB and the ADB), but more systematic efforts will need to be made at the country level to ensure stronger partnerships with such organisations in the context of both lending as well as non-lending activities. Partnership with the private sector is also variable from country to country. In sum, stronger partnerships with a range of actors is essential, among other reasons, to fulfil IFAD's scaling up agenda and for better rural transformation. This is also reflected by the fact that around 75 per cent of country programmes evaluated by IOE between 2011-2013 are moderately satisfactory or better for partnership building, as compared to 90 per cent target set in the IFAD9 results measurement framework by the end 2015⁴⁸.
74. **COSOP performance.**⁴⁹ As mentioned earlier, COSOP performance entails the assessment of COSOP relevance and effectiveness. The ratings for COSOP performance have not improved since 2006-08. Eighty three per cent of the COSOPs evaluated in the period 2011-13 were rated as moderately satisfactory or better for relevance, but only 25 per cent were satisfactory or better. The equivalent figure for effectiveness was 50 per cent and 17 per cent, respectively. The latter is revealing, illustrating that while projects might be achieving good results within their confined geographic areas, these achievements are not necessarily having sufficient impact on poverty at the wider, national level. This is partly explained by the evaluation finding that there are opportunities for greater integration of, and synergies across, all activities supported by IFAD at the country level, including loans, grants, reimbursable technical assistance, and non-lending activities.
75. All the COSOPs were well aligned with government and IFAD policies and usually, but not universally, with the prevailing context. However, the CPEs undertaken revealed some challenges in the COSOPs that merit attention in the future. For instance, in China, the COSOPs gave insufficient attention to rural-urban migration and the changing socio-economic rural landscape, and in Senegal there was insufficient consideration of the grim environmental prognosis. In two other countries the COSOP's lacked a convincing strategy which linked the proposed interventions to the strategic objectives. In the Moldova COSOP, it was not clear how the interventions would benefit – directly or indirectly – the rural poor and would contribute to reducing rural poverty. Along the same lines, in the Bolivia COSOP, it was judged unlikely that the interventions (primarily better technologies and technical assistance) would be sufficient to resolve the problems of the rural poor. In general, one of the reasons that is constraining overall COSOP performance is the limited administrative resources allocated for the preparation and implementation of COSOPs. For example, as a result, insufficient analytic work and risk analysis is undertaken at the outset of the COSOP process.
76. **Four systemic issues.** There are four further systemic issues raised by the CPEs done in 2013. Firstly, the Executive Board approved guidelines for preparing COSOPs in September 2006. This included the need for IFAD to undertake a COSOP

⁴⁸ See indicator 4.2.4 in Level 4 of the IFAD9 results measurement framework. Also see table 5 in the 2013 Report on IFAD's Development Effectiveness.

⁴⁹ Which is a composite criteria, based on the ratings for COSOP relevance and effectiveness.

- completion report (as self-evaluations) in all cases. While some COSOP completion reports are being prepared, this is not the case across the board.
77. IOE believes COSOP completion reviews by the Management are critical for several reasons, *inter-alia*: (i) to allow all country programmes to be assessed at the end of a COSOP cycle, including non-lending activities (knowledge management, policy dialogue, partnership building) and grant-funded activities, which are presently not assessed systematically, before embarking on the production of new COSOPs; and (ii) because IOE only undertakes CPEs in a selected number of countries in any given year.
 78. Moreover, if IFAD Management were to carry out COSOP completion reviews in all cases, IOE could eventually shift to validating these, as it does with PCRs. This would allow IOE to report on the performance of IFAD country programmes based on a wider cohort of evidence. The undertaking of COSOP completion review would enhance the efficiency and effectiveness of IFAD's overall evaluation architecture, further reinforce the culture of results and lessons learned within the organisation, as well as represent an additional step in the evolution of IFAD's evaluation system and ensure further alignment with the good practice standards of the Evaluation Cooperation Group of the multilateral development banks. IOE does however recognise that COSOP completion review would have budget implications for the IFAD Management, but considers this a priority areas where resources should be made available, either through internal reallocations or the allocation of additional funding.
 79. Secondly, all CPEs have confirmed that the establishment of IFAD country offices is a key feature of IFAD's operating model, especially with out-posted Country Programme managers (CPMs). This was again evident from the Senegal and Zambia CPEs, two countries to which IFAD has recently out-posted the respective CPMs. In China, IFAD has a country office, which is playing a useful role in furthering country programme objectives. The China CPE, however, recommended the out-posting of the CPM to further improve dialogue and performance, especially in a country with such a large portfolio and given the importance of non-lending activities and south-south and triangular cooperation in the country. Finally, the CPEs point to the need to further study in more detail broader issues related to IFAD's country presence and organisational decentralisation (e.g., in terms of delegation of authority to out-posted CPMs, relationship with headquarters, etc.), a topic that could be covered through a CLE by IOE in 2016 or 2017.
 80. An analysis of all CPEs done by IOE between 2006 and 2014⁵⁰ show that the performance of IFAD operations is better in countries with IFAD country offices (ICOs), as compared to those where no offices have been established. For example, the average rating (on a scale from 1 to 6, with six being the highest score) for *Overall IFAD-Government Partnership*⁵¹ is 4.2 in countries with ICOs, as compared to 3.5 in countries without. Not surprisingly, *IFAD's own performance* is better in countries with ICOs (4.2) as compared to 3.8 in countries without. And finally, the performance of the IFAD-funded portfolio is also higher in countries with ICOs (around 4.2), against 3.5 in countries without. This goes in the direction of confirming the hypothesis that ICOs have a critical role in ensuring enhanced results on the ground.
 81. On the same topic, some previous evaluations (such as the CLE on efficiency and the Kenya CPE) reviewed the effectiveness of the regional office in Kenya, covering IFAD operations in East and Southern Africa region. They found that the office was

⁵⁰ Between 2006-2014, IOE completed 31 CPEs in 29 countries. Two countries have two CPEs in this timespan. The analysis in this paragraph is based on 23 countries with ICOs and 6 countries without ICOs.

⁵¹ This is a criteria used in CPEs by IOE. This final rating is based on three individual ratings: portfolio performance, performance of non-lending activities, and COSOP performance.

playing a useful role in supporting activities throughout the region, for example, by providing timely implementation support to projects in specific areas and conducting knowledge and policy work on key topics (such as land tenure and gender). The evaluations did also point to the need to better clarify the roles and responsibilities between the regional office and the IFAD country offices in Kenya and other countries in the region. Moreover, building on the experience of other multilateral and bilateral development organisations, these and other IOE evaluations⁵² concluded that regional or sub-regional offices can have an important place in IFAD's institutional architecture, contributing to better overall development effectiveness and efficiency.

82. Thirdly, CPEs in Middle Income Countries (MICs) found increasing interest among partners for IFAD to facilitate south-south and triangular cooperation. The CPEs also noted that IFAD has started to devote attention to the topic (e.g., IFAD-supported the Government of China to organise a south-south cooperation forum focused on Africa in Mozambique in August 2014). However, this is an area that will require more systematic attention in the future. With regard to IFAD's work in MICs, the evaluations done in MICs as well as the evaluation synthesis report (2014) on MICs found that whereas some MICs provided a fair amount of counterpart funding for IFAD-funded projects, others provided a smaller proportion, at times even less than the share provided by some low-income countries. This calls for a more consistent approach to mobilising counterpart funding from MICs, for example, using income per capita as an indicator to determine a country's share of contribution. Having said that, IOE also realises that an approach to mobilising counterpart funding will also need to take account of the heterogeneity of the countries (e.g., in terms of their size, GNI/capita, etc.) that are classified as MICs.
83. Fourth, CPEs find that COSOPs are extremely critical instruments for, among other issues, ensuring an appropriate strategic positioning of IFAD and guiding IFAD operations, as well as for the integration of all activities supported by IFAD in a given country to strengthen the country programme at large. However, some CPEs found that IFAD's administrative budgets might be too limited for COSOP development and management, project design, and supervision and implementation support. Some crucial activities (e.g. COSOP mid-term reviews and completion reviews, undertaking of analytic work, etc.) are not being conducted in all cases, or are done without the required depth and intensity. This is constraining learning and effectiveness. Given resource constraints, Management is presently reflecting on criteria that could be applied to determine countries where a COSOP might not be required in the future. This is an area that deserves a wider discussion between IFAD Management, the Board and IOE, before a decision is taken to discontinue the preparation of COSOPs in selected cases.

C. Benchmarking

84. As in the past, the ARRI benchmarks the performance of IFAD operations in two ways. Firstly, it externally benchmarks the performance of IFAD operations with the performance of the agriculture sector operations of selected multilateral development banks.
85. There are inherent challenges in external benchmarking, given that different organisations have different development mandates and lending volumes. However, comparisons are still possible, especially due to the fact that the evaluation offices of the IFIs including IFAD/IOE, as members of the Evaluation Cooperation Group (ECG) of the Multilateral Development Banks, use harmonised evaluation methodologies. It is more difficult to benchmark the performance of IFAD

⁵² In particular, the 2007 CLE on the Field Presence Pilot Programme, which included a very comprehensive benchmarking study of the country presence/decentralisation models of other multilateral and bilateral development organisations.

operations with United Nations Specialised Agencies, Programme or Funds, as the nature of their interventions and operating models are significantly different from IFAD's. Their evaluation methodologies and architecture (e.g., in terms of institutional reporting lines) are also different from those who are members of the ECG.

- 86. Secondly, this section benchmarks performance internally: (i) across the five geographic regions⁵³ covered by IFAD operations; and (ii) with selected internal benchmarks (e.g., the targets included in the IFAD9 results measurement framework). Benchmarking the performance of IFAD operations across the five geographic regions should not be used as an indicator to compare the performance of the five regional divisions (as organisational outfits) in the Programme Management Department (PMD). This is because, for instance, the performance of IFAD operations is very much also determined by the performance of Government in each country and region, whereas the performance of the regional divisions is driven by other crucial factors such as internal organisational architecture, staff performance, and management and leadership.
- 87. **External benchmarking.** Table 3 below shows that the performance of IFAD operations was comparable with that of the World Bank: over three-quarters were rated as moderately satisfactory or better.
- 88. At a regional level, the performance of IFAD-supported projects is better than that of the African Development Bank, even though the time series of the data compared is not the same⁵⁴. The performance of IFAD operations is better than that of the Asian Development Bank. However, this overstates the difference as the Asian Development Bank ratings includes sustainability, while the IFAD ratings does not.
- 89. Finally, when interpreting these figures, the different nature of IFAD's agriculture portfolio as compared to those of other IFIs is worth keeping in mind.

Table 3

Project performance - Percentage of agriculture and rural development projects completing 2000-2013 rated moderately satisfactory or better⁵⁵

<i>Time period</i>	<i>IFAD</i>	<i>IFAD Africa</i>	<i>IFAD Asia and Pacific</i>	<i>ADB</i>	<i>WB</i>	<i>AfDB</i>
2000-2013	78	74	89	60	77	64
Number of projects evaluated	224	100	62	155	569	100

- 90. **Internal benchmarking.** Annex VIII includes two tables with analysis on internal benchmarking. Firstly, the data reveals that the performance of IFAD operations is strongest in the Asia and Pacific Region (APR), followed by East and Southern Africa (ESA). The region where performance of operations is weakest is West and Central Africa (WCA). With regard to the latter, it is important to underline that an important contributing factor is the relatively weaker policy and institutional context as well as the large proportion of fragile and conflict affected states and situations located in the WCA region.

⁵³ Asia and the Pacific, East and Southern Africa, Latin America and the Caribbean, Near East, North Africa and Europe, and West and Central Africa.

⁵⁴ At the time of publication, AfDB data was only available for 2009-2012. Also, However, the performance of IFAD operations is moderately satisfactory or better in 65% of evaluations in the period 2009-2012.

⁵⁵ The rating used for IFAD is project performance which is an average of relevance, effectiveness and efficiency. For ADB it is the overall rating of Agriculture and Natural Resources projects (ADB's overall rating is a composite of relevance, effectiveness, efficiency and sustainability). For the World Bank, it is the IEG outcome rating for Agriculture and Rural Development projects (relevance, effectiveness and efficiency), similar to IOE's project performance criterion.

91. Secondly, the data also shows that the performance of IFAD operations has improved in most of the areas assessed - except programme operational efficiency - since the independent external evaluation of IFAD was completed in 2005. However, based on independent evaluation ratings, performance is lagging in relation to the targets set for the end of 2015 (see IFAD9 RMF, covering the period 2013-2015). The gap is relatively small in the case of the targets for relevance and rural poverty impact, but wide in a number of other criteria (e.g., effectiveness, efficiency, sustainability, Government performance, partnership building, and PCR quality).
92. With regard to the aforementioned, it is suggested that, where available, IOE evaluation ratings be used henceforth for setting targets, tracking progress and reporting by the Management against those RMF indicators/criteria covered in independent evaluations (e.g., effectiveness, efficiency, gender, etc.). This would eliminate the current practice of parallel reporting by IFAD (i.e., respectively by the Management and IOE), which has in the past resulted in different figures being reported for the same performance indicators/criteria. Such parallel reporting can also be a cause of inefficiency in discussions with the Governing Bodies and stakeholders on the performance of IFAD-funded projects and country programmes.
93. On the aforementioned, IOE recognises that IFAD's self-evaluation system is improving and the overall average disconnect between IOE ratings and self-evaluation ratings is currently narrow. Nevertheless, this would not provide a sufficient reason for using self-evaluation ratings to report against those RMF indicators assessed by IFAD's independent evaluation function, because it is not possible to predict the future trends in the net disconnect between IOE and self-evaluation ratings. Moreover, there is another important consideration in favour of using IOE ratings. That is, given the latter are based on an independent perspective, it can contribute to further enhancing the credibility of the Fund's results reporting system in general. Finally, the use of independent evaluation ratings to report against RMF indicators would be consistent with the approach taken in some other IFIs (e.g., the ADB).

D. Cross-cutting issues raised by the 2013 evaluations

94. This section highlights a selection of the more strategic issues raised by all the 2013 evaluations that have informed this edition of the ARRI. Many of last year's issues - programme operational efficiency, over-ambitious objectives, poverty focus, and persistently weak monitoring and evaluation - were again in evidence in the evaluation reports but are not repeated here.
95. **Environment and climate change.** Many of the CPEs highlighted the overarching and cross-cutting threat posed by environmental degradation and climate change, and the inadequacy of project efforts to date. In Bolivia, the introduction of sustainable practices has not reversed the process of desertification. In Zambia, environmental degradation and climate change pose significant constraints to key growth sectors such as agriculture and tourism. While the IFAD-supported projects have mainstreamed environmental approaches, positive impacts on the environment remain quite limited. The Senegal and China CPEs came to a similar conclusion. In Senegal, projects did not provide an adequate response to the grim environmental prognosis. In China, there is a growing correlation between rural poverty and environmental stress. Merely looking at the direct environmental impacts of projects is no longer an adequate approach. Finally, next year, IOE plans to prepare an evaluation synthesis report on natural resources and environmental management including climate change. This will provide a timely opportunity to study the topic in more detail and identify areas of strengths and weaknesses.
96. **Knowledge management.** Knowledge management (KM) is increasingly recognised as a key component for learning and improvement in IFAD. At the

corporate level, several measures have been taken in the past few years (e.g., the creation of the Strategy and Knowledge Department) and others being introduced (e.g., a new KM framework) to improve performance in this area. However, at the country level, the resources allocated and attention to KM varies from country to country, and region to region. For instance, as mentioned earlier, the latest China COSOP (2011) included knowledge management as a specific objective. The important role of monitoring and evaluation in supporting KM; the critical contribution of KM to both scaling up and policy dialogue; and the importance of grants for KM and policy dialogue all needs to be emphasised. As non-lending activities become increasingly recognised as fundamental to IFAD's impact in country, KM needs to be seen as one of the key factors to achieving that impact.

97. **Middle-income countries** (MICs) are increasingly significant within IFAD. Most of the world's poor people are now in MICs. While extremely diverse as a group, and sometimes representing a context that is just as challenging as found in low-income countries, the nature of IFAD's partnership with MICs is changing. Access to loan funds is still important, but there is increasing demand for non-lending services including technical assistance, and support for south-south and triangular cooperation. MICs are becoming increasingly discerning and demanding. This in turn has important implications for IFAD's business model and for the funding and capacity of in-country offices. The potential for joint country strategies, particularly with other UN food agencies and the IFIs, needs to be more actively explored.
98. **Partnerships** are a related issue. As mentioned in the section of country programme performance above, partnerships with immediate government counterparts and NGO/civil society project partners has usually been very good. Partnerships were sometimes less strong with government departments and agencies not immediately involved with project implementation and, in all five of the country programmes evaluated this year, much weaker with other multilateral and bilateral agencies. While consultative partnerships sometimes existed, technical and financial partnerships with other development agencies were under-developed. Opportunities for co-financing or scaling up were missed. This applied equally to partnerships with the private sector, which were generally limited. Partnerships are particularly crucial for relatively small agencies such as IFAD, and are particularly crucial in middle-income countries. These countries are interested in impact at scale and in technical expertise and policy contributions of the highest calibre. IFAD will be best placed to contribute to both in partnership with others.
99. Partnerships with the private sector are worth highlighting. IFAD has traditionally worked with borrower governments to reduce rural poverty. More recently, a focus on value-chains development has highlighted the importance of working with small and medium-sized enterprises. While national investment is important, international investment in commodity production, and international supply chains, has become very significant in recent years in some countries. Some positive shifts towards more socially and environmentally responsible supply chains are also evident. Many of these initiatives, investments and supply chains have major implications for small farmers and rural environments. IFAD's partnership role in relation to the private sector – national and international – is therefore an important emerging issue.
100. **Sustainability** is not a new issue. It has long been highlighted by the ARRI as a major challenge. While by some measures sustainability is slightly improving, it remains one of the lowest performing criteria. Based on PCRV/PPA data, only around 10 per cent of projects were rated as satisfactory or better for sustainability over the period 2010-2012 (see table 2) and around 45 per cent were moderately unsatisfactory or worse. The lack of maintenance to rural infrastructure is still being identified in project evaluations over a decade after this was first mentioned in the ARRI. More generally, the Zambia CPE concluded that there were weak prospects for sustainability in most IFAD-funded projects, and the Senegal CPE

found that there was a systematic lack of sustainability beyond the life of projects. Given that sustainability remains a major challenge in IFAD-funded projects, as it does for other development agencies, IOE proposes to further analyse the sustainability of IFAD operations by treating it as the learning theme for next year's ARRI, subject to the agreement of the Board.

101. **The project approach.** While more can be done to improve sustainability, the Senegal CPE made the important point that the problem of sustainability is also to a large extent inherent in the project approach. Projects are by definition finite, and IFAD continues to be an institution that is primarily based on projects, in spite of more attention reserved to non-lending activities in COSOPs. This links to almost all the other issues mentioned: knowledge management, environment and climate change, and middle-income countries. For all these issues, a continued focus on projects will need to be reconciled with greater attention to non-lending activities and grants, and their integration into more coherent country programmes. Moreover, lending for longer duration, strategic programmes aimed at major national challenges needs to be more actively considered moving forward. In this regard, the ARRI notes that there are some recent examples to introduce programmes with longer term durations, for example, covering more than one PBAS (3 year) cycle.
102. **Slow project effectiveness.** A significant number of evaluations have identified a familiar pattern of delayed project effectiveness; implementation delays and problems in the early years; and much improved performance after the mid-term review. While sometimes the project is recovered and is ultimately successful, too often this pattern leads to project extensions being required and to higher than necessary management costs. A slower first half of the project may be inevitable to some extent. Project staff may need to refine the design and implementation, and it may take time to become familiar with IFAD policies and procedures and to build the necessary capacity. However, weak designs and weak supervision by IFAD in the early years often contribute to slow project effectiveness. A joint review of this issue by government and IFAD is required in countries with a history of slow project effectiveness, as proposed for example in the Bolivia CPE.

III. Learning theme⁵⁶

E. Introduction

103. The 2013 ARRI recommended that this year's learning theme should examine the role of government, with a particular emphasis on project management. Subsequent discussions highlighted the importance of project management arrangements more generally and the role of government and IFAD with respect to these. Nevertheless, although the 2014 ARRI learning theme is devoted to project management issues more generally, special attention has been devoted to project management arrangements as key to the success of IFAD-funded operations.
104. Moreover, it is useful to clarify that this chapter covers only the subject of project management and related arrangements in IFAD-funded projects, and does not aim to cover wider issues related to the institutional architecture of IFAD-funded projects, nor does it attempt to provide an assessment of service providers (e.g. NGOs, ministries of agriculture, private sector, civil society, etc.) who also have an important role in the implementation of IFAD-funded projects.
105. The objectives of this section are to synthesise available information on project management arrangements in IFAD, and to identify some of the key issues that need to be considered further, possibly as part of a CLE on this topic in the future.

⁵⁶ This chapter builds on an Issues Paper produced by IOE on Project Management, as well as comments received from IFAD Management and staff at the ARRI learning workshop held on 19 September 2014. The full Issues Paper may be seen at http://www.ifad.org/evaluation/events/2014/arri/arri_issuep.pdf.

It draws on a review of 60 projects approved within the last 14 years, roughly divided across three groups: completed projects (approved in 1999-2004); projects far along in implementation (approved 2007-2008); and recently launched projects where early project status reports (PSRs) are available (approved in 2011). This was supplemented with interviews with IOE staff, selected CPMs and other Programme Management Department staff and managers, and with an internal learning event in September 2014. The analysis also benefits from a review of past IOE evaluation reports.

F. Context

106. In the context of operations funded by IFAD and other international financial institutions (IFIs), project management broadly refers to the management and coordination of the different elements of project implementation. These include, inter alia: design and engineering; procurement of works, goods and services; financial management; and, importantly, monitoring and evaluation (M&E). As has been long-recognized in the development community (and elsewhere), effective project management is a vital condition for successful project implementation. Project management arrangements encompass project management units (PMUs) but go beyond them. While project implementation itself is distinct from project management in theory, the two overlap in practice. The IFAD Policy and Technical Advisory Division (PTA) recently did a study⁵⁷ on project management arrangements. Among other issues, the study emphasised that project management goes beyond PMUs, which are but one link in the borrower-to-beneficiary (B2B) chain.
107. On a related issue, it is necessary to point out that the project management units of IFAD-supported projects are entirely staffed by national officers and do not include international personnel on their staff. This is unlike projects funded by several other bilateral or multilateral development organizations (e.g. Food and Agriculture Organization of the United Nations or United Nations Development Programme) or international NGOs, which often have dedicated international staff assigned on a full-time basis to projects at the country level.
108. It is also important to clarify the role of IFAD country programme managers (CPMs) in relation to the management of IFAD-funded projects. CPMs (whether Rome-based or out-posted in recipient countries) are not directly involved in the day-to-day management or implementation of IFAD-supported projects. CPMs do however play an indirect role, for example, by undertaking project supervision that generate recommendations for improving project management and implementation; providing implementation support on a periodic basis (e.g. by mobilizing consultants in specific technical areas – such as for gender mainstreaming or M&E – to support project management teams); providing inputs in the preparation of the project's annual work programmes and budget; reviewing the proposed candidates for the position of project directors; and providing clearance on withdrawal application of loan funds, and for authorizing the replenishment of project special accounts.
109. The quality of project management has long been recognised as one of the critical factors determining project performance. This was emphasised in the review of exceptional projects in the 2013 ARRI. The few exceptionally successful projects in difficult contexts tended to have high quality project management, as well as good designs and good support from IFAD and government. Poor management and poor designs were consistent features of exceptionally poor projects.
110. Each IFAD-funded project has customised project management arrangements outlined in the Project Implementation Manual. The basis of these arrangements is

⁵⁷ Effective Project Management Arrangements for Agricultural Projects: A Synthesis of Selected Case Studies, PTA (2013).

almost always the project unit in a variety of forms. Other IFIs, UN and bilateral development agencies depend on similar arrangements to a greater or lesser extent.

111. The issue of these units – variously termed project implementation units (PIUs) or project management units (PMUs) – drew a lot of criticism in the 2000s. The 2004 World Development Report cited studies which showed that PIUs had no significant impact on project outcomes, while undermining the sustainability of results. A 2005 Asian Development Bank concluded differently: PIUs were a generally justifiable implementation arrangement for capital investment projects. That aside, the accepted view, most clearly expressed in the Paris Declaration on Aid Effectiveness (2005), was that parallel PIUs were detrimental and were to be avoided wherever possible. Such structures are often “set up outside (and therefore parallel with) existing country institutions and structures and can as a result, undermine efforts to strengthen the capacity of core government institutions, distort public sector staffing and salary levels, and reduce the degree of control and accountability exercised by partner governments in the implementation of aid-funded activities⁵⁸.”
112. A 2010 OECD progress review stated that the total number of parallel PIUs had declined by 32 per cent since 2005, but that IFAD was the only participating IFI where the analysis showed an increase in the number of PIUs⁵⁹. While there may be good reasons for the prevalence of PIUs in IFAD-supported projects – such as the typically weak capacity in ministries of agriculture and the remoteness of the rural areas where the projects are located – the continued reliance on such project arrangements merits examination.

G. Project management performance

113. The evidence relating to the performance of project management is limited. IFAD does not maintain a database of the kinds of PMUs or other management arrangements that are put in place, their cost, or their scope⁶⁰. IFAD has not yet conducted a portfolio-wide review specifically devoted to project management or project management arrangements in the past. There is also no dedicated evaluation criterion in the IOE methodology that assesses the performance of project management per se. Aspects of project management do, however, contribute to the assessment of effectiveness, efficiency, sustainability and government performance as a partner, which are four of the evaluation criteria in the IFAD Evaluation Manual.
114. While project management is not explicitly rated, IOE evaluation reports do include some analysis of the qualitative explanatory factors affecting the performance of project management. These include delays in appointment of, and frequent rotation/changes in, project staff; low priority attributed to M&E activities; challenges in applying the IFAD Results and Impact Management System; limited knowledge of IFAD policies, priorities and operational procedures; relationship and communication challenges due to the higher compensation packages provided to project staff; and uneasy relationship with, and interference by, the designated executing agency.
115. The evaluations also underline some positive characteristics that enhance the performance of project management. These include, for example, the commitment and ownership of project management staff; regular implementation support by IFAD; participation in annual country-level portfolio review and regional implementation workshops; clear guidelines and procedures for procurement and

⁵⁸ Aid Effectiveness 2005-2010: Progress in Implementing the Paris Declaration (OECD, 2011).

⁵⁹ Aid Effectiveness 2005-2010: Progress in Implementing the Paris Declaration (OECD, 2011). There is some debate about the validity of the numbers of PIUs reported in this report.

⁶⁰ Other IFIs also do not maintain such a database either.

financial management; and participation in dedicated training on specific issues of priority to IFAD and the project.

116. Project status reports (PSRs)⁶¹ include a rating for the quality of project management. In 2013, 31 per cent of on-going projects were rated as satisfactory or better⁶² for the quality of project management, and 80 per cent were rated as moderately satisfactory or better. The important function of M&E is rated the weakest. It also appears that there has been a drop in ratings between projects approved pre- and post-2009, with only 20 per cent or less of the post-2009 projects reaching the satisfactory or better threshold. There are at least two reasons that could explain a drop in performance of projects approved post-2009. These relate to a more rigorous internal quality assurance system introduced within IFAD in 2008 for assessing project design, and more comprehensive divisional portfolio reviews in recent years, including detailed peer reviews of project performance during implementation by both internal and external reviewers.
117. As mentioned above, in 2008, IFAD introduced an arms-length quality assurance system to assess the robustness of project design. Project management is the issue most frequently raised in IFAD's internal (ex-ante) quality assurance of new project designs. Of the 217 quality assurance reviews conducted from 2008 to 2014, half (109) include significant comments on institutional arrangements, implementation arrangements, and project management. A review of those quality assurance reports revealed that the following sub-topics were most likely to receive special attention: project management arrangements, including monitoring and funding arrangements; recruitment of qualified staff (including project managers); provisions to build capacity in local institutions through the project; and the role and capacity of service providers.

H. Findings

118. **The data on project management arrangements and costs is limited and inconsistent.** The limited data on project management arrangements has already been mentioned. This extends to data on the cost of project management, especially at project completion. There appears to be no clear guidance on what is to be included under the heading of project management costs and little of consistency with respect to what is included in this category in different projects. This makes it a challenge to systematically track (let alone evaluate) project management costs, including costs that may be hidden, and has potential adverse implications for project efficiency and IFAD funds available for other project components. While project management costs average around 10 per cent of total project costs in the projects reviewed, the percentage in specific projects as shown in President's Reports and other project design documents ranged from less than 5 per cent to as high as 25 per cent. There are however examples of projects evaluated by IOE where around 40 per cent of total costs were spent on project management at the time of closure.
119. **PMUs in the IFAD context vary widely in the functions that they perform.** The function of PMUs may vary from coordinating the actions of subordinate PMUs to implementing specific project components. Stemming from this range of functions, the units are named in IFAD documents in a variety of ways. 'Project management unit' (PMU) is the most common name, followed by 'project coordination unit' (PCU). Sometimes these reflect real differences in functions, as in the important difference between a PMU and a PIU (project implementation unit), but not always.

⁶¹ The concerned CPM prepares a project status report (PSR) each year during implementation for each on-going IFAD-financed project. PSRs are based on supervision reports and other information available to the CPM, and include an assessment and rating across a number of indicators/criteria (e.g. targeting, M&E, gender, sustainability, etc.). PSRs for the same project are update from year to year.

⁶² Annual Review of Portfolio Performance 2012-2013, Programme Management Department (November 2013).

120. There has been little change in the pattern of project management arrangements at IFAD over the 1999-2011 period, with one important exception. Within the sample reviewed, a large majority of IFAD-supported projects still use PMUs for project management, and the mix of the types of PMUs has remained more or less the same. Two significant developments —the 2005 Paris Declaration and IFAD's adoption of direct supervision and implementation support (DSIS) in 2007—appear to have had little effect on IFAD's project management arrangements, at least at this broad level of categorization.
121. DSIS has had important benefits with respect to project management. It has given IFAD staff an opportunity to directly work with and support PMU teams during implementation. DSIS has therefore strengthened IFAD's knowledge and understanding of project management issues, and allowed CPMs (particularly out-posted CPMs) and country based staff to contribute to resolving bottlenecks emerging during implementation in a more timely and effective manner. Several evaluations have reported that IFAD country presence has also benefitted project management.
122. In preparing the Issues Paper on project management for the 2014 ARRI, discussions with IFAD staff revealed the importance to tailor PMUs to the project and country context. Weaker institutional capacities and policy framework in fragile states will have an impact on PMUs. For instance, in such contexts, PMU staff might require greater training in project management related issues (e.g., participatory monitoring and evaluation), than in other low-income and middle income countries with wider human resource capacity. PMUs in fragile states might require closer coaching, supervision and mentoring by the lead executing agency, as well as more implementation support by IFAD.
123. **Parallel and single PMUs still predominate.** Of the 60 projects reviewed, 8 were fully integrated into/embedded in the government structure, while 49 were or are being managed by PMUs that are parallel to existing government structures, albeit to a varying degree. This mix has not changed over time.
124. It is important however to be cautious in classifying PMUs of IFAD-supported projects as parallel structures. That is, unlike the PMUs of several other development partners, the PMUs in IFAD-funded projects, though dedicated entities, are part and parcel of Government apparatus. The project directors are often Government officials seconded for the duration of implementation, who report to a steering committee composed of senior officials from the Government. Projects draw on government line departments for implementation, and use government systems for flow of funds, and so on.
125. Interestingly, in this regard, if adequately anchored in Government institutions and systems, PMUs can indeed enhance the efficiency of IFAD operations, as concluded by the Mozambique CPE (2010). This is because, inter-alia, a dedicated PMU whose prime responsibility is to manage IFAD-funded projects is likely to pay enhanced attention to ensuing implementation remains on track and is undertaken in line with agreed timelines.
126. PMUs can be broadly classified into four sub-categories: single, multi-layered, multiple parallel, and the Super PMU. Single PMUs (one for each IFAD-funded project) were the most common project management arrangement over the time period reviewed, accounting for more than half of all PMUs. In this arrangement, one PMU is responsible for managing the implementation of project components over the project's entire geographic area. Evaluations show there are several advantages in this model, as also mentioned in the previous paragraph. There could however be some challenges to sustainability, especially if at the end of implementation, PMU staff are no longer available to support Government development efforts in general. Super PMUs (units that manage two or more IFAD-funded projects) also raise sustainability and other issues, but can have

advantages in terms of knowledge sharing and synergies across projects in the country programme, higher-level government attendance at steering committees, and economies of scale.

127. Steering committees are important to support PMUs in providing strategic guidance, monitoring and oversight. While the heads of PMUs (i.e. the project directors and/or managers) are responsible to the executing agency, most IFAD-supported projects build in a "steering committee." They are expected to meet anywhere between once to four times a year, with representatives from all stakeholders in the project. The chair of the committee is a representative from the designated executing agency, which in a large number of cases is the Ministry of Agriculture, and that representative is supposed to be either the minister or a high-ranking deputy. The committees are also joined by representatives of concerned NGOs, private sector partners, and other relevant organizations, as well as by IFAD staff (usually from the country office). These committees are intended to be a forum for relevant stakeholders to convene and discuss the progress of the project, and take steps to address relevant issues.
128. The PTA study on PMUs pointed out that steering committees have not proven to be effective and offer limited strategic guidance. Issues raised in interviews conducted for that study included inactive steering committees, weak capacity of steering committee membership, and lack of balance of membership. The study notes that even when the preceding issues appeared to be resolved on paper, "reports indicate that senior members would delegate meetings to junior members," reintroducing the problem of lack of capacity and lack of authority. This was confirmed in this review and was a sentiment echoed in the large majority of interviews with country programme managers, though one interviewee did highlight the steering committee's importance for generating buy-in at a local level. Project completion reports and project performance assessments rarely mention steering committees and thus shed little light on this subject.
129. One other attribute that appears to have changed little over the time period is the **limited use of competitive selection for the project manager and other project staff**. The most common method (47 per cent of cases) of selecting a project manager is through designation by the Government. Based on the limited sample, the use of this method appears to be slightly declining over time, and the percentage of managers transferred from previous IFAD-funded slightly increasing. However, the percentage of project managers selected through an open competitive process (28 per cent of cases) has not changed over time.
130. **There has been a positive trend away from the use of PMUs to implement project components, and an increasing reliance on service providers. In effect, PIUs have been replaced by PMUs.** For projects approved in 1999-2004 and 2007-2008, almost a quarter had components that were implemented by the PMU; in 2011, none did. There has been a corresponding increase in the use of a combination of government and service providers, including NGOs and private sector businesses, to implement IFAD-supported projects. This implies that greater use is being made of national institutions and country systems for implementation purposes, in line with the Paris Declaration.
131. As mentioned earlier, project management arrangements need to be "tailored" to the country and project context. However, **the wide variety of different arrangements in IFAD-funded operations does not seem to depend on the type of activities being financed but may largely be driven by the preferences of governments and CPMs.** The increased role of governments (particularly in large middle-income countries) in the choice of project management arrangements and staff selection can increase effectiveness through a sense of ownership and knowledge of local capacity and institutions. Project management arrangements that reflect the experience and preference of the responsible CPM

can also be positive if it results in arrangements well-tailored to the project and country context. However, the influence of both governments and CPMs risk decreasing effectiveness and efficiency if it constrains the use of best practices.

132. **The lack of good practice guidance on project management is a clear and fundamental gap in the 'toolkit' available to CPMs/project teams.** Better evidence is required to guide the choice of different management arrangements in different circumstances. This is linked to a reported to the lack of knowledge-sharing, particularly across regions. The knowledge of what works, what does not and why obtained from practical, on-the-ground experience of individual CPMs is not readily available to others. Systematic learning from IFAD's experience over the years in order to develop a clear typology and related guidance on the arrangements that are suitable for different types of projects would have clear benefits.
133. The key motivation in the choice of project management arrangements is that of efficient, timely and effective project implementation and disbursement. A parallel PMU with full-time, dedicated staff is an attractive option for this reason, particularly in countries or regions with weak government capacity. However, such an arrangement may or may not undermine capacity development and the potential for sustainability and scaling up. These trade-offs are contested and not well understood.

Box 1

Contributions from the 2014 ARRI learning event

An internal learning event to discuss an Issues Paper on project management prepared by IOE was held in September 2014. The importance of project management for project effectiveness and efficiency, and the need for clear definitions covering project management arrangements and costs, was agreed.

The extent to which project management arrangements were influenced by CPMs or determined by governments was discussed. This is likely to depend on the type of country concerned. Large, middle-income countries are likely to be more assertive. Project management costs will also vary for the same reason. There are likely to be trade-offs between effective and efficient project management on the one hand, and costs, sustainability, and capacity development on the other. The important point is that these trade-offs need to be explicitly considered in project design and appraisal, and that better evidence on the project management and other arrangements that help minimise or manage these trade-offs needs to be available.

I. Learning theme conclusions

134. This review of the issues relating to project management within IFAD has confirmed the case for further research and analysis. The 2013 PTA study came to similar conclusions. The case for a CLE on project management in the future remains strong.
135. The main question that needs to be answered is whether IFAD is making the right choices about project management arrangements. The wide variation in project management arrangements in IFAD-funded cannot be completely explained by the type of activities or the project context. Nor is the diversity of arrangements, by itself, evidence that the most appropriate choices are always being made. While many of the project management arrangements are well-tailored to the project and the context, and increasingly determined by borrower governments, there is limited institutional 'good practice' guidance and little evidence of systematic institutional capacity assessment as a basis for the design of project management arrangements. The predominance of single, largely parallel PMUs may well be justified by the special nature of many IFAD-supported operations – and does not necessarily indicate an unacceptable level of compliance with the Paris Declaration on Aid Effectiveness – but warrants examination nevertheless.

136. Two priorities stand out for future work. First, there is a need for better information and a better evidence base: better definition and documentation of project management; better evaluation of existing practices and their consequences for effectiveness, efficiency, capacity building, sustainability, and scaling up; and clearer analysis of the trade-offs between these. Second, this improved evidence base needs to be translated into 'good practice' guidance for CPMs and project teams.

IV. Conclusions and recommendations

J. Conclusions

137. Overall, the ARRI shows that the performance of IFAD-supported operations is strong in a number of areas, and that the Fund is making a very good effort to reduce rural poverty by promoting smallholder agriculture and rural development. IFAD is increasingly being recognised as a leader in its field and, in particular, its approach to development with an emphasis on country ownership is much appreciated by partners.
138. At the same time, the ARRI has found there are some areas that remain a challenge for the organisation and which will need attention in the future. These challenges are not all necessarily specific to IFAD and have been raised in previous ARRIs, but are worth restating so that collective efforts are made in the near future to further improve performance in areas of concern.
139. **Project performance.** The ARRI finds that IFAD's performance as a partner is currently the best it has ever been since the ARRI was first issued in 2003. This is due to many factors, such as fundamental changes to IFAD's operating model, including the undertaking of direct supervision and implementation, the establishment and consolidation of IFAD country offices with the out-posting of CPMs, greater focus on results, and better portfolio analysis and reviews.
140. Similarly, IFAD-financed operations are having very good impact on reducing rural poverty, and the relevance of IFAD-financed projects, innovation and scaling up, and promotion of gender equality and women's empowerment are strong areas of operations.
141. This's year ARRI has also analysed independent evaluation ratings and trends in performance by 'replenishment period', starting from the 5th replenishment (2001-2003). In this regard, another noteworthy finding is that, across many evaluation criteria assessed by IOE, the performance of IFAD operations is strongest in the IFAD9 period (2013-2015), as compared to previous replenishment periods.
142. On a related issue, the ARRI finds this year that a greater number of projects show satisfactory performance – rather than moderately satisfactory - in some evaluation criteria. For example, in 2007-2009 based on the 'all evaluation data', IFAD's performance as a partner was satisfactory or better in 21 per cent of the projects evaluated, as compared to around 47 per cent in 2012-2014.
143. It is also worth noting that the performance of IFAD-financed operations are at least on par with or better than the agriculture sector operations of other IFIs for which comparable data is available. One should note that, although IFAD is a specialised agency unlike the other IFIs, its agriculture portfolio is probably more challenging to manage, given the nature of its operations, remoteness of interventions, and special focus on grass-roots institution building, gender, participatory approaches, and targeting.
144. As mentioned above, however, there are some areas of challenge that need attention. Firstly, programme operational efficiency continues to be the weakest evaluation criteria assessed by IOE, followed by sustainability of benefits. Even though there have been some improvements in sustainability over time, the

- majority of the projects in the satisfactory zone are moderately satisfactory for this criterion and a large number are till moderately unsatisfactory or worse.
145. Evaluations have noted that government performance is one of the strongest determinants of project success, because they are ultimately responsible for implementing IFAD-financed projects. The 'all evaluation' dataset as a whole shows some improvement in recent years in government performance, even though the 'PCR/PPA data' set does not. Given the uncertainty in the trends in government performance, and the importance of government performance for project outcomes, strengthening government capacity in the context of IFAD operations should continue to remain a priority for IFAD in the foreseeable future.
 146. A further finding that needs to be underlined is that additional efforts will be required to meet some of the targets - related to project and country programme performance - to be achieved by the end of 2015 contained in the IFAD9 Results Measurement Framework. Based on independent evaluation ratings, the gap between current performance and the established targets is relatively small in relevance and rural poverty impact, but wide in some areas, such as programme operational efficiency, sustainability, partnership building, and government performance. On a related issue, the use of independent evaluation ratings in the ARRI and self-evaluation ratings in the RIDE is creating inconsistencies in reporting on operational performance.
 147. Finally, very few projects are highly satisfactory, something that was also noted by the Evaluation Committee and Executive Board last year. In this regard, it could be argued that this is partly due to the fact that IFAD works in remote rural areas - where infrastructure, institutions, markets and services are often quite weak - and a large number of IFAD operations are implemented in fragile states and conflict-affected situations. Another reason might be the adoption of a more rigorous evaluation methodology in 2008 and stronger internal peer reviews within IOE of evaluation deliverables in the last 4-5 years. At the same time, evaluations underline the need for more realism in the setting of both COSOP and project objectives, as well as for a more differentiated approach to the allocation of budgets with careful regard to the country context.
 148. **Project management.** This year's learning theme focused on project management. IOE evaluations and other studies have found that project management is a key determinant for positive results on the ground. For example, there is growing recognition that, with a good project management team in place, there are greater chances of final success even in a project that may suffer from initial weaknesses in design. At the same time, evaluations are also finding that a strong design at inception is not a sufficient condition to ensure successful outcomes, if the performance of project management during implementation is inadequate.
 149. There are some challenges to ensuring effective and efficient project management, including delays in the appointment and high turnover of staff, relatively low priority attributed to monitoring and evaluation activities, and limited knowledge of IFAD policies, priorities and operational procedures. There has, however, been a positive trend away from using PMUs to implement project components, and an increasing reliance on service providers. There is wide diversity in project management arrangements in IFAD-funded operations, and it would be worthwhile for IOE and Management to study the alternative arrangements more in detail in order to extract evidence-based good practices and lessons to inform future project design.
 150. **Performance of non-lending activities.** A number of findings from evaluations, particularly CPEs, point in the same direction. Although improving, there is scope to further ameliorate IFAD's non-lending performance: knowledge management, policy dialogue and partnerships. Constrained resources - human and financial -

remains one of the main limiting factors for improved non-lending performance. In this regard, for example, more can be achieved through the use of grants for non-lending activities, as also underline in the recent corporate level evaluation on the grants policy.

151. Improved attention to and performance in non-lending activities are essential for IFAD, especially as they are critical for scaling up impact - by other partners including governments - of the successful innovations introduced in the context of IFAD operations. The planned evaluation synthesis report in 2015 on non-lending activities in the context of south-south and triangular cooperation will provide an opportunity to take stock in a more holistic manner of lessons learned in this area.
152. **Country strategies.** CPEs find that COSOPs are fundamental instruments for providing overall strategic guidance to IFAD operations at the country level, but the preparation of COSOPs are under-funded. The formulation of new COSOPs would be enhanced if they are informed by COSOP completion reviews by IFAD Management, and CPEs by IOE in selected cases. COSOP completion reviews have not been done systematically in the past, partly due to limited budgets.
153. While the relevance of country strategies is high, there is room for improving effectiveness in achieving COSOP objectives. In this regard, CPEs find there are opportunities to ensure greater integration of, and synergies across, all activities (i.e., loans, grants, non-lending activities and reimbursable technical assistance) promoted by IFAD in individual countries. This would lead to better outcomes on rural poverty reduction, both within and beyond individual projects.
154. **Country presence.** CPEs show that IFAD's efforts to consolidate existing ICOs and establish new ones are helping to improve development effectiveness. IFAD's organisational decentralisation is indeed one of the most important dimensions of IFAD's transformation from a headquarters-based to a field-oriented organisation. In this regard, one aspect which is particular important is the permanent in-country presence of CPMs.
155. There are however some aspects of country presence that will need further strengthening and study. These include clarification of the relationship between regional/sub-regional offices and country offices with headquarters including in terms of delegation of authority; the staffing and infrastructure requirements in country offices; and a more thorough understanding of the costs of running an organisation with a decentralised architecture.
156. Several recent evaluations by IOE and others (including FAO) have shown that regional and sub-regional offices have the potential to play an important role in general and can also serve to enhance effectiveness and efficiency in programme delivery. Subject to the approval of the Board, a corporate level evaluation on IFAD's decentralisation is being planned for 2016-2017, which will allow for a more focussed and deeper assessment of the topic.
157. **Final messages.** In addition to the above, the ARRI concludes that IFAD will need to intensify its on-going efforts to move beyond a primary focus on projects. A shift to longer term programmatic lending, with more focused sub-sector coverage in partnership with others, needs to be prioritised. There are indications that efforts are being made to take a wider programmatic approach in some countries, for instance, by covering more than one PBAS (3 year) cycle, which is a step in the right direction and merits further attention in the future. This would ensure better efficiency, impact and sustainability.
158. On another topic, given IFAD's relatively limited human and financial resources, especially in light of the magnitude and challenges related to rural poverty in all regions, more concrete and systematic partnerships will be needed at the country level to deliver the type of lending and non-lending programmes required that can be scaled up for ensuring wider rural transformation. The recent efforts to

strengthen partnerships, such as with the ADB, AfDB and IsDB, by reshaping the respective co-operation agreements is encouraging. Due efforts will however be needed to ensure a timely implementation of the renewed partnership agreements, as this has been an area where past performance has been somewhat inconsistent.

K. Recommendations

159. The 2014 ARRI makes the following recommendations to the IFAD Management, which will contribute to further enhancing institutional and operational performance of the organisation. Some recommendations are likely to have budget implications, which have been identified:

- iii) **COSOP completion reviews** (see paragraphs 76-78 and 152). Ensure that COSOP completion reports (self-assessments) are carried out more systematically from 2015 onwards, which would also serve as a basis for all new COSOPs. This is likely to have budgetary implications for the IFAD Management that will need to be considered. The COSOP completion reviews should follow the same methodology used by IOE for CPEs and be validated by IOE, as is the case currently with Project Completion Reports. This would further align IFAD's overall evaluation function with that of other IFIs. The practice of preparing new COSOPs following CPEs by IOE, where available, should also be continued.
- iv) **Budgets for COSOPs and projects** (see, for example, paragraphs 75, 83, 150 and 152). Consider a more differentiated approach towards budget allocations – for instance, depending on country context - for COSOP development and management, project design, supervision and implementation support, and non-lending activities. This would allow budgets to be more systematically allocated according to actual needs, in pursuit of better project and country programme performance. At the same time, given flat budgets in the foreseeable future, and in line with the practice in other IFIs and building on their lessons, Management should explore the opportunities and challenges in establishing similar dedicated trust funds (financed by donor grants) for such activities to complement the Fund's annual administrative budgets. Moreover, the possibility of integrating some costs related to project preparation within IFAD loans also merits reflection.
- v) **IFAD's organisational decentralisation** (see paragraphs 79-81 and 154-156). Building on on-going efforts, opportunities for greater decentralisation of the organisation including further out-posting of CPMs should be explored for better results on the ground. This should include considerations for setting up other regional/sub-regional offices based on the experience accumulated thus far (e.g., from the ESA region). This recommendation is likely to have budgetary implications, which will need to be considered.
- vi) **Use of independent evaluation ratings** (see paragraph 92-93 and 146). Only use independent evaluation ratings from IOE, where this is available, in the Report on IFAD's Development Effectiveness to report against the criteria/indicators in the corporate results measurement framework and in any other ad-hoc reports on results. This would enhance efficiency in the consideration of results reported by IFAD, be consistent with the practice in other selected multilateral development organisations (e.g., ADB), and ensure consistency in reporting in the ARRI and the RIDE on country programme and project performance.

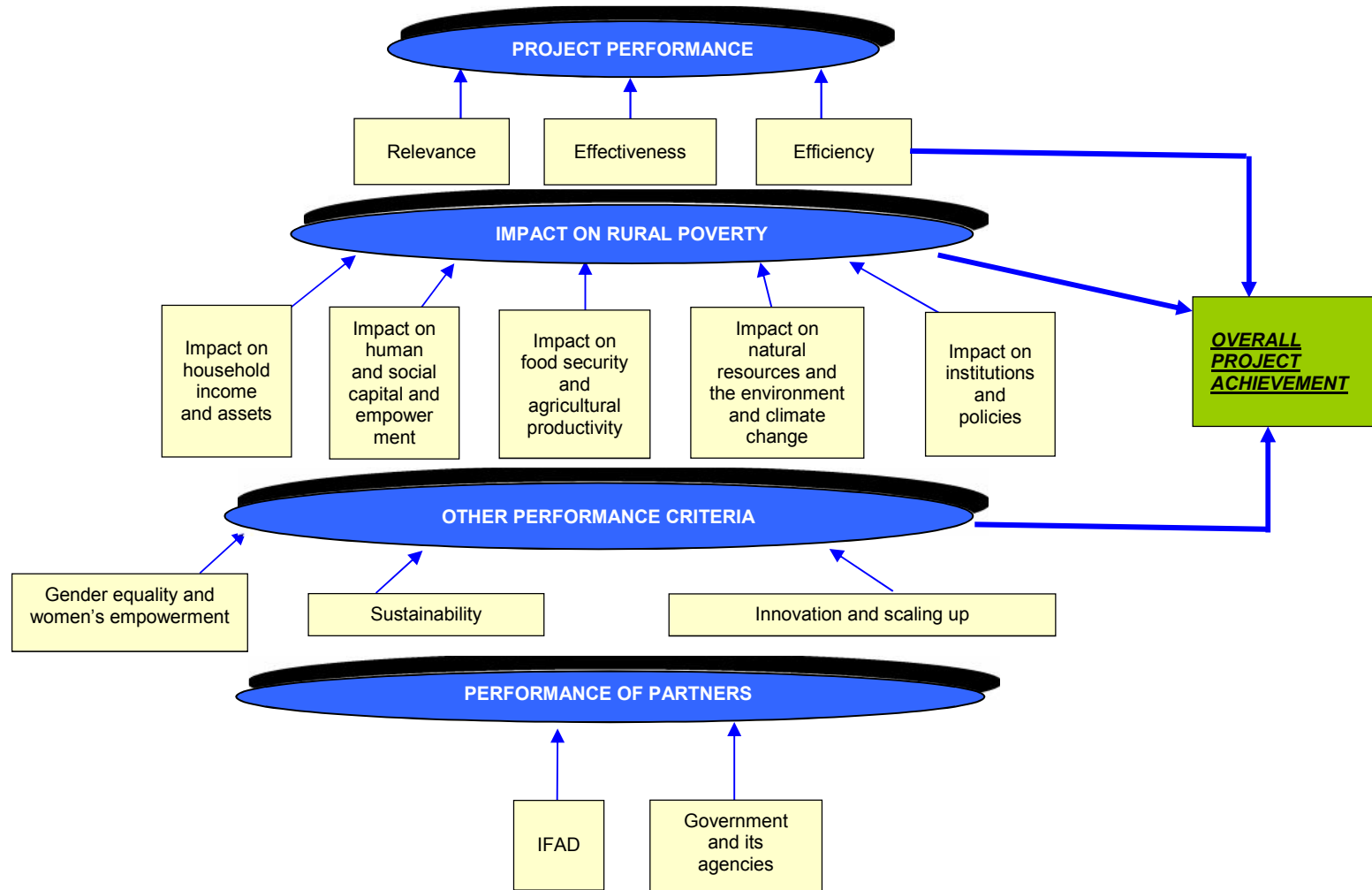
160. The Board is invited to adopt the following two recommendations addressed to IOE:

- vii) **2015 ARRI learning theme: sustainability** (among others, see table 2, paragraphs 34, 46, and 144). It is recommended that IOE treat sustainability of benefits as the learning theme in next year's ARRI. There are a number of

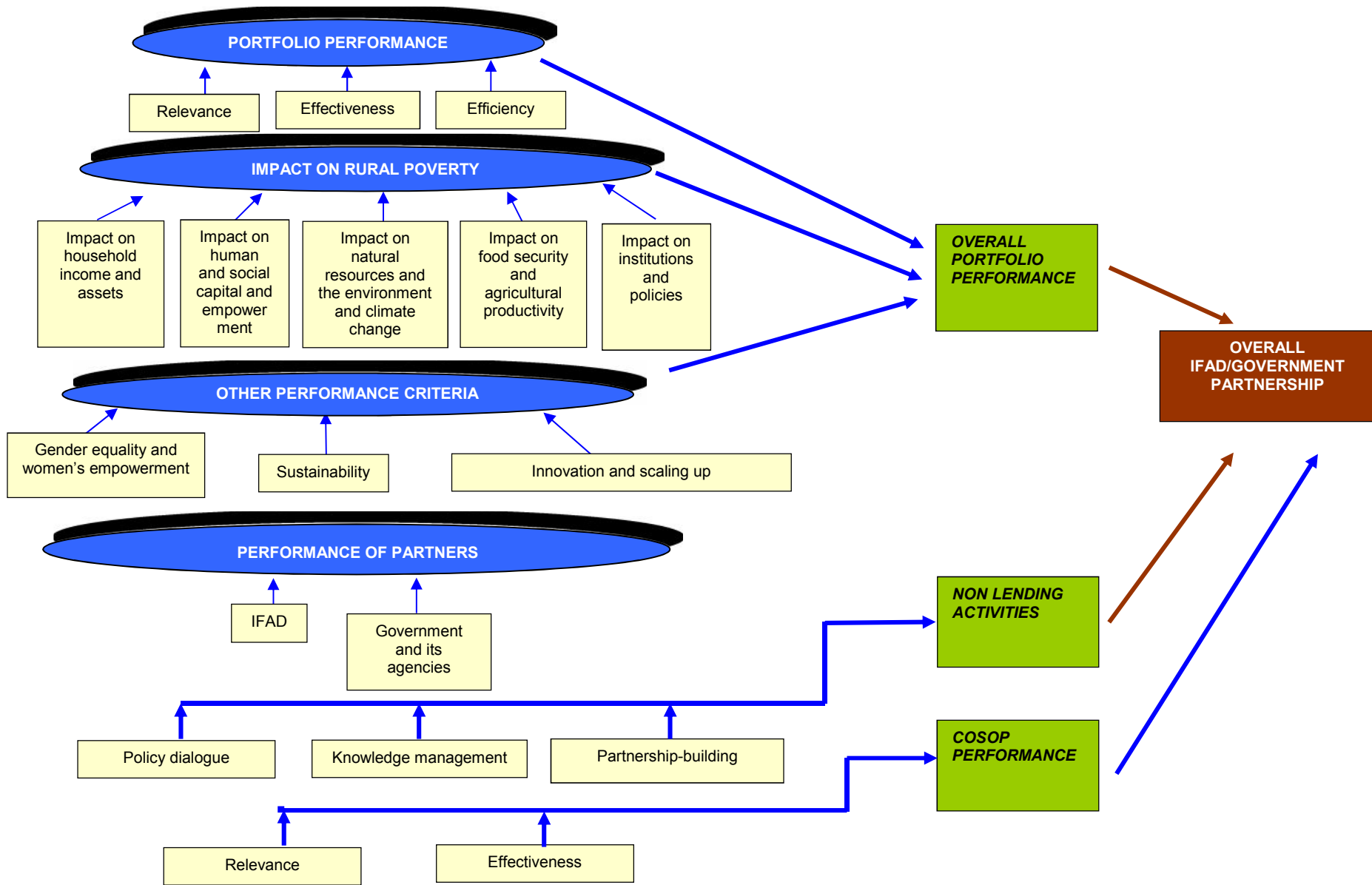
reasons why it is timely to analyse in more detail the proximate causes for good or less good sustainability: (a) though performance in sustainability has slightly improved, there is still quite a bit of room for improvement in this important criteria; (b) sustainability was treated as learning theme back in the 2007 ARRI, and IOE has since accumulated significant evaluative evidence on the topic, which would be worth mining to generate good practices and lessons for the future on the topic; and (c) the other two main areas of challenge for IFAD operations (i.e., efficiency and government performance) have already been covered by IOE in recent years. It is important to clarify that treating sustainability as the ARRI learning theme should not be considered tantamount to undertaking a corporate level evaluation or preparing an evaluation synthesis report on the subject. The main aim would be to prepare a short Issues Paper, as per past practice for all ARRI learning themes, which would summarise good practices and lessons from previous evaluations as well as identify issues for further reflection with IFAD Management and staff.

ARRI database. In 2015, IOE should review the ARRI database, which now includes independent evaluation ratings for 224 projects and 50 country programme evaluations by IOE. The review should focus on, inter-alia, the completeness and clarity of the database for external users and to further develop the format of and access to facilitate navigation and statistical analysis.

Project evaluation methodology



Country programme evaluation methodology



Definition of the evaluation criteria used by IOE

<i>Criteria</i>	<i>Definition^A</i>
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project design in achieving its objectives.
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.
Rural poverty impact^B	Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.
<ul style="list-style-type: none"> • Household income and assets 	Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value.
<ul style="list-style-type: none"> • Human and social capital and empowerment 	Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grassroots organizations and institutions, and the poor's individual and collective capacity.
<ul style="list-style-type: none"> • Food security and agricultural productivity 	Changes in food security relate to availability, access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields.
<ul style="list-style-type: none"> • Natural resources, the environment and climate change 	The focus on natural resources and the environment involves assessing the extent to which a project contributes to changes in the protection, rehabilitation or depletion of natural resources and the environment as well as in mitigating the negative impact of climate change or promoting adaptation measures.
<ul style="list-style-type: none"> • Institutions and policies 	The criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor.
Other performance criteria	
<ul style="list-style-type: none"> • Sustainability 	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.
<ul style="list-style-type: none"> • Innovation and scaling up 	The extent to which IFAD development interventions have: (i) introduced innovative approaches to rural poverty reduction; and (ii) the extent to which these interventions have been (or are likely to be) replicated and scaled up by government authorities, donor organizations, the private sector and others agencies.
<ul style="list-style-type: none"> • Gender equality and women's empowerment 	The criterion assesses the efforts made to promote gender equality and women's empowerment in the design, implementation, supervision and implementation support, and evaluation of IFAD-assisted projects.
Overall project achievement	This provides an overarching assessment of the project, drawing upon the analysis made under the various evaluation criteria cited above.
Performance of partners	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation. It also assesses the performance of individual partners against their expected role and responsibilities in the project life cycle.
<ul style="list-style-type: none"> • IFAD • Government 	

^A These definitions have been taken from the Organisation for Economic Co-operation and Development/Development Assistance Committee *Glossary of Key Terms in Evaluation and Results-Based Management* and from the IFAD Evaluation Manual (2009).

^B The IFAD Evaluation Manual also deals with the "lack of intervention", that is, no specific intervention may have been foreseen or intended with respect to one or more of the five impact domains. In spite of this, if positive or negative changes are detected and can be attributed in whole or in part to the project, a rating should be assigned to the particular impact domain. On the other hand, if no changes are detected and no intervention was foreseen or intended, then no rating (or the mention "not applicable") is assigned.

Evaluations included in 2014 ARRI

Type	Country/ Region	Title	Executive Board approval date	Project completion date	IFAD loan ^a (US\$ million)	Total project costs ^a (US\$ million)
Corporate level evaluations	All	CLE on the achievements of IFAD replenishments				
	All	CLE on the IFAD's Policy for Grant Financing				
Evaluation syntheses	All	IFAD's engagement in Middle Income Countries				
	All	Water conservation and management				
	All	Rural youth				
Country programme Evaluations	Bolivia	Small Farmers Technical Assistance Services Project	29 Apr 1997	31 Dec 2007	8.1	28.3
		Enhancement of the Peasant Camelid Economy Support Project	14 Dec 2006	31 Dec 2015	7.2	14.4
	China	Environment Conservation and Poverty Reduction Programme in Ningxia and Shanxi	11 Dec 2002	13 Dec 2011	29.0	90.3
		South Gansu Poverty Reduction Programme	08 Sept 2005	30 Sep 2012	29.3	80.6
		Xinjiang Uygur Autonomous Region Modular Rural Development Programme	14 Dec 2006	30 Jun 2014	25.1	55.0
		Inner Mongolia Autonomous Region Rural Advancement Programme	13 Dec 2007	31 Dec 2014	30.0	70.9
		Dabieshan Area Poverty Reduction Programme	17 Dec 2008	30 Sep 2015	31.9	70.9
		Sichuan Post-Earthquake Agriculture Rehabilitation Project	30 Apr 2009	30 Sep 2012	29.0	77.0
	Moldova	Rural Finance and Small Enterprise Development Project	09 Dec 1999	31 Dec 2005	8.0	19.5
		Agricultural Revitalization Project	18 Dec 2003	31 Mar 2013	14.9	18.2
	Senegal	Agricultural Development Project in Matam – Phase II	10 Apr 2003	31 Dec 2011	12.5	24.3
		Agricultural Services and Producer Organizations Project – Phase II	14 Sep 2006	31 Mar 2011	6.0	47.0
		Promotion of Rural Entrepreneurship Project – Phase II	19 Apr 2005	31 Mar 2013	13.1	18.7
	Zambia	Smallholder Enterprise and Marketing Programme	08 Dec 1999	30 Jun 2008	15.9	18.3
		Rural Finance Programme	02 Dec 2004	30 Sep 2013	13.8	17.4
Smallholder Livestock Investment Project		13 Dec 2005	30 Sep 2014	10.1	57.1	

Type	Country/ Region	Title	Executive Board approval date	Project completion date	IFAD loan ^a (US\$ million)	Total project costs ^a (US\$ million)
Impact evaluation	Sri Lanka	Dry Zone Livelihood Support and Partnership Programme	09 Sep 2004	31 Mar 2013	22.0	30.4
Project Completion Report Validations	Argentina	North Western Rural Development Project (PRODERNOA)	08 Sep 1999	31 Dec 2011	17.5	25.0
	Burkina Faso	Community Investment Programme for Agricultural Fertility	11 Sep 2003	31 Dec 2012	12.1	26.9
	Ghana	Northern Region Poverty Reduction Programme	06 Dec 2001	30 Sep 2011	12.3	59.6
	Guatemala	National Rural Development Programme Phase I: the Western Region	11 Sep 2003	31 Dec 2012	30.0	48.0
	Morocco	Livestock and Rangelands Development Project in the Eastern Region – Phase II	11 Sep 2003	31 Dec 2010	6.4	9.2
	Pakistan	Microfinance Innovation and Outreach Programme	13 Dec 2005	30 Sep 2011	26.5	30.5
	Peru	Market Strengthening and Livelihood Diversification in the Southern Highlands Project	11 Dec 2002	30 Jun 2011	16.0	34.5
	Rwanda	Umutara Community Resource and Infrastructure Development Project	04 May 2000	30 Jun 2011	15.9	30.5
	Uganda	National Agricultural Advisory Services Programme	07 Dec 2000	30 Jun 2010	17.5	107.9
Project Performance Assessment	Bangladesh	Microfinance for Marginal and Small Farmers Project	02 Dec 2004	30 Jun 2011	20.1	29.7
	Bhutan	Agriculture, Marketing and Enterprise Promotion Programme	19 Apr 2005	30 Jun 2012	13.9	19.7
	Georgia	Rural Development Project	19 Apr 2005	31 Dec 2011	9.2	34.7
		Rural Development Programme for Mountainous and Highland Areas	13 Sep 2000	30 Sep 2011	8.0	9.2
	Lesotho	Sustainable Agriculture and Natural Resource Management Programme	02 Dec 2004	30 Jun 2011	10.1	12.0
	Mauritius	Rural Diversification Programme	29 Apr 1999	31 Dec 2010	11.1	16.6
	Morocco	Al-Haouz Province: Rural Development Project in the Mountain Zones of Al-Haouz	07 Dec 2000	30 Sep 2010	18.0	36.2
	Sudan	Gash Sustainable Livelihoods Regeneration Project	18 Dec 2003	30 Sep 2012	24.9	39.0
Uruguay	Uruguay Rural	07 Dec 2000	31 Mar 2011	14.0	24.5	
Total					589.4	1332

^a The IFAD loan and the costs indicated for the two country programme evaluations (CPEs) relate to the total loan amount and overall costs only of those projects evaluated and rated in the framework of the corresponding CPE. That is, the figures are not indicative of IFAD's total loans to the country nor are they representative of the total costs of all projects financed by the Fund in that country.

^b The projects listed in the next column were individually assessed as part of the Jordan and Uganda CPEs respectively. They do not constitute a comprehensive list of projects funded by IFAD in the two countries.

Objectives of country programmes and individual projects evaluated

Objectives of country strategies

The main objectives of the five country strategies are summarized below:

- (ii) **Bolivia.** The 2007 COSOP was organized around two strategic objectives:
 - a. Strategic objective 1: Enhancing the livelihood assets (human, natural, physical, cultural and social) of the rural poor and promoting the adoption of technological and knowledge innovations by supporting the access of the poor to a wide range of services; and
 - b. Strategic objective 2: Promote integrated and sustainable management and development of natural resources in defined territorial areas, with due regard for sociocultural issues.
- (iii) **China.** The 2011 COSOP identified the following strategic objectives:
 - a. Strategic objective 1: The rural poor in targeted areas sustainably use enhanced productive natural and economic assets and improved technology and advisory services in a changing environment and market conditions;
 - b. Strategic objective 2: The rural poor and their organizations are enabled to take advantage of improved market access and financial services for increased income generation and enhanced resilience to risks; and
 - c. Strategic objective 3: Enhanced south-south cooperation and knowledge management provide opportunities for sharing knowledge generated through innovation and the scaling up of good practices in rural development.
- (iv) **Moldova.** The 2007 COSOP identified the following strategic objectives:
 - a. Strategic objective 1: Establishing pro-poor market linkages; and
 - b. Strategic objective 2: Promoting access to rural financial services.
- (v) **Senegal.** The 2010 COSOP identified the following strategic objectives:
 - a. Strategic objective 1: Access by smallholders and their organizations to effective production factors and services, appropriate technologies and markets is improved; and
 - b. Strategic objective 2: Access by rural people to entrepreneurial know-how is improved.
- (vi) **Zambia.** The 2011 COSOP includes three Strategic Objectives:
 - a. Strategic objective 1: To increase access to, and participation in, expanded and more competitive markets by poor rural men and women are increased, within more efficient value chains;
 - b. Strategic objective 2: To increase access to and use of technologies and services for enhanced productivity, sustainability and resilience of smallholder production systems; and
 - c. Strategic objective 3: To increase access to and use of sustainable financial services by poor rural men and women are increased.

Objectives of projects and programmes

<i>Country and project/programme names</i>	<i>Objectives</i>
<p>Argentina North Western Rural Development Project (PRODERNOA)</p>	<p>The overall objective of the project is to reduce poverty and foster rural development in the provinces of Catamarca, Jujuy and Salta by improving the socio-economic conditions of the rural poor. The general objective is to bring about increases in the real incomes of destitute farmers and help them evolve from their present state of poverty. This will be achieved through efficient management of their production systems and effective links to the goods and services markets, with due attention paid to the special needs and requirements of destitute rural people, including women. The specific objectives of the project are to: (i) provide demand-driven technical services, including extension, farm management, organization and management, training and marketing and to regularize land titles on a sustainable basis; (ii) provide adequate financial services to the poor smallholders with the aim of integrating them into the formal banking system; (iii) provide integrated training, technical services and special financial support, focused on the most vulnerable rural families in order to alleviate their critical poverty situation; and (iv) establish an adequate management system for project implementation and related policies that involves integrating national and provincial-level institutions and local beneficiary organizations, with due attention paid to gender issues in all project activities.</p>
<p>Bangladesh Microfinance for Marginal and Small Farmers Project</p>	<p>The goal of this six-year project is to improve the livelihoods of 210 000 poor small and marginal farmer households. The project will seek to meet this goal by financing three components: (i) microfinance services; (ii) capacity building and market linkages; and (iii) project coordination and management. The objectives of these components are to: (i) establish viable microfinance institutions to provide opportunities to 210 000 small and marginal farmer households to invest in on- and off-farm enterprises; (ii) increase agricultural production through access to information, the adoption of new technologies and linkages to markets; and (iii) develop and mainstream Palli Karma-Sahayak Foundation operational procedures for lending to farmers and related agro-enterprises.</p>
<p>Bhutan Agriculture, Marketing and Enterprise Promotion Programme</p>	<p>The primary objective of the programme is to improve the livelihoods of the rural poor in the programme area on a sustainable basis by enhancing productivity, income growth and access to economic and social services. This objective will be achieved through both land-based and non-land-based production by: (i) supporting capital formation in crop, livestock and niche-crop production; (ii) improving the conditions under which enterprises and income-generating activities are started and operated; (iii) enhancing access to rural financial services (especially credit) so that beneficiaries can acquire the necessary inputs for productive activities; (iv) building the capacities of grass-roots organizations and developing beneficiaries' skills through training; and (v) improving the common socio-economic infrastructure, especially the road network and marketing support systems.</p>
<p>Bolivia Small Farmers Technical Assistance Services Project</p>	<p>The project's goal is to raise the income of rural population through the establishment of a demand-based technical assistance service market, with direct contracts of technical assistance between groups of men and women beneficiaries, and technical advisors, in order to strengthen their productive and marketing capacity and, as a consequence, aiming at improving their economic situation.</p>
<p>Bolivia Enhancement of the Peasant Camelid Economy Support Project</p>	<p>The project aims to enhance, increase and accumulate social, human, financial, physical and natural assets of poor camelid producers and micro entrepreneurs, especially women and young people, who will have better access to financial services, sustainable technical assistance, knowledge and information. It would eliminate or significantly reduce poverty levels among 6,300 targeted families and alleviate poverty conditions and help improve food security for an additional 7,800 families.</p>
<p>Burkina Faso Community Investment Programme for Agricultural Fertility</p>	<p>The programme is designed to sustainably enhance agricultural productivity, and contribute to soil protection and rehabilitation through soil and water conservation techniques, soil restoration, agroforestry and grazing paths. It also aims to support income-generating activities, facilitate access to land by vulnerable groups (particularly women and rural youths), and strengthen the capacity of the rural poor and their organizations. The programme will (i) focus on agricultural investments; (ii) assist projects supporting the ongoing decentralization process in addressing fertility, livestock</p>

<i>Country and project/programme names</i>	<i>Objectives</i>
	<p>and crop production issues; (iii) seek to create synergies with other projects, particularly Community-Based Rural Development Project; (iv) take into account the approach and action plans proposed in the COSOP; (v) use the watershed approach to develop both upstream and downstream areas of lowlands; (vi) strengthen capacity through literacy and training modules; (vii) undertake infrastructure investment; (viii) contribute to improving productivity by addressing constraints to water supply, agricultural inputs and equipment supply; and, (ix) seek to improve access to credit and land tenure in order to ensure that the necessary investments are undertaken.</p>
<p>China Environment Conservation and Poverty Reduction Programme in Ningxia and Shanxi</p>	<p>The goal of the programme is sustainable and equitable poverty reduction for 300 000 vulnerable rural households living in an environment with limited and deteriorating natural resources. The objective is to achieve a sustainable increase in productive capacity, both on- and off-farm, and to offer households increased access to economic and social resources, including financial services, education, health and social networks. Specific programme outputs will be: (i) provision of more farmer-, gender- and poverty responsive extension services, with poor farmers as demonstrators; (ii) land and land use improved through increased investment in irrigation for 208 000 mu and improvements in dry land agriculture for about 480 000 mu; (iii) environmental management and desertification control strengthened for about 300 000 mu; (iv) rural credit cooperative financial services dispensing investment and seasonal loans, and made more sensitive to poverty and gender issues, with lending substantially increased to poor women and men; (v) social service facilities in health and education upgraded, including 547 village schools and a large adult literacy programme for 31 000 trainees; (vi) women’s support programmes, in particular skills training, implemented for about 45 000 trainees; (vii) a rural infrastructure construction, rehabilitation and maintenance programme implemented; and (viii) participatory and gender-sensitive village development plans established and operational.</p>
<p>China South Gansu Poverty Reduction Programme</p>	<p>The long-term goal is to achieve sustainable and equitable poverty reduction for vulnerable rural households living in an environment with limited and deteriorating natural resources. The objectives are a sustainable increase in productive capacity, both on- and off-farm, and increased access to economic and social resources, including education, health and social networks, while improving the environment. The specific outputs of the activities would be: (i) participatory and gender-sensitive village development plans produced; (ii) more farmer-, gender- and poverty responsive extension services developed, with poor farmers as demonstrators; (iii) land and land use improved through irrigation and dry land development; (iv) rural credit cooperative financial services made more poverty- and gender-sensitive; (v) social-service facilities upgraded, especially for education and health, including a large adult literacy and skills-training programme; and (vi) rural infrastructure constructed and/or rehabilitated.</p>
<p>China Xinjiang Uygur Autonomous Region Modular Rural Development Programme</p>	<p>The programme aims to reduce the incidence of poverty in target villages in a sustainable and gender-equitable way: poor women and men will have improved their social and economic situation in a sustainable manner, with incomes exceeding the poverty line at all times; innovations will have demonstrated their potential for poverty reduction and successful modules will have been scaled up; and women will have benefited from all programme activities in at least equal proportions to men. The programme will contribute to the introduction of innovative approaches in rural poverty reduction. To this end, it adopts a modular approach, allowing local Programme Management Offices to adapt innovations to specific social, economic and market conditions. The programme ensures the establishment of durable grass-roots institutions and the strengthening of relevant support services. Lastly, the programme applies an active scaling-up approach.</p>
<p>China Inner Mongolia Autonomous Region Rural Advancement Programme</p>	<p>The programme aims to reduce the incidence of poverty in the target villages in a sustainable and gender-equitable way by establishing enhanced access to information, technology, rural financial services and markets. Poor women and men will have improved their social and economic situation in a sustainable manner, with incomes exceeding the poverty line at all times; innovations will have demonstrated their potential for poverty reduction; and successful modules will be scaled up. The programme supports the establishment of durable grass-roots institutions and the strengthening of relevant support services. The programme will directly contribute to the</p>

<i>Country and project/programme names</i>	<i>Objectives</i>
	ongoing reform of the rural banking system. It responds to recent policies on rural finance in enhancing managerial capacities of formal rural banks and supporting the graduation of grass-roots credit groups to registered microfinance institutions (MFIs).
<p>China</p> <p>Dabieshan Area Poverty Reduction Programme</p>	<p>The purpose of the programme is for the innovative and diversified development modules to lead to increased income and reduced poverty for farm households in a sustainable and gender-equitable way in eight poverty-stricken counties of Xinyang Prefecture, Henan Province. The programme aims to strengthen agricultural support services so that poor people have better access to knowledge and as a result are capable of adopting improved technology. The ongoing development of private farmer cooperatives will be enhanced through the inclusion of the poor in order to enhance their capabilities to access input and remunerative output markets. In this way, the programme responds directly to the recently issued government regulation on farmer cooperatives.</p>
<p>China</p> <p>Sichuan Post-Earthquake Agriculture Rehabilitation Project</p>	<p>The project aims to contribute to re-establish the essential living conditions for rural households affected by the Sichuan earthquake, and will complement the Government's reconstruction programme. It will provide vulnerable households with access to environmentally friendly rural energy, through the widespread reconstruction of household-based biogas systems; enhance access to services; and rehabilitate and develop crop and livestock production and related income-generating activities. The project will strengthen public and beneficiary-led support services in order to make investments in biogas systems sustainable. It will assist farmers' cooperatives to provide better services to farmers for agricultural production and marketing.</p>
<p>Georgia</p> <p>Rural Development Project</p>	<p>The project's overall goal is sustained rural income growth and poverty reduction. This will be achieved by facilitating the access of Georgia's mainly small and medium scale farmers to commodity supply chains, improving the competitiveness of agribusinesses and the associated supply chains, and strengthening the capacity of selected agricultural and financial institutions serving private-sector agricultural market activity. Project activities are expected to increase incomes and employment and reduce poverty in rural areas.</p>
<p>Georgia</p> <p>Rural Development Programme for Mountainous and Highland Areas</p>	<p>The overall goal of the programme is to improve living conditions of mountain area communities in a sustainable manner by increasing incomes in a way that contributes to protecting and restoring the environment. To help achieve this goal, initial programme investments will aim to: (i) strengthen the beneficiaries' capacity to organize themselves in order to position themselves better in participating in the market economy and managing the natural resource base in a sustainable manner; (ii) restore economic livelihoods through improved management of the resource base and improved access to financial, technical and commercial services; (iii) protect and rehabilitate the environment by developing appropriate, community-based institutional mechanisms; and (iv) fortify public capacity to identify and respond to the needs of the mountain areas by putting in place appropriate institutional mechanisms.</p>
<p>Ghana</p> <p>Northern Region Poverty Reduction Programme</p>	<p>The goal is to improve the livelihoods and living conditions of poor rural communities, with emphasis on women and other vulnerable groups, through deepening and broadening rural development services and community and individual self-help capacity. The specific objectives are to (i) build the capacity of decentralized local government, civil-society and community organizations to better respond to the needs of the poorest strata of the rural population; (ii) improve the access of the large rural population, especially women, to resources and services; and (iii) introduce the operational changes and reforms needed to enhance the efficiency and sustainability of institutions and community service providers in the Northern Region.</p>
<p>Guatemala</p> <p>National Rural Development Programme Phase I: the Western Region</p>	<p>The programme aims to reduce poverty levels and address the exclusion and discrimination suffered by the poorest indigenous and non-indigenous groups in Guatemala. Its general objective is the active and equitable (gender-focused) participation of all stakeholders in the development and transparent implementation of pro-poor national rural development policies and the institutional framework.</p>

<i>Country and project/programme names</i>	<i>Objectives</i>
<p>Lesotho Sustainable Agriculture and Natural Resource Management Programme</p>	<p>The overall goal of the programme is to improve food security, family nutrition and incomes for rural households in the programme area. Its specific objective is to secure a sustained increase in agricultural production and productivity through investment to: (i) promote the effective delivery of core support services responsive to the needs and priorities of poor rural households; (ii) promote agricultural diversification and intensification with due attention to sustainable natural resource use and management; (iii) strengthen institutional capacity of the decentralized district administrations as the focal points for programming, implementation, monitoring and evaluation; and (iv) empower local communities through the participatory community-action planning process.</p>
<p>Mauritius Rural Diversification Programme</p>	<p>The goal of the programme is to stimulate diversified and sustainable economic development for low-income households. This will be achieved by: (i) diversifying and improving the income and resource base of poor, particularly low-income, households; (ii) developing institutional modalities and instruments to enable the poor to avail themselves of increased economic opportunities from agriculture, fishing and off-farm microenterprises; and (iii) improving the technical and entrepreneurial capacity of the target group through training and the strengthening of grass-roots groups and organizations, in close cooperation with the private sector, NGOs and civil society.</p>
<p>Moldova Rural Finance and Small Enterprise Development Project</p>	<p>The principal goal of the project is to assist the Government of Moldova to accelerate the agricultural recovery, realising the sector's full potential in providing the foundation for future income growth and poverty reduction in rural Moldova. This would be achieved through project supported investments in: (i) facilitating the participation of the rural poor in the commercialisation of agricultural and rural development; and (ii) the establishment of a responsive institutional framework for rural financial services delivery. The activities were financed under two major components: (i) Institutional support to rural financial services and project management and coordination; and (ii) revolving credit funds for Savings and Credit Associations (SCAs) and small enterprise development (SEDF).</p>
<p>Moldova Agricultural Revitalization Project</p>	<p>The project's overall goal is to contribute to sustainable poverty reduction in rural areas of the Republic of Moldova, and to improve rural livelihoods through higher qualitative and quantitative levels of agricultural production, increased incomes, and a transparent, replicable governance process. Specifically, the project will create productive employment and improve rural assets through a farmer-entrepreneur partnership, which will lead to the: (i) conversion of approximately 10 000 hectares of land in about 60 villages to intensive cultivation of high-value crops; and (ii) establishment of linkages between farming, and agro-services, agro-processing and marketing channels, and creation of off-farm income-generating opportunities. It will also create a replicable revitalization process, by: (i) establishing a proven process for community-based planning and implementation of development interventions; and (ii) developing, with government support, an approach for the revitalization of rural communities that focuses on operationalizing backward and forward market linkages.</p>
<p>Morocco Livestock and Rangelands Development Project in the Eastern Region – Phase II</p>	<p>The principal objective of the project will be to increase the income and improve the living conditions of the rural poor population. It will do so through local community empowerment favouring sustainable rehabilitation and management of natural resources and the creation of new opportunities for the most vulnerable groups, thus capitalizing on the Eastern Region's potential. Building on the achievements of the first phase, the specific objectives include: (i) strengthening the capability of local public institutions and grass-roots organizations to establish a viable participatory mechanism through which the target group can drive the identification and implementation of investment opportunities; (ii) promoting adapted livestock production systems, leading to higher value added to animal products through local processing, and improved linkage to potential markets, and (iii) diversifying income sources through promotion of income-generating activities and improved access to technical, marketing and financial services.</p>
<p>Morocco Al-Haouz Province: Rural Development Project in the</p>	<p>The overall objective of the project is to contribute to the sustainable socioeconomic development of the disadvantaged rural population of the mountain zones of the Al Haouz Province. This will be achieved by improving and diversifying income sources,</p>

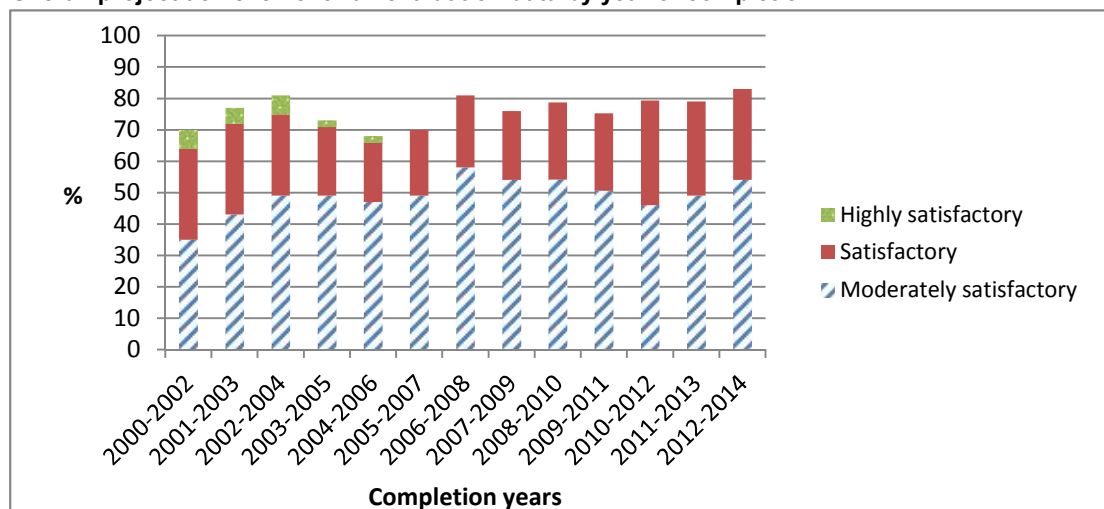
<i>Country and project/programme names</i>	<i>Objectives</i>
Mountain Zones of Al-Haouz	leading to better living conditions and the development of sustainable systems of natural resources management. The specific development objectives will be to implement approaches, procedures, mechanisms techniques and technologies for: (i) strengthening the participatory capacity and involvement in project implementation of grass-roots organizations, particularly those of the targeted groups; (ii) boosting the productivity of agricultural and livestock production systems and the value of their products; (iii) increasing and diversifying agricultural and non-agricultural income through income-generating activities which particularly benefit women and the young; (iv) facilitating access of the poorest rural communities to basic socio-economic infrastructure; and (v) rehabilitating, protecting and managing natural resources in a rational manner.
Pakistan Microfinance Innovation and Outreach Programme	The development goal is to reduce poverty and improve livelihoods of rural households. Central to achieving this goal and as the overall objective, the programme will enable the active rural poor increasingly to access a wider range of sustainable financial services and products that respond to their needs. The programme will be an integral part of the Pakistan Poverty Alleviation Fund's most important operation – its credit and enterprise development programme – and will through the development of new microfinance products and services leverage the sizeable funding already available to partner organizations through the Pakistan Poverty Alleviation Fund's regular lending programme (2.5 million beneficiaries to date). The 180 000 households that are projected to benefit directly from programme funding represent only a portion of the households that should ultimately benefit from the programme once successful products and services are mainstreamed.
Peru Market Strengthening and Livelihood Diversification in the Southern Highlands Project	The project aims at enhancing the human, natural, physical, financial and social assets of men and women engaged in small-scale, on- and off-farm activities in the southern highlands as a means of improving their livelihoods and promoting income-generating opportunities. This will involve: improving beneficiaries' natural resources; increasing their access to markets; and classifying and building on their knowledge. The project is expected to result in greater trade in goods and services, more availability of financial services, and in knowledge sharing and asset building.
Rwanda Umutara Community Resource and Infrastructure Development Project	The specific objectives of the project will include: (i) establishing processes to enhance community control over development and the services needed to facilitate it; (ii) providing a clean water supply to the majority of households in the prefecture, and constructing roads to isolated communities; (iii) increasing household food security by intensifying agricultural production through the introduction of improved seeds and fruit-tree species, and the use of soil conservation measures, mineral fertilizers and other soil amendments; (iv) ensuring long-term agricultural sustainability through better cropping and rangeland practices; (v) raising household cash incomes through income-generating activities and inventory credit; (vi) ensuring sustainable improvement of the environment by reducing reliance on natural fuel wood supplies and by introducing households to wood lots and agroforestry; and (vii) promoting civil-society organizations to implement community-based and community-driven development. Women will be key beneficiaries of, and participants in, project activities.
Senegal Agricultural Development Project in Matam – Phase II	The development objective of the project is to assist targeted rural populations in developing their own capacity to increase their incomes and improve their living conditions on a sustainable basis. More specifically, the project aims to: (a) improve the capacity of beneficiary organizations to provide essential services to their members and to play an important advocacy role on their behalf; (b) promote the participation of women and young people in community decisions and activities; (c) increase the agricultural and pastoral productive potential of the project area in a sustainable manner; and (d) increase and diversify rural incomes, particularly those of the more vulnerable groups.
Senegal Agricultural Services and Producer Organizations Project – Phase II	The development goal of the four-year second phase of the project is to reduce rural poverty by improving access by smallholder farmers to sustainable and diversified agricultural services and innovations, with a view to diversifying and stabilizing the production and increasing the incomes of smallholder farmers and improving household food security. The project will strengthen the institutional framework put in place during

<i>Country and project/programme names</i>	<i>Objectives</i>
	<p>the first phase, expand the coverage of agricultural advisory services nationwide, support the emergence of private service providers, strengthen research capacity and focus, and empower producer organizations, while increasing their social accountability and representation.</p>
<p>Senegal Promotion of Rural Entrepreneurship Project – Phase II</p>	<p>The overall goal of the project is to promote, in a gender-equitable way, the sustainable diversification of rural poor people’s livelihoods and income sources. Its specific objectives are to: (i) foster and consolidate profitable rural micro- and small enterprises (MSEs) able to offer stable jobs in the target areas; (ii) strengthen and professionalize the rural entrepreneurial subsector in those areas; and (iii) improve the overall political, legal and institutional environment for rural MSEs.</p>
<p>Sri Lanka Dry Zone Livelihood Support and Partnership Programme</p>	<p>The programme goal is the sustainable increase in the incomes and improvement in the living conditions of poor women and men in about 80 000 households in the dry zone. The purpose of the programme is to put in place a mechanism for the mobilization of resources and services that will sustainably increase production and add value to the produce in the dry zones of the country in order to achieve the overall programme goal. Therefore, the programme’s immediate objectives, which reflect the anticipated outputs of each component, will include the following: (a) rain fed upland farm productivity improved and increased; (b) irrigated crop production increased through the rehabilitation and operation of the necessary infrastructure; (c) marketing opportunities and linkages expanded and value added in the agricultural production in rain fed and irrigated areas; (d) sources of income for the poor, especially women, diversified through expanded microfinance services; and (e) priority community infrastructure realized and used to effect.</p>
<p>Sudan Gash Sustainable Livelihoods Regeneration Project</p>	<p>The overall goal of the project will be to regenerate the livelihoods of 67 000 poor households in and around the Gash Delta in a manner compatible with the efficient and sustainable use of the land and water resources and based upon a shared vision of development and the stability of the related institutional arrangements. The purpose of the project is to ensure the efficient, equitable and sustainable operation of the Gash Agricultural Scheme and the integration of the scheme into the local economy. The specific objectives of the project are (i) the elaboration and maintenance of a shared vision of development, (ii) the establishment of the related institutional arrangements appropriate to the shared vision, (iii) rehabilitated water and other social infrastructures and water-harvesting devices, (iv) improved crop and livestock husbandry practices, (v) the establishment of financial services, and (vi) strengthened state planning capacity.</p>
<p>Uganda National Agricultural Advisory Services Programme</p>	<p>The programme’s development goal is to increase the security of rural livelihoods, with sustainable improvements in agricultural productivity and household incomes. The purpose is to ensure that men and women farmers become aware of and apply improved crop, animal and fishery husbandry and management practices, and identify and solve their technical and marketing problems using appropriate knowledge and practices. The primary means to this end will be to realize the vision of a decentralized, largely farmer-owned and private-sector-delivered farm advisory service that will increase farmers’ access to essential information and support to improve farm productivity, profitability and the welfare of rural households. The principal expected outputs that will be key measures of the progress and impact of the programme include: (a) appropriate advice and information made available to differentiated categories of men and women farmers in a cost-effective manner; (b) appropriate technologies made available in sufficient quantities and sustainably enhanced to meet farmers’ identified needs for advice and information; (c) quality of advice and information supplied by service providers assured; and (d) appropriate institutional structures and capacity to operate the programme effectively developed at all levels.</p>
<p>Uruguay Uruguay Rural</p>	<p>The main objective of the programme is to contribute to alleviating rural poverty by raising the income levels and living standards of the rural poor. It will strive to increase the value added to agricultural production through crop diversification, a boost in productivity and the creation of employment opportunities for landless male and female workers. Transferring responsibility for programme implementation to beneficiary organizations and through local capacity building will enhance beneficiary participation in implementation and decision-making. The programme will support the creation of a</p>

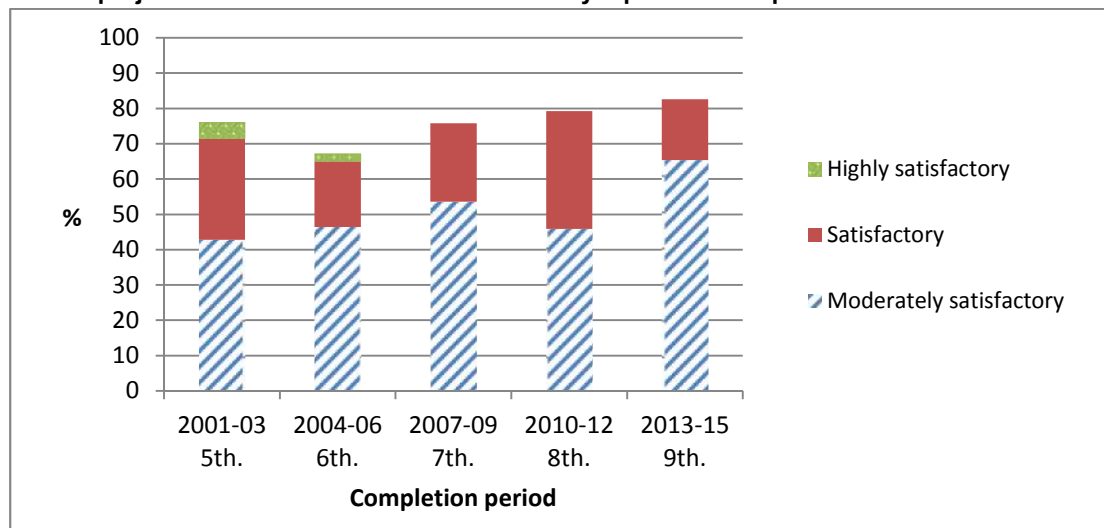
<i>Country and project/programme names</i>	<i>Objectives</i>
	<p>sustainable institutional framework and permanent operational mechanisms to combat and prevent rural poverty, while providing lessons from implementation experience and examples for possible replication in other projects and countries in Latin America. The programme will adopt a targeting approach that is based on poverty mapping. The specific objectives of the programme include: (i) strengthening beneficiary organizations and sectoral institutions in order to foster participation, ownership, and the sustainability of policies and interventions; (ii) improving access of project beneficiaries to financial resources in order to support productive investment and create rural microenterprises; (iii) strengthening a central institutional mechanism to coordinate rural development initiatives and investment projects; (iv) providing sustainable access to production-support services for small-scale agricultural producers and small and medium-sized enterprises; and (v) instituting a participatory M&E system that will allow for close follow-up of processes, actions and field impact, while fostering learning processes and innovation in rural development.</p>
<p>Zambia Smallholder Enterprise and Marketing Programme</p>	<p>The primary objective of the programme is to improve smallholder farmers' access to input and output markets, with the overall goal of realizing increased smallholder incomes and food security. This will be achieved through five intermediate objectives: (a) facilitate the formation and strengthening of smallholder-enterprise groups and the development of capacity in local institutions to implement such activities; (b) improve physical access to input and output markets in concert with market linkage initiatives; (c) facilitate a cost-effective, competitive and efficient network of agribusiness/trading enterprises that serve smallholder farmers; (d) promote</p>
<p>Zambia Rural Finance Programme</p>	<p>The programme's development goal is to improve the livelihoods of rural households. Central to achieving this goal and as its overall objective, the programme aims to increase the use of sustainable financial services in rural areas. This will be achieved through investments in five components to: (i) develop the use of sustainable community-based financial institutions; (ii) promote rural banking services; (iii) increase and intensify small-scale production in contract-farming operations; (iv) develop new and expanding existing financial service products in rural areas; and (v) establish a more conducive policy and institutional framework for rural finance.</p>
<p>Zambia Smallholder Livestock Investment Project</p>	<p>The goal is to increase incomes and food security among poor smallholder farmers through restored access to draught animal power. The project's two objectives are: (i) reduction in the incidence of contagious bovine pleuropneumonia and east coast fever to levels that allow smallholders' cattle herds to be re-established and to grow; and (ii) adequate restocking of poor smallholder farmers who have lost their cattle to disease, in a way that will provide them with sustainable access to draught animal power.</p>

Project performance 2002-2013

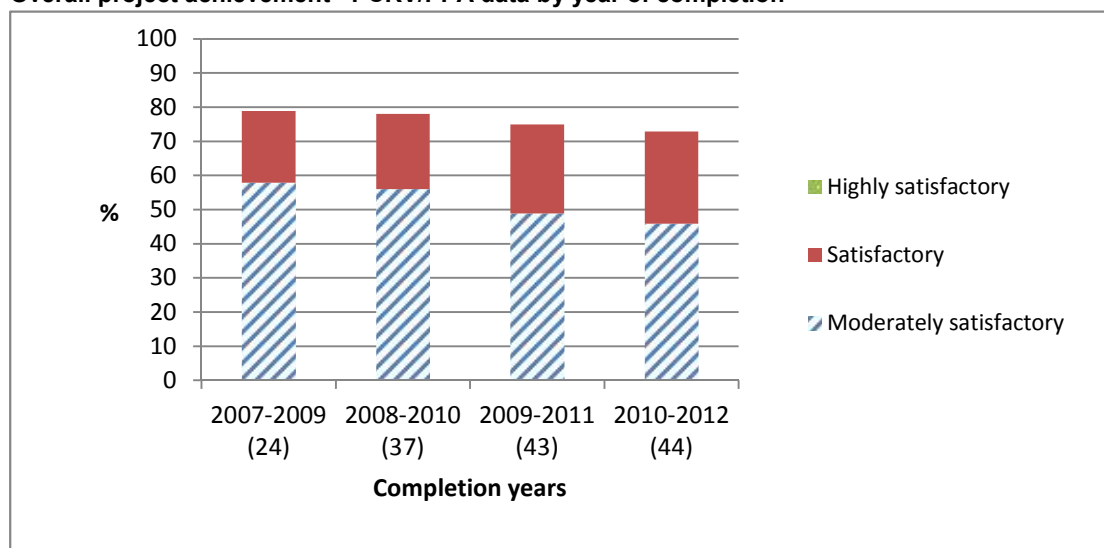
Overall project achievement - all evaluation data by year of completion



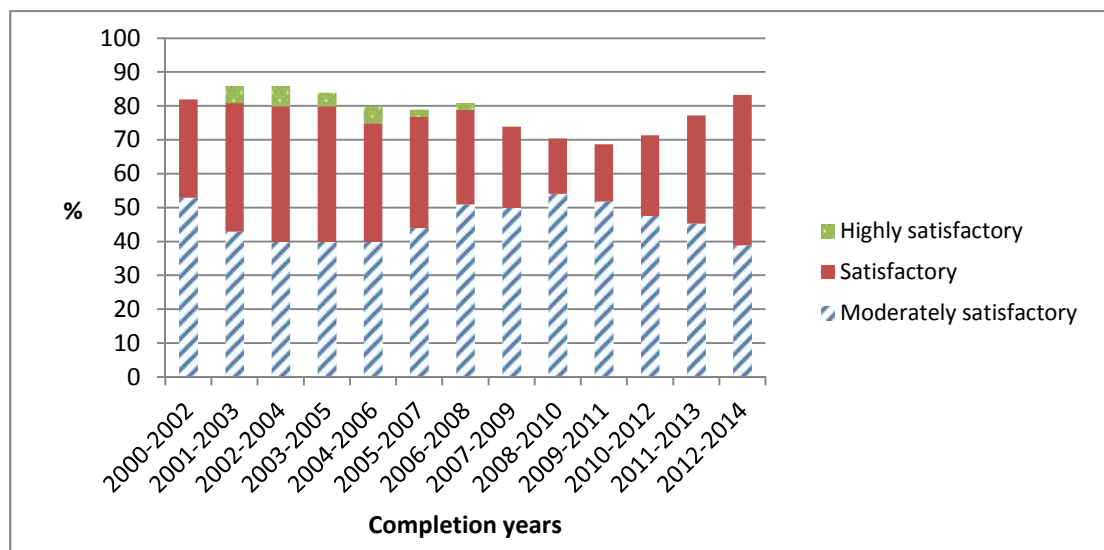
Overall project achievement - all evaluation data by replenishment period



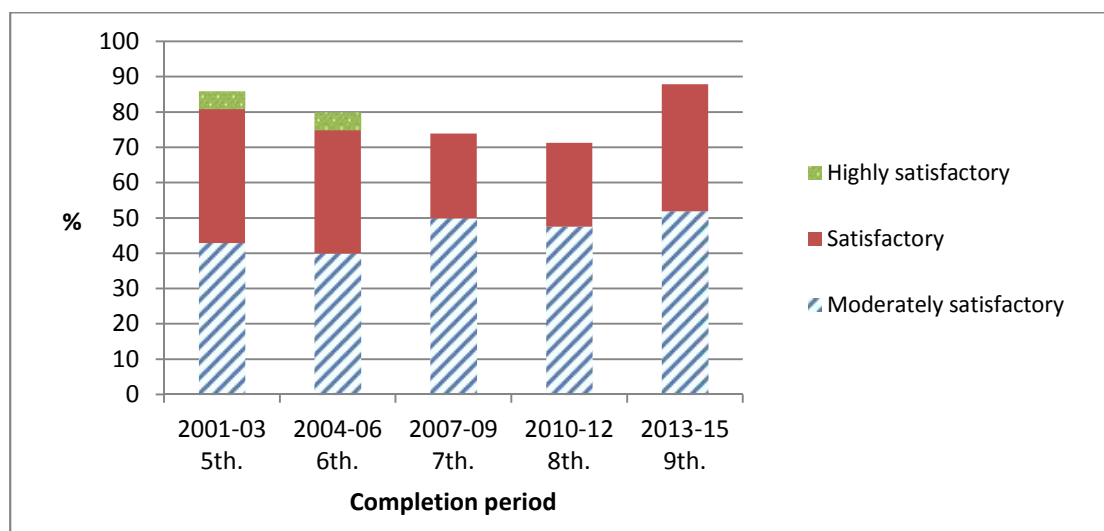
Overall project achievement - PCRV/PPA data by year of completion



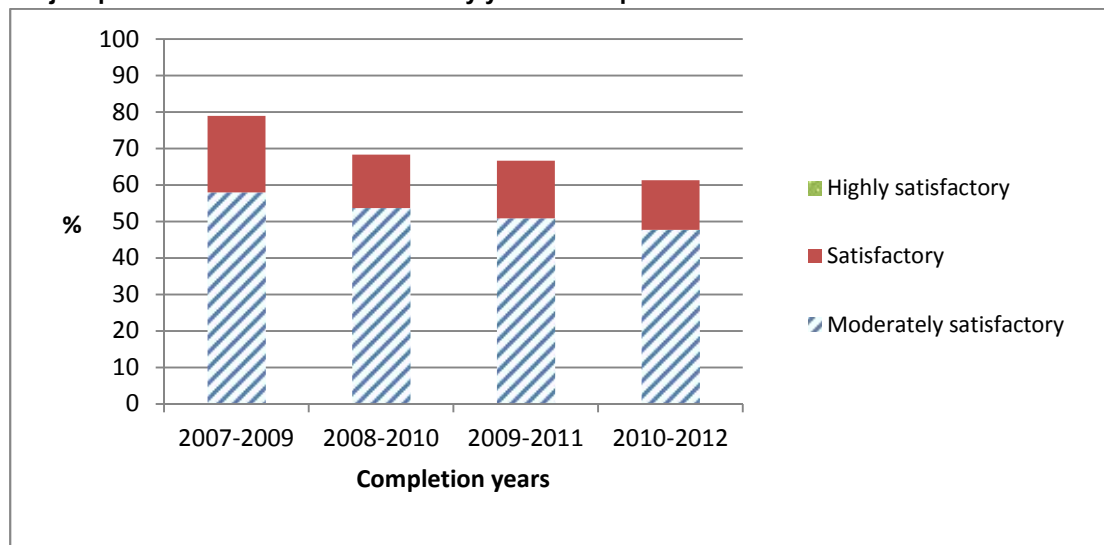
Project performance - all evaluation data by year of completion



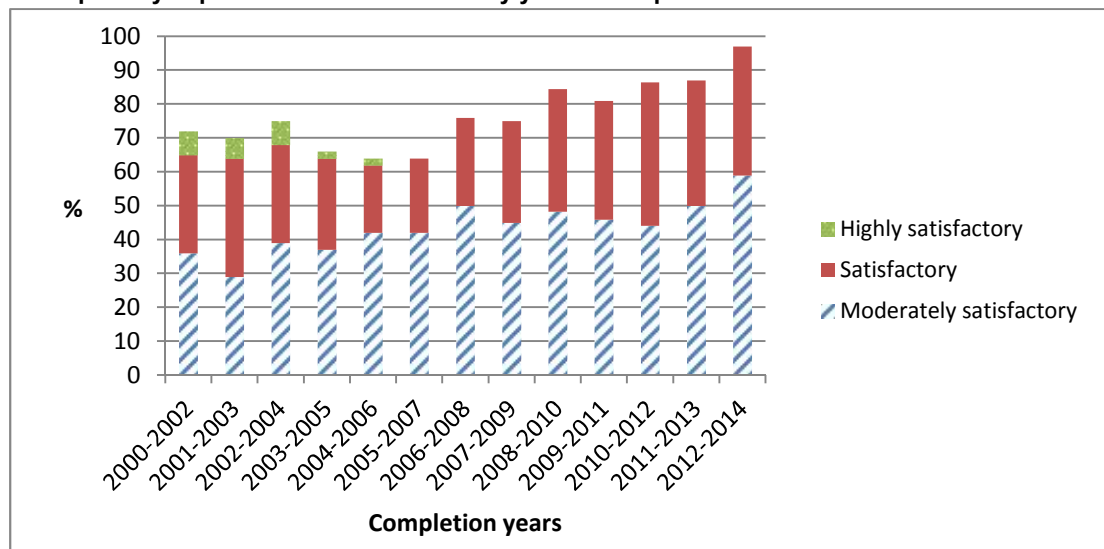
Project performance - all evaluation data by replenishment period



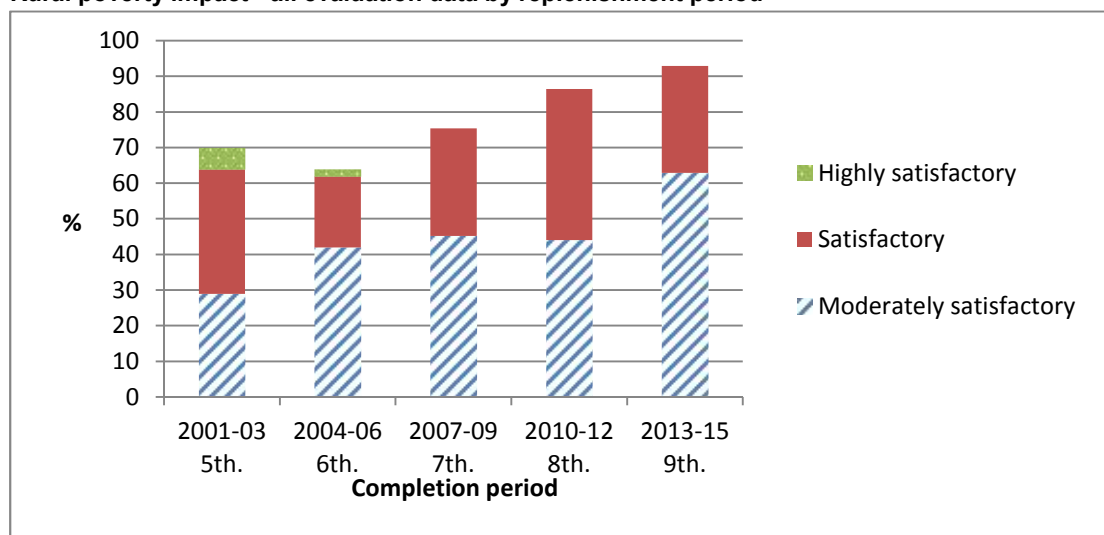
Project performance - PCR/PPA data by year of completion



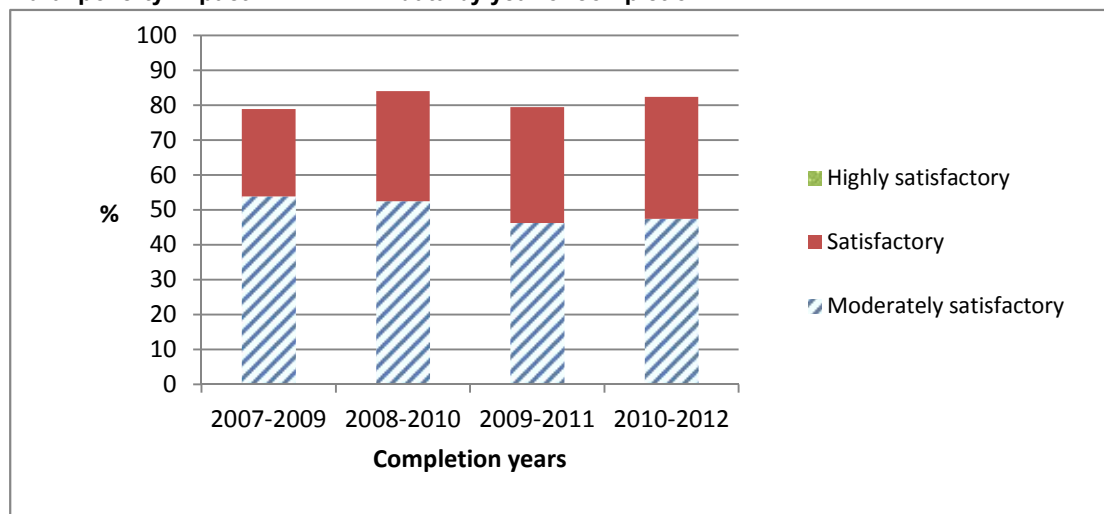
Rural poverty impact - all evaluation data by year of completion



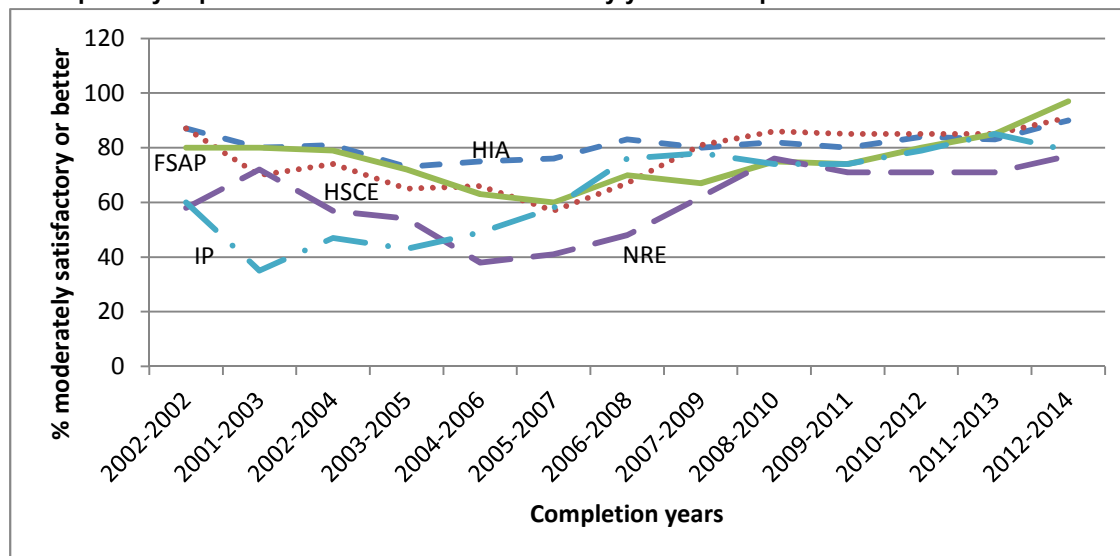
Rural poverty impact - all evaluation data by replenishment period



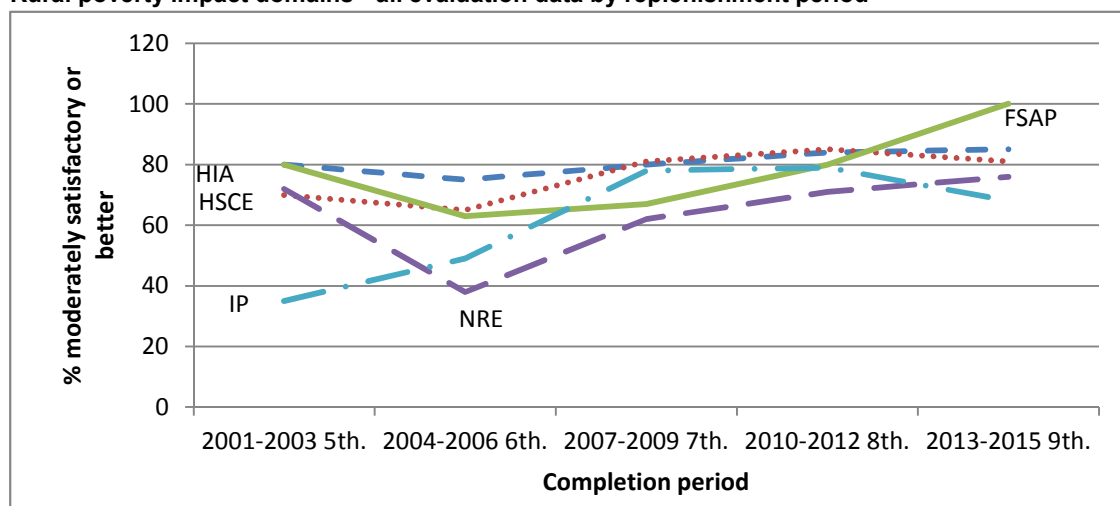
Rural poverty impact - PCRV/PPA data by year of completion



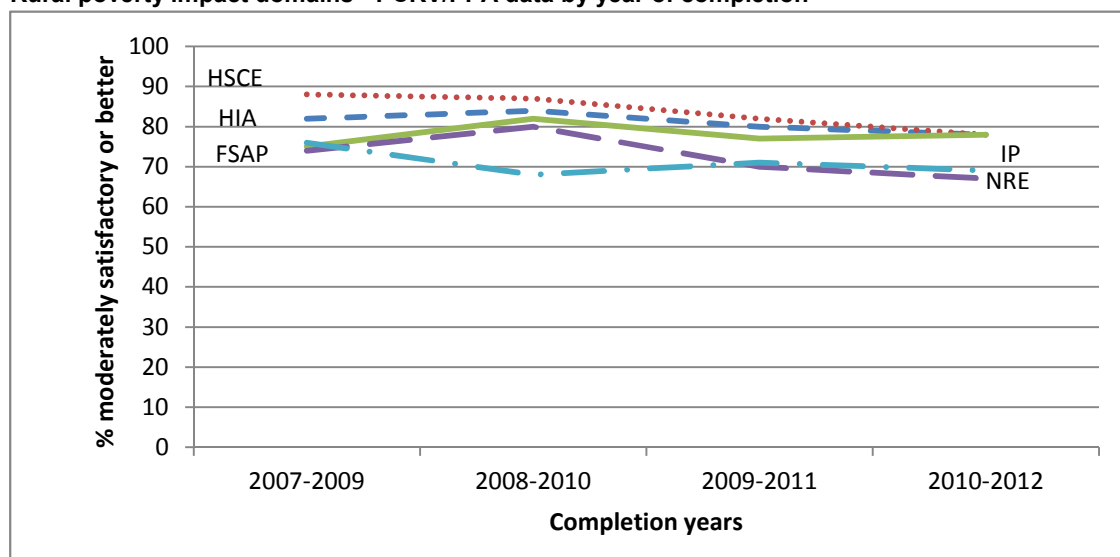
Rural poverty impact domains - all evaluation data by year of completion



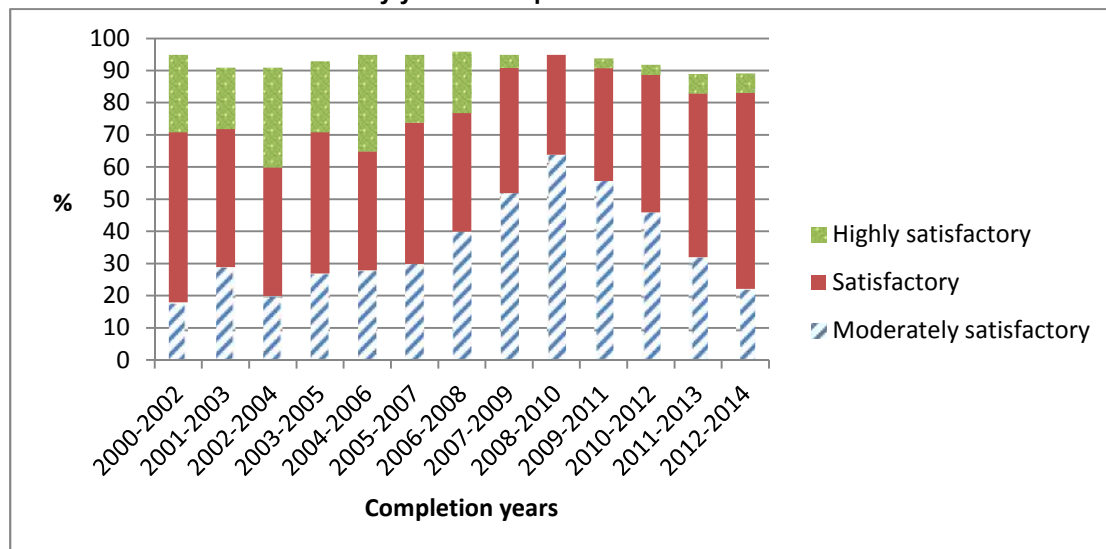
Rural poverty impact domains - all evaluation data by replenishment period



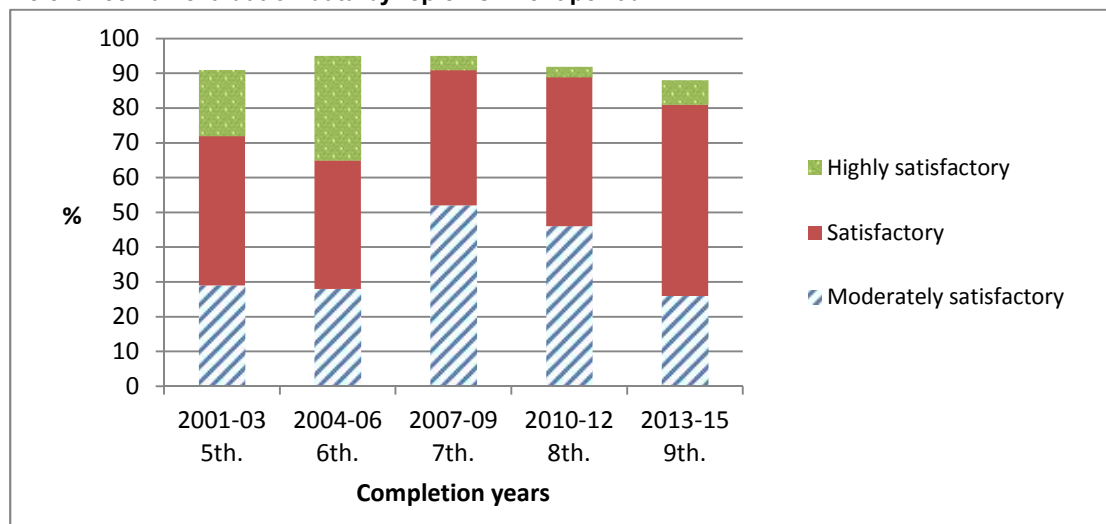
Rural poverty impact domains - PCRV/PPA data by year of completion



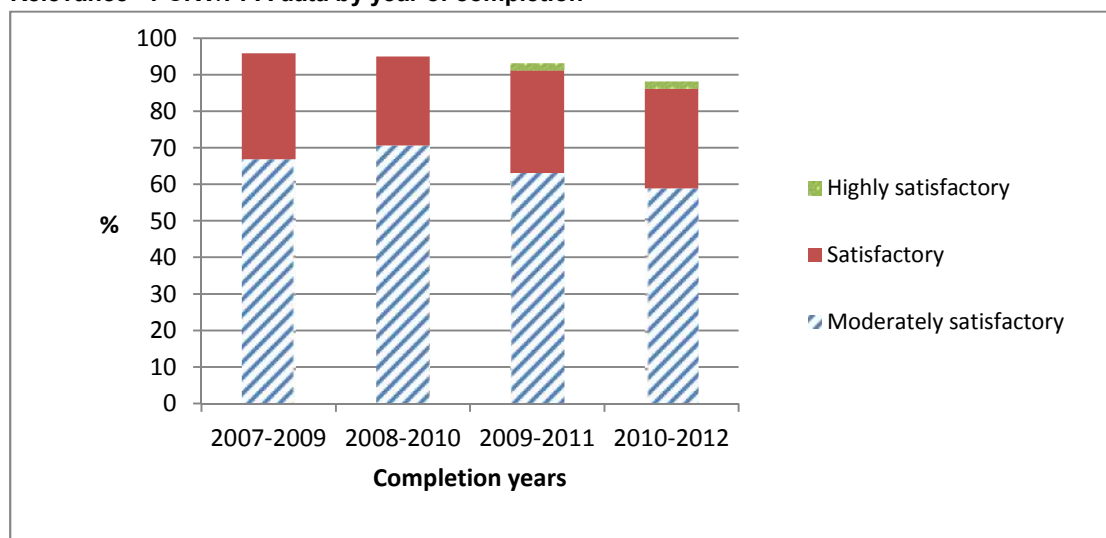
Relevance - all evaluation data by year of completion



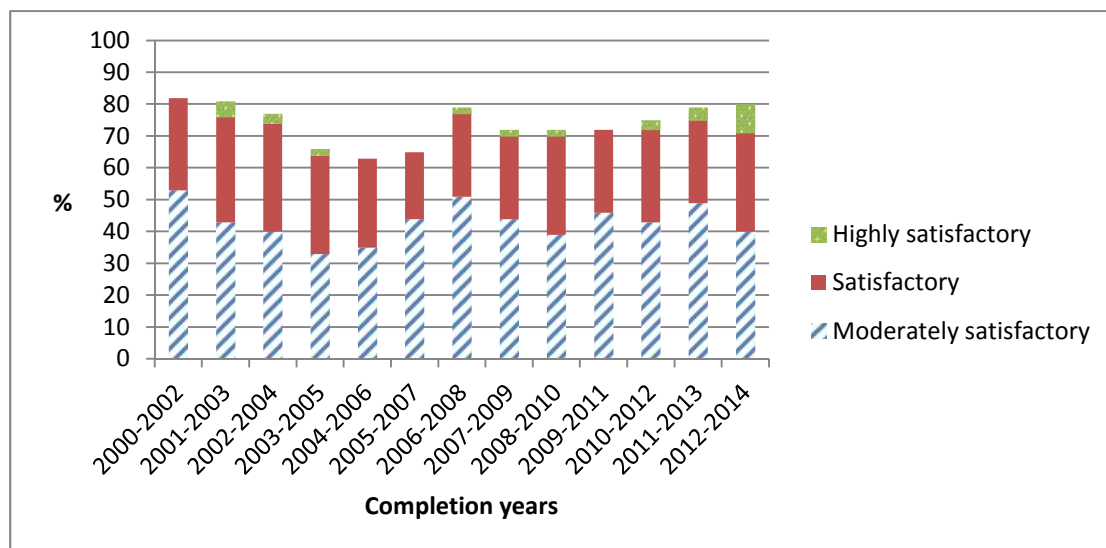
Relevance - all evaluation data by replenishment period



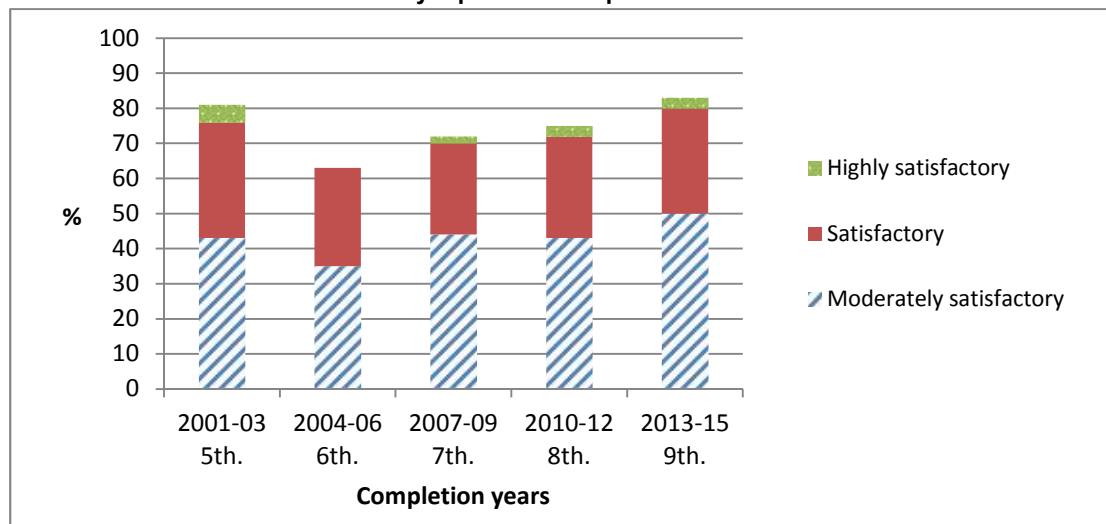
Relevance - PCRV/PPA data by year of completion



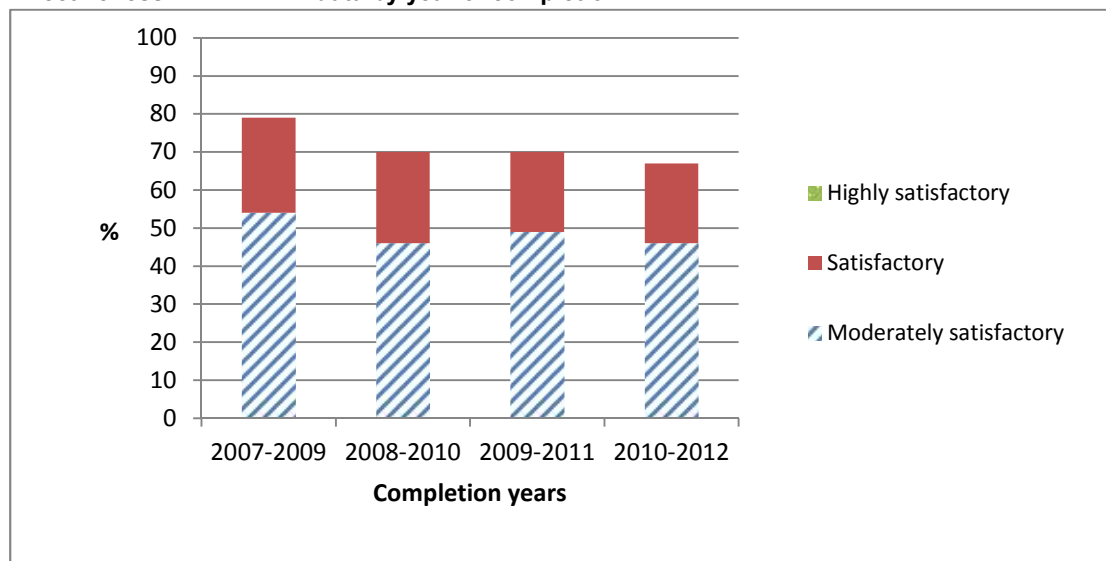
Effectiveness - all evaluation data by year of completion



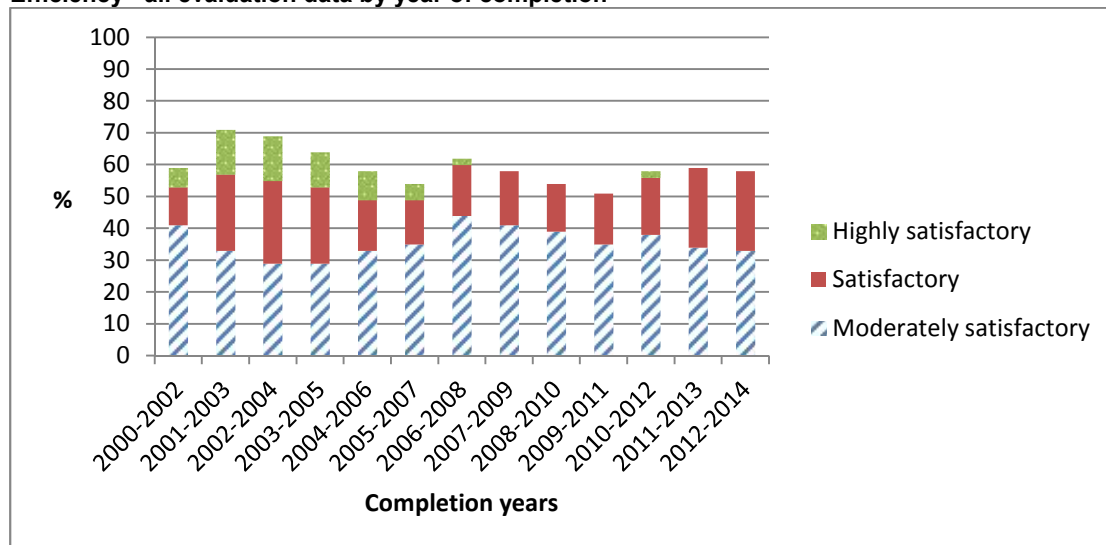
Effectiveness - all evaluation data by replenishment period



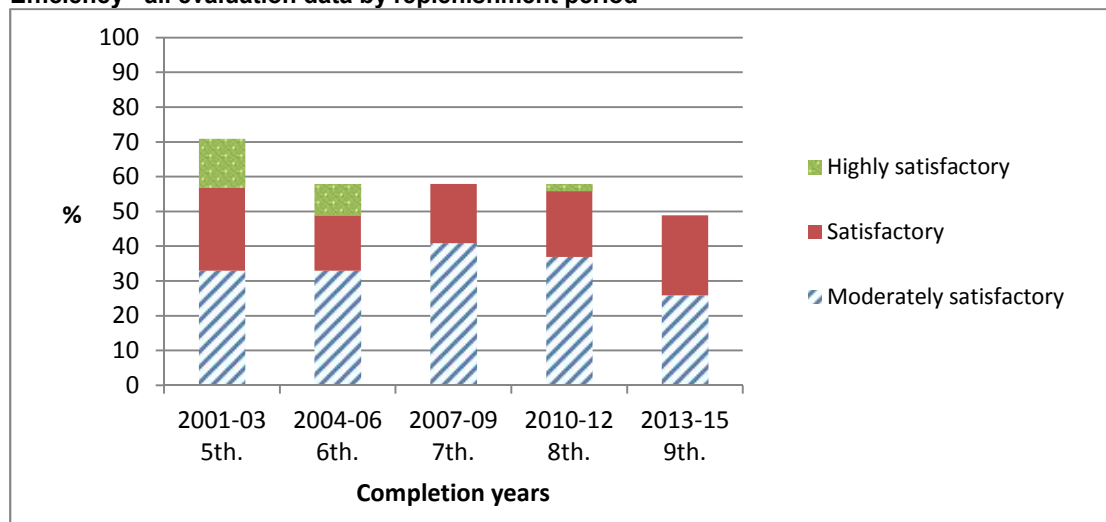
Effectiveness - PCRV/PPA data by year of completion



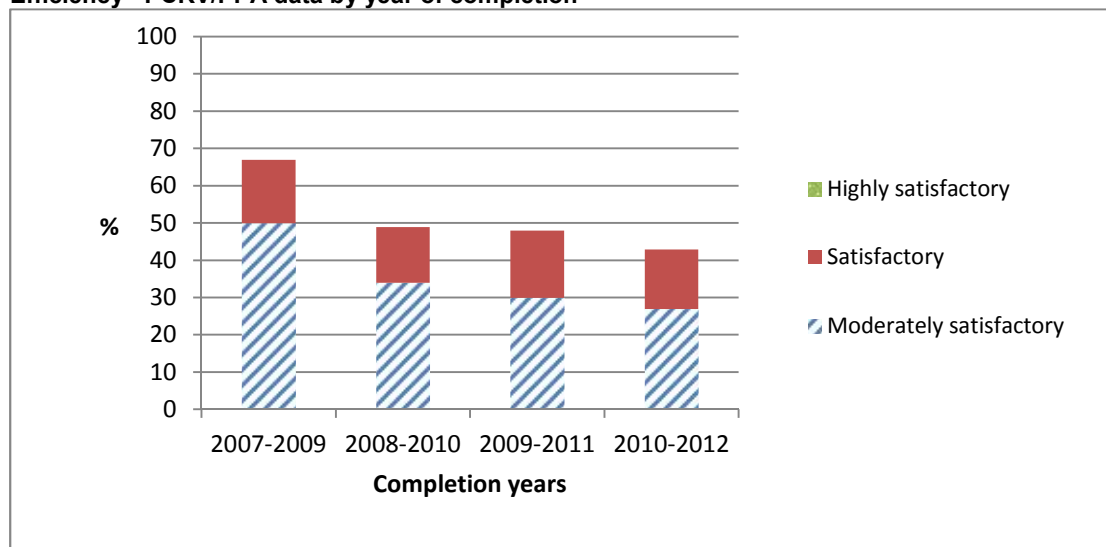
Efficiency - all evaluation data by year of completion



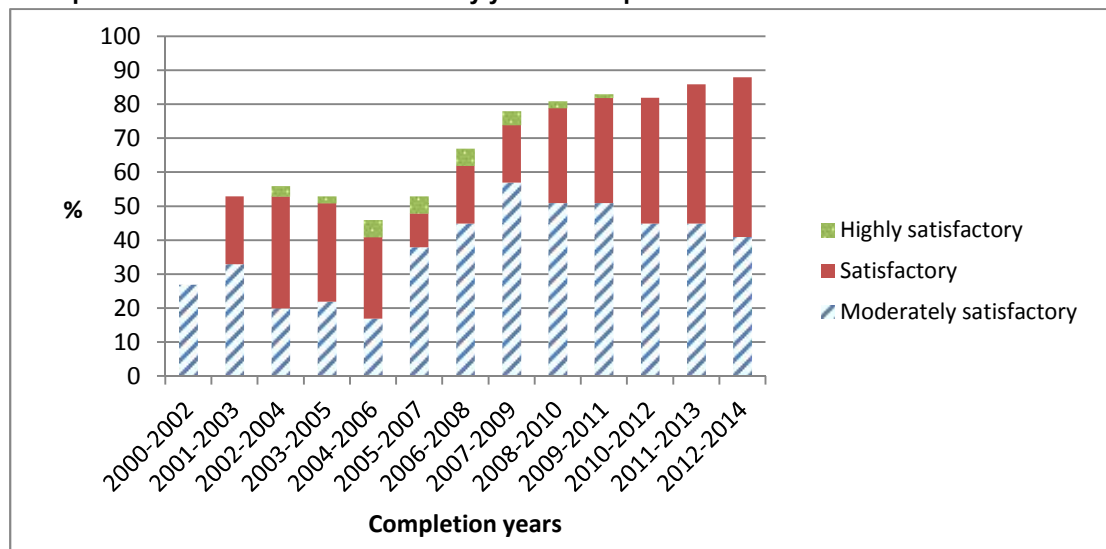
Efficiency - all evaluation data by replenishment period



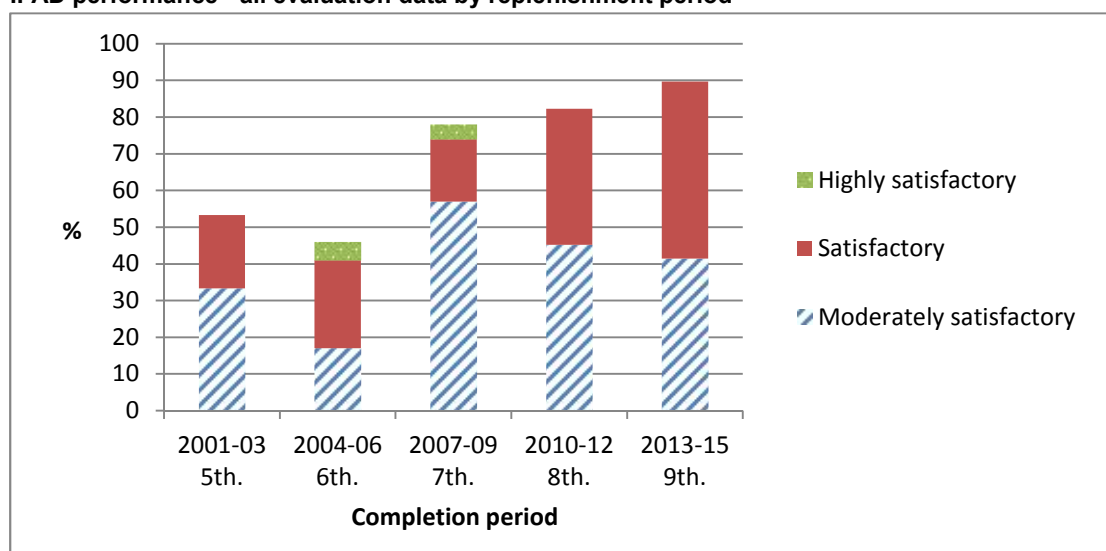
Efficiency - PCR/PPA data by year of completion



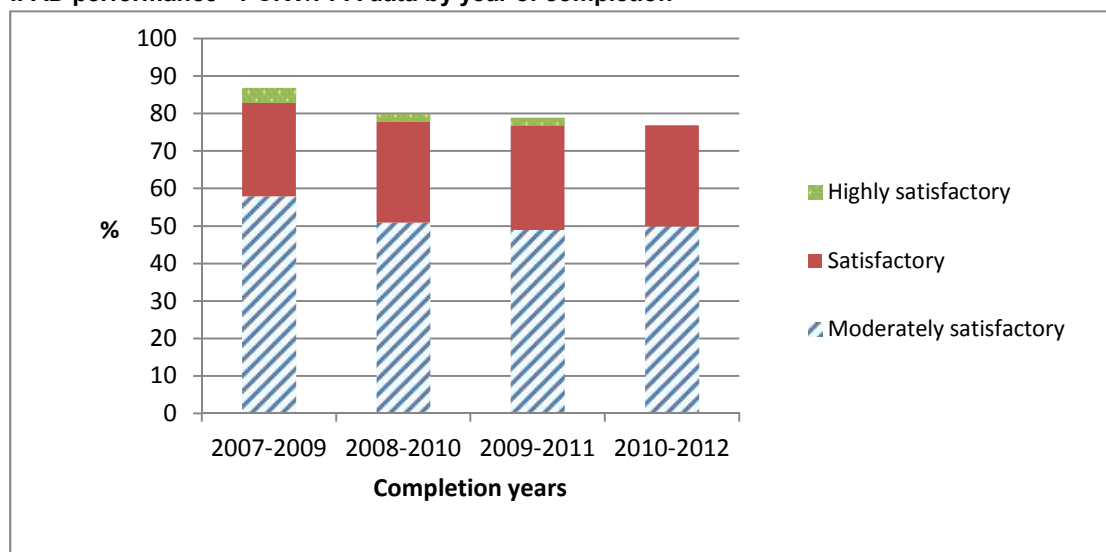
IFAD performance - all evaluation data by year of completion



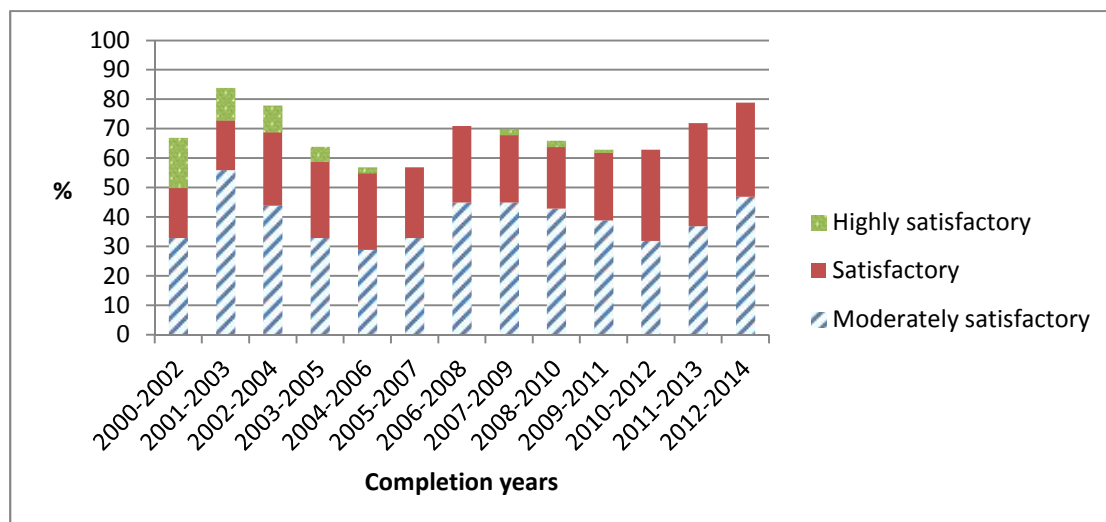
IFAD performance - all evaluation data by replenishment period



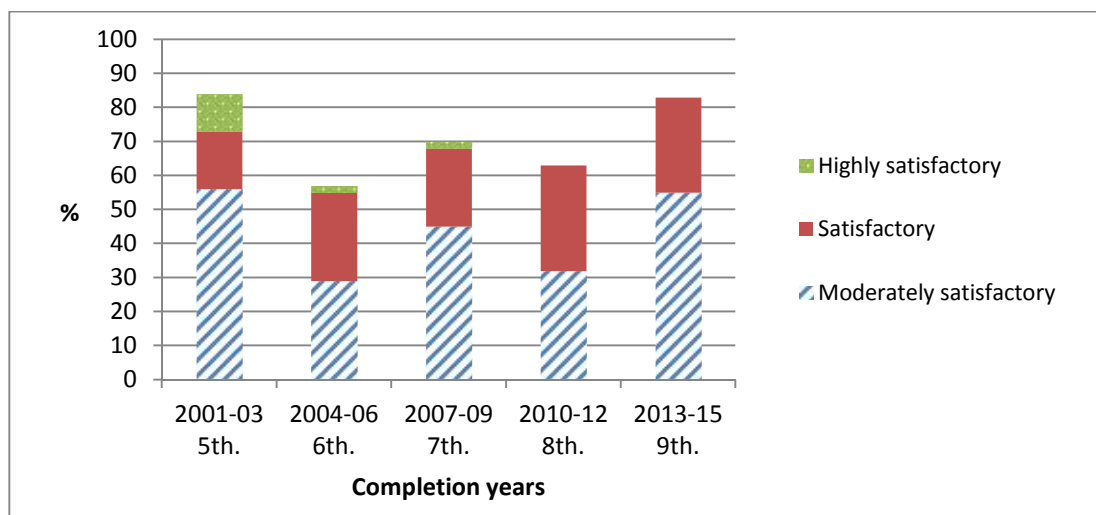
IFAD performance - PCR/PPA data by year of completion



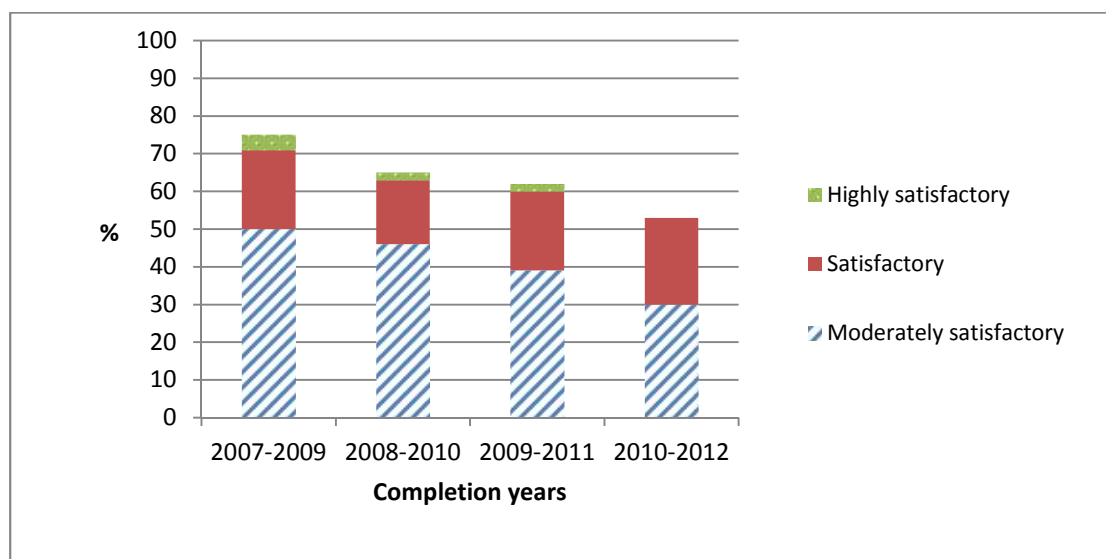
Government performance - all evaluation data by year of completion



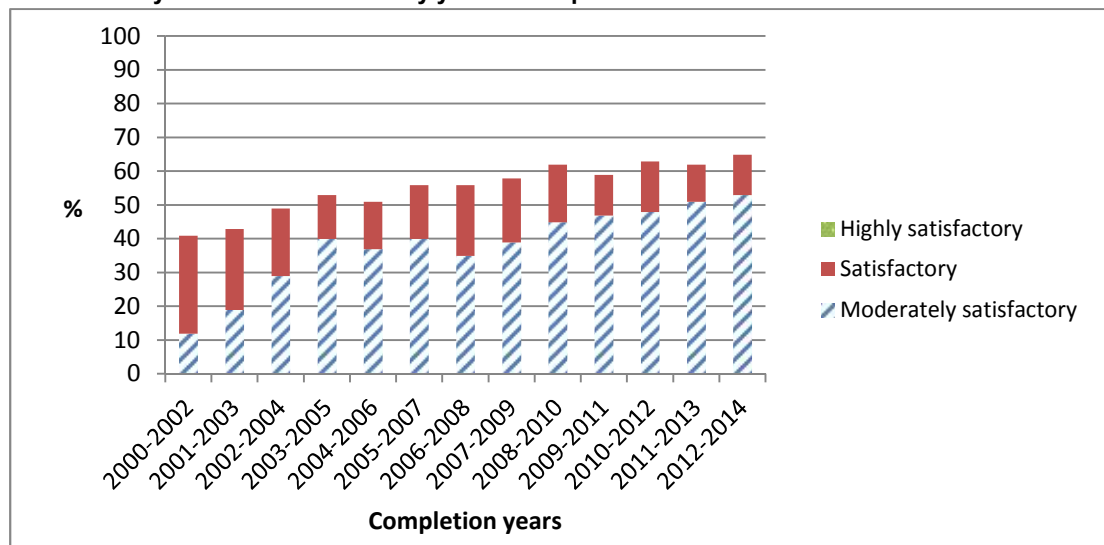
Government performance - all evaluation data by replenishment period



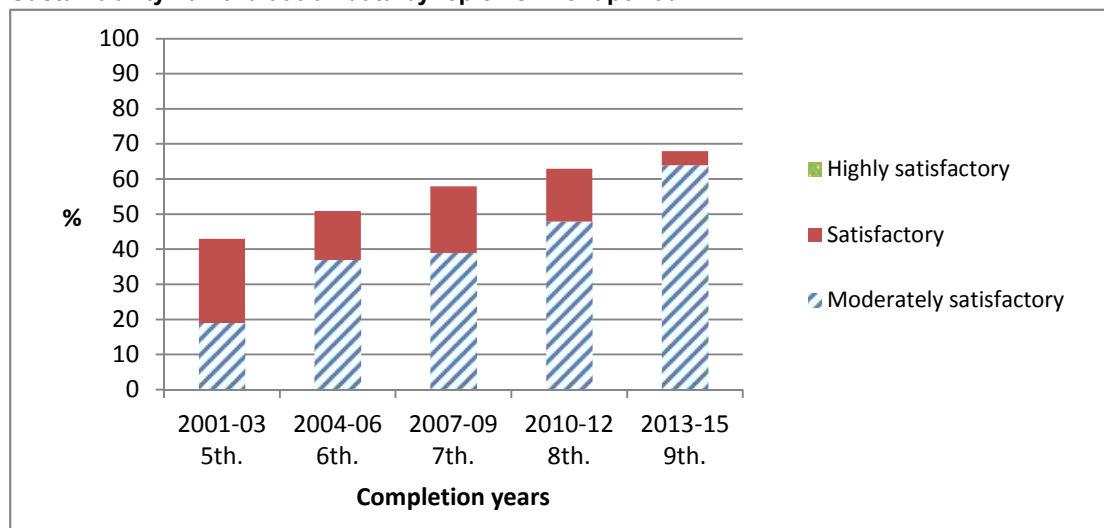
Government performance - PCRV/PPA data by year of completion



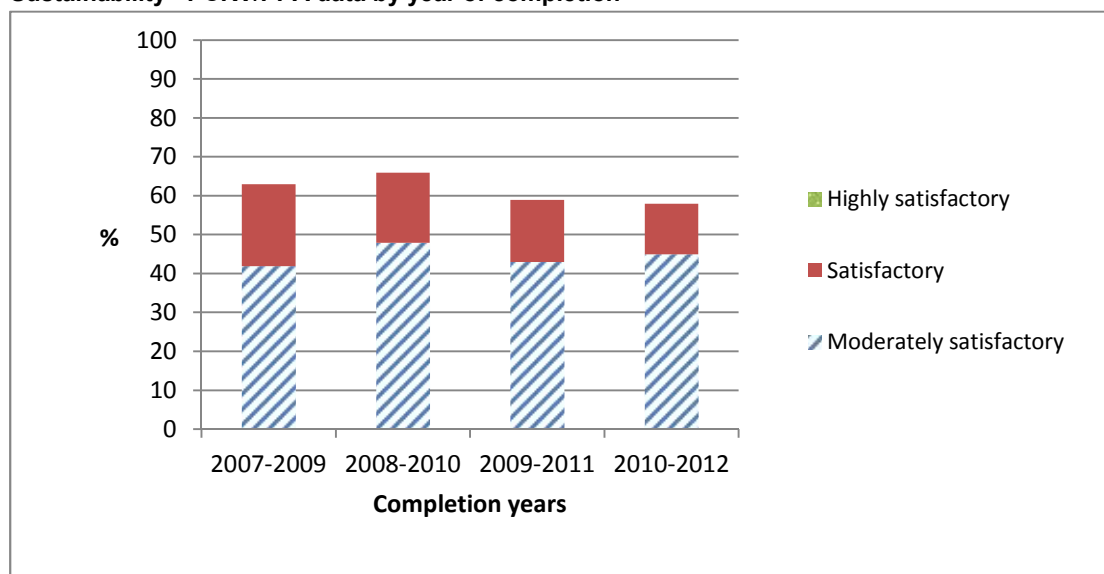
Sustainability - all evaluation data by year of completion



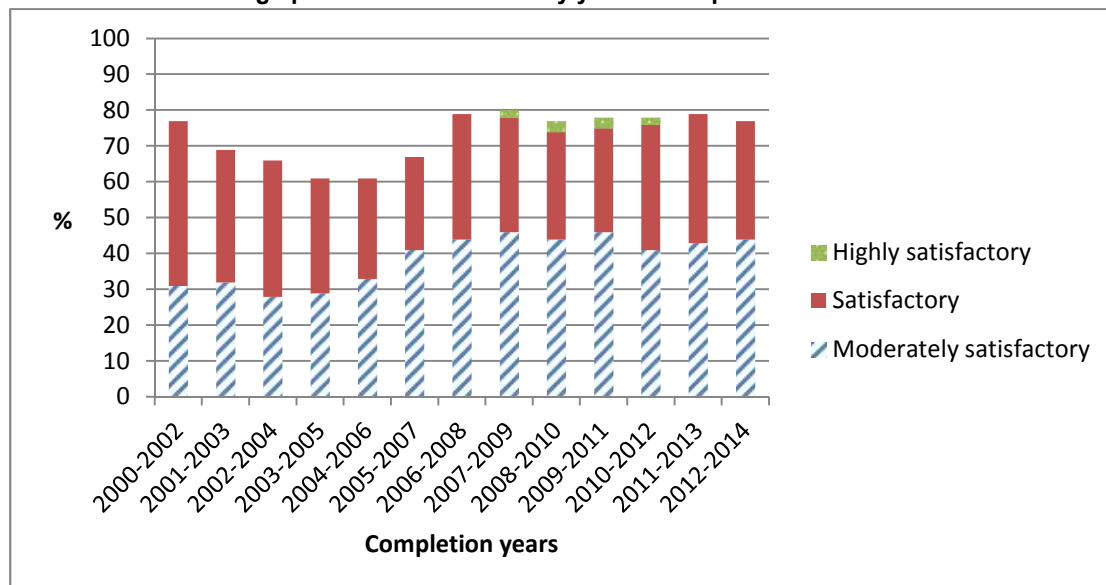
Sustainability - all evaluation data by replenishment period



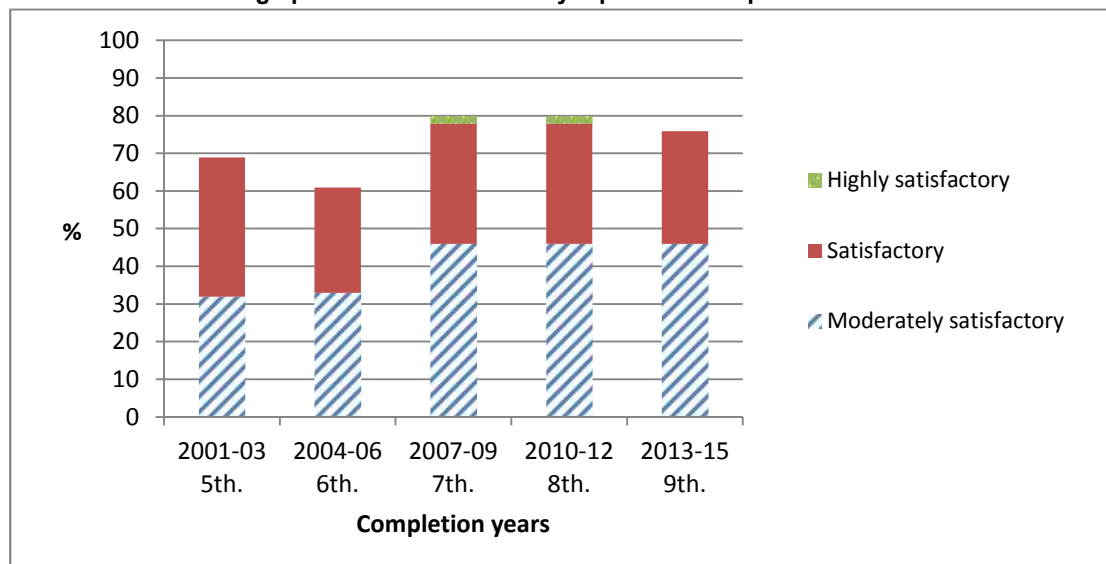
Sustainability - PCR/PPA data by year of completion



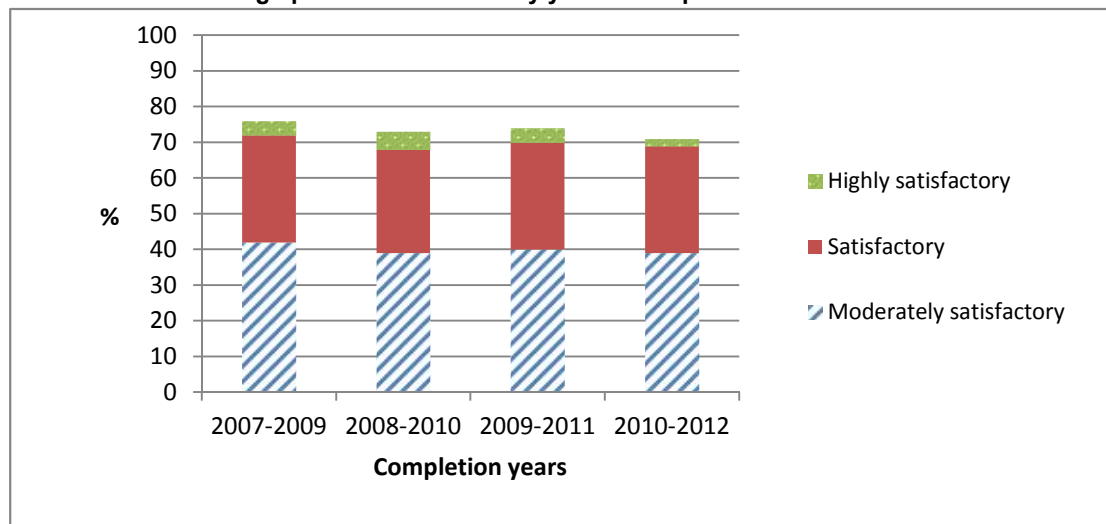
Innovation and scaling up - all evaluation data by year of completion



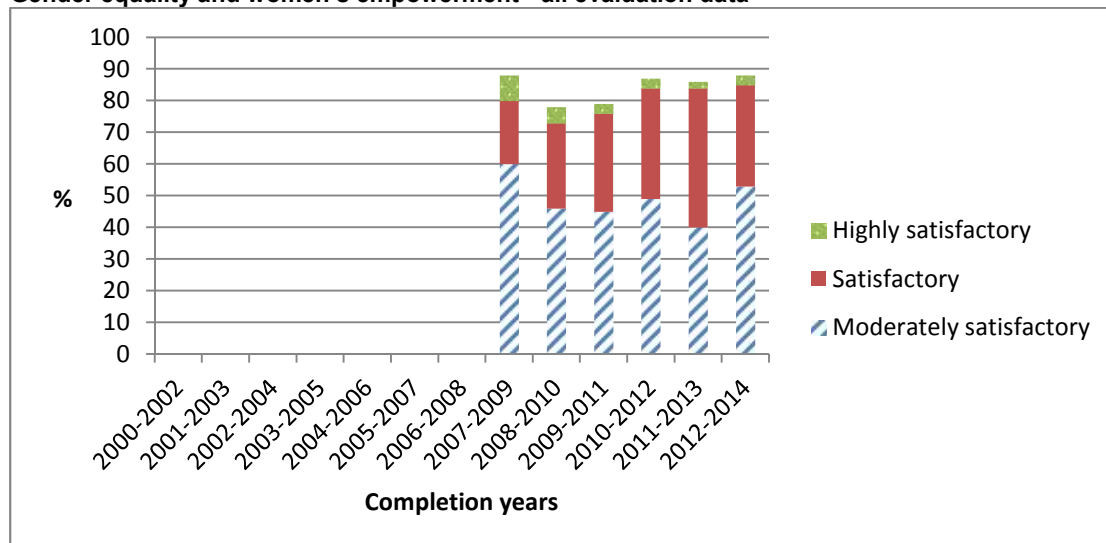
Innovation and scaling up - all evaluation data by replenishment period



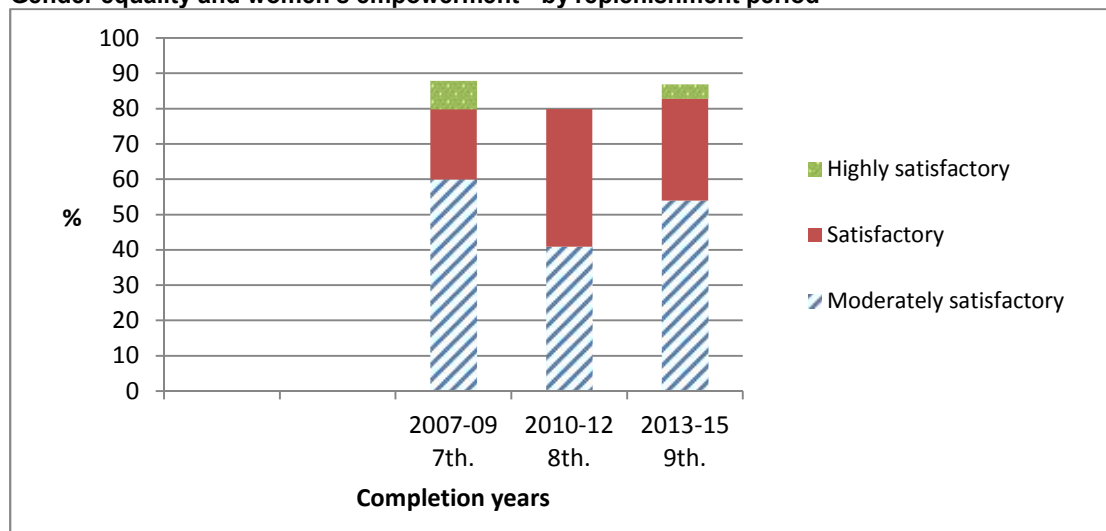
Innovation and scaling up - PCR/PPA data by year of completion



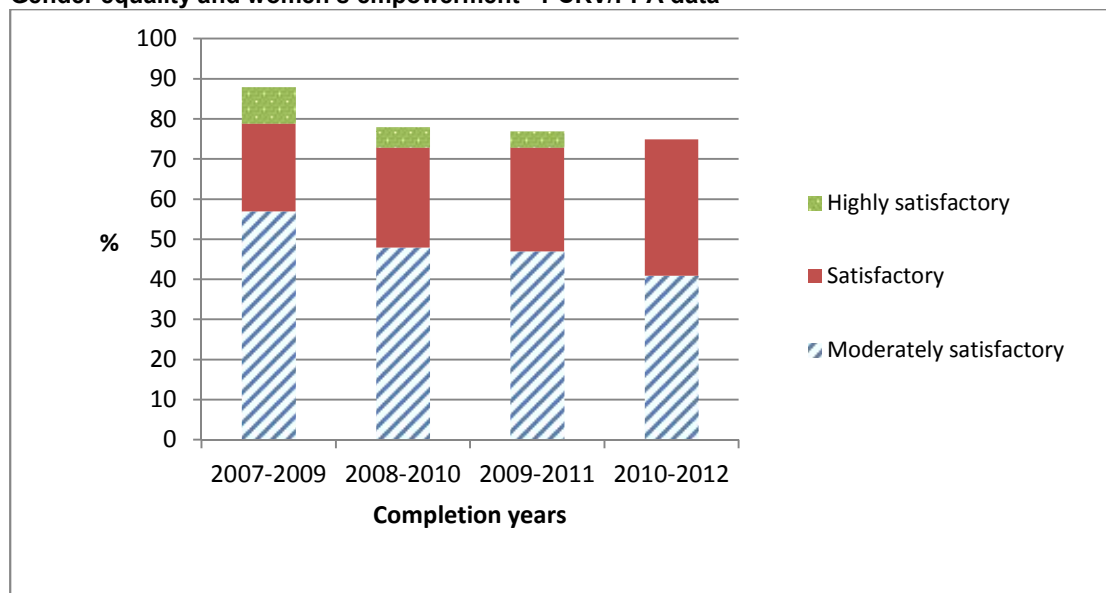
Gender equality and women’s empowerment - all evaluation data



Gender equality and women’s empowerment - by replenishment period



Gender equality and women’s empowerment - PCRV/PPA data



Project performance 2000-2013

All evaluation data and all ratings (percentage of projects)

Overall project achievement

	YEAR OF COMPLETION												
	2000-2002	2001-2003	2002-2004	2003-2005	2004-2006	2005-2007	2006-2008	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013	2012-2014
Highly unsatisfactory	0	0	0	0	0	0	0	0	0	0	0	0	0
Unsatisfactory	6	5	3	2	2	2	2	4	7	8	10	6	3
Moderately unsatisfactory	24	19	17	24	30	28	16	20	15	17	11	15	14
Moderately satisfactory	35	43	49	49	47	49	58	54	54	51	46	49	54
Satisfactory	29	29	26	22	19	21	23	22	24	25	33	30	29
Highly satisfactory	6	5	6	2	2	0	0	0	0	0	0	0	0
	100	101	101	99	100	100	99	100	100	101	100	100	100

Project Performance

	YEAR OF COMPLETION												
	2000-2002	2001-2003	2002-2004	2003-2005	2004-2006	2005-2007	2006-2008	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013	2012-2014
Highly unsatisfactory	0	0	0	0	0	0	0	0	0	0	0	0	0
Unsatisfactory	6	5	0	0	0	7	7	6	3	5	8	6	3
Moderately unsatisfactory	12	10	14	16	21	14	12	20	26	26	21	17	14
Moderately satisfactory	53	43	40	40	40	44	51	50	54	52	48	45	39
Satisfactory	29	38	40	40	35	33	28	24	16	17	24	32	44
Highly satisfactory	0	5	6	4	5	2	2	0	0	0	0	0	0
	100	101	100	100	101	100	100	100	99	100	101	100	100

Rural poverty impact

	YEAR OF COMPLETION												
	2000-2002	2001-2003	2002-2004	2003-2005	2004-2006	2005-2007	2006-2008	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013	2012-2014
Highly unsatisfactory	0	0	0	0	0	0	0	0	0	0	0	0	0
Unsatisfactory	7	6	3	5	7	5	2	2	3	5	5	4	0
Moderately unsatisfactory	21	24	23	29	29	32	21	23	12	14	9	10	3
Moderately satisfactory	36	29	39	37	42	42	50	45	48	46	44	50	59
Satisfactory	29	35	29	27	20	22	26	30	36	35	42	37	38
Highly satisfactory	7	6	7	2	2	0	0	0	0	0	0	0	0
	100	100	101	100	100	101	99	100	99	100	100	101	100

IFAD performance as a partner

	YEAR OF COMPLETION												
	2000-2002	2001-2003	2002-2004	2003-2005	2004-2006	2005-2007	2006-2008	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013	2012-2014
Highly unsatisfactory	0	0	0	0	2	2	2	0	0	0	0	0	0
Unsatisfactory	0	0	3	2	2	2	2	4	2	3	2	2	0
Moderately unsatisfactory	73	47	40	44	50	43	29	19	18	14	16	12	12
Moderately satisfactory	27	33	20	22	17	38	45	57	51	51	45	45	41
Satisfactory	0	20	33	29	24	10	17	17	28	31	37	41	47
Highly satisfactory	0	0	3	2	5	5	5	4	2	1	0	0	0
	100	100	99	99	100	100	100	101	101	100	100	100	100

Internal benchmarking

Table VIII.1
Percentage of projects rated moderately satisfactory or better

<i>Evaluation Criteria</i>	<i>Independent External Evaluation^a</i>	<i>IOE PPA/PCRV evaluations Projects Completing 2010-2012</i>	<i>2012 Targets from the 2010-2012 RMF^b</i>	<i>2015 Targets From the 2013-2015 RMF</i>
Relevance	100	89	90	100
Effectiveness	67	66	90	90
Efficiency	45	43	75	75
Rural poverty impact	55	83	90	90
Sustainability	40 ^c	56	75	75
Innovation ^d	55	70	80	90
Gender ^e	n/a	75	80	90
Government performance	n/a	52	n/a	80

^a See IEE, chapter 2.

^b These are targets, to be compared with ARRI results, approved by the Executive Board in September 2009. See table 2 in document EB 2009/97/R.2, Results Measurement Framework for the Eighth Replenishment period (2010-2012).

^c This is based on the ratings of ten late and completed projects. However, it found that 61 per cent of all of the projects (it covered 18) were likely to have a satisfactory impact on sustainability.

^d The IEE split the analysis into local and national innovations. The results included in the table refer to local innovations, which are defined as something “new of different at the community or village level (more commonly understood to be technology transfer)”. As for national innovations, defined as something “new or different in a particular country context (a new type of microfinance organization, a new agriculture technology)”, only 25 per cent of projects rated were considered satisfactory.

^e Based on two years data (2010-2011).

Table VIII.2
Comparisons of overall project achievement across geographic regions (2000-2013)

<i>Geographic region</i>	<i>Number of projects evaluated</i>	<i>Overall project achievement</i>	
		<i>Percentage of projects rated moderately satisfactory or better</i>	<i>Percentage of projects rated moderately unsatisfactory or worse</i>
Asia and the Pacific	62	85	15
Latin America and Caribbean	35	74	26
East and Southern Africa	46	80	20
Near East, North Africa and Europe	35	74	26
West and Central Africa	44	61	39

Project completion reports – disconnect and quality

The average disconnect or difference between IOE PCR/PPA ratings and PMD PCR ratings is -0.2. This is the average disconnect for all the PCR/PPA data available in the ARRI database (72).

PCR/PPA findings on the quality of PCRs are as follows:

<i>Evaluation criteria</i>	<i>% satisfactory or better</i>	<i>% moderately satisfactory or better</i>	<i>% moderately unsatisfactory or worse</i>
PCR scope	39.4	73	27
PCR quality	20	52	48
PCR lessons	47	82	18
PCR candour	3	74	26
Overall rating for PCR document	35	69	31

List of country programme evaluations completed by IOE, during the period 1992 – 2014⁶³

<i>Nr.</i>	<i>Division</i>	<i>Country Programme Evaluation (CPE) of</i>	<i>Publication year</i>
1	NEN	Yemen	1992
2	NEN	Sudan	1994
3	APR	Bangladesh	1994
4	APR	Pakistan	1995
5	LAC	Honduras	1996
6	WCA	Ghana	1996
7	WCA	Mauritania	1998
8	APR	Nepal	1999
9	APR	Viet Nam	2001
10	NEN	Syria	2001
11	APR	Papua New Guinea	2002
12	APR	Sri Lanka	2002
13	ESA	Tanzania	2003
14	NEN	Tunisia	2003
15	APR	Indonesia	2004
16	WCA	Senegal	2004
17	WCA	Benin	2005
18	LAC	Bolivia	2005
19	NEN	Egypt	2005
20	LAC	Mexico	2006

⁶³ This list does not include CPEs on-going in 2014.

<i>Nr.</i>	<i>Division</i>	<i>Country Programme Evaluation (CPE) of</i>	<i>Publication year</i>
21	APR	Bangladesh	2006
22	ESA	Rwanda	2006
23	WCA	Mali	2007
24	LAC	Brazil	2008
25	NEN	Morocco	2008
26	APR	Pakistan	2008
27	NEN	Ethiopia	2009
28	WCA	Nigeria	2009
29	NEN	Sudan	2009
30	APR	India	2010
31	ESA	Mozambique	2010
32	LAC	Argentina	2010
33	WCA	Niger	2011
34	ESA	Kenya	2011
35	ESA	Rwanda	2012
36	WCA	Ghana	2012
37	APR	Viet Nam	2012
38	NEN	Yemen	2012
39	ESA	Uganda	2013
40	WCA	Mali	2013
41	APR	Nepal	2013
42	WCA	Madagascar	2013
43	APR	Indonesia	2014

<i>Nr.</i>	<i>Division</i>	<i>Country Programme Evaluation (CPE) of</i>	<i>Publication year</i>
44	NEN	Jordan	2014
45	NEN	Moldova	2014
46	LAC	Ecuador	2014
47	WCA	Senegal	2014
48	ESA	Zambia	2014
49	LAC	Bolivia	2014
50	APR	China	2014