

---

## **IFAD Poverty Targeting Policy 2022**

---

Document: EB 2022/137/R.5

Agenda: 4(b)(i)

Date: 1 December 2022

Distribution: Public

Original: English

**FOR: APPROVAL**

**Useful references:** Reaching the Rural Poor: IFAD Policy on Targeting ([EB 2006/88/R.2/Rev.1](#)); Report of the Consultation on the Twelfth Replenishment of IFAD's Resources ([GC 44/L.6/Rev.1](#)).

**Action:** The Executive Board is invited to approve the Poverty Targeting Policy.

---

---

**Technical questions:**

**Jyotsna Puri**

Associate Vice-President  
Strategy and Knowledge Department  
e-mail: [j.puri@ifad.org](mailto:j.puri@ifad.org)

**Tom Mwangi Anyonge**

Director, a.i.  
Environment, Climate, Gender and Social Inclusion Division  
e-mail: [t.anyonge@ifad.org](mailto:t.anyonge@ifad.org)

---

*For more information on the Targeting Policy please visit*

<https://www.ifad.org/en/-/document/ifad-targeting-policy-reaching-the-rural-poor>

## Contents

### Executive summary ii

|  |          |
|--|----------|
| <b>I. Introduction</b>   | <b>1</b> |
| <b>II. Objectives and scope of the policy</b>  | <b>2</b> |
| <b>III. What's different</b>   | <b>3</b> |
| <b>IV. IFAD's target group</b>   | <b>4</b> |
| <b>V. Guiding principles for effectively identifying, reaching, benefiting and empowering the target group</b> | <b>5</b> |
| A. Guiding principles for design   | 5        |
| B. Guiding principles for partnerships   | 6        |
| C. Guiding principles for managing for results   | 7        |
| <b>VI. Putting the policy into practice</b>  | <b>7</b> |
| A. Diagnostic framework  | 7        |
| B. Strategic and programmatic responses  | 8        |
| C. Monitoring and evaluation framework   | 8        |
| <b>VII. Accountability for results and measuring progress</b>  | <b>9</b> |
| A. Theory of change for the Policy   | 9        |
| B. Accountability for results  | 9        |

### Annexes

|   |
|---|
| I. Targeting approaches and methods     |
| II. Implications for IFAD's instruments |
| III. Theory of change                   |

## Executive summary

1. The Fund committed to updating its Targeting Policy, driven by a number of important changes in the global context and at IFAD. The Policy provides a definition of the target group; guiding principles for identifying, reaching, benefiting and empowering the target group; broad guidance on implementation in the context of the Fund's operational instruments; and action and accountability mechanisms for the Policy's implementation.
2. The Policy defines IFAD's target group as people living in poverty in rural areas as well as vulnerable populations at risk of falling into poverty in rural geographies, with a continuing priority on the poorest and most excluded including those who are food-insecure. Those living in poverty are heterogeneous and often do not fit easily into pre-defined social categories. Poverty is manifested along many different dimensions, and there is considerable variation across countries. Poverty is both a driver and a result of exclusion and is intimately related to vulnerability. Populations living in rural poverty and fragile contexts tend to disproportionately rely on precarious livelihood strategies. They are highly exposed to shocks due to climate change, environmental degradation and conflicts; when shocks occur, they have few positive coping mechanisms and they are further pushed into poverty traps. The combination of risk and vulnerability means that poverty is highly dynamic. Households are able to make gains in some years, but remain vulnerable to falling back into poverty.
3. Targeting must be considered throughout entire programme and project cycles. In order to ensure that IFAD reaches, benefits and empowers its target group, the Policy sets out guiding principles for design (addressing disempowerment, barriers to participation, multiple intersecting inequalities, risk and vulnerability); participation (taking a leadership role in championing rural people living in poverty through Policy dialogue with national governments and with other development partners at the local, regional and international levels); and managing for results (taking an adaptive approach, rooted in evidence and learning, to ensure that targeting provides good overall value for money).
4. These guiding principles must be put into practice through the three core elements of IFAD's processes: the diagnostic framework; strategic and programmatic interventions; and monitoring and evaluation frameworks.
5. The Policy will cover 10 years and has two strategic objectives:
  - SO1: IFAD is a champion of the needs, priorities and aspirations of rural people living in poverty.
  - SO2: IFAD will enhance its outreach to and impact on rural people living in poverty and those who are left behind in order to catalyse rural transformation while reducing rural inequalities.
6. This 10-year Policy will be implemented through a succession of three-year action plans, which will include detailed indicators and targets. Results will be reported in the IFAD mainstreaming report.

# IFAD Poverty Targeting Policy 2022

## I. Introduction

1. In the Report of the Consultation on the Twelfth Replenishment of IFAD's Resources (IFAD12), the Fund committed to updating its targeting policy, driven by a number of important changes in the global context and at IFAD, including:
  - **Renewed commitments and emerging priorities.** The 2030 Agenda, with its focus on the multidimensional nature of poverty and its pledge of leaving no one behind, has underscored the need for a redoubling of efforts to reach and improve the lives of people living in extreme poverty. In this regard, and in order to deepen and widen its impact, IFAD has committed to scaling up its efforts with respect to gender equality and women's empowerment, decent rural youth employment, engagement with persons with disabilities and accountability and commitment.
  - **Heightened urgency of poverty, food insecurity and inequality.** The world is facing multiple global challenges related to food, energy and finance, many of which are driven by climate change and protracted conflicts. Even before the pandemic, the number of people experiencing hunger was projected to increase from 785 million to 820 million between 2015 and 2018.<sup>1</sup> Hard-won gains in global poverty reduction have been reversed for the first time in a generation as a result of the COVID-19 pandemic and subsequent global food and fuel price shocks. It is estimated that 75 million to 95 million more people are living in extreme poverty – i.e. on below US\$1.90 a day – in 2022 than would have been the case without these crises, and socio-economic inequalities are widening within and between countries.<sup>2</sup>
  - **Increasing fragility and ongoing needs concentrated among rural populations.** The number of violent conflicts has increased in the last decade, and such conflicts have become more protracted, leading to unprecedented levels of forced displacement. Climate change and environmental degradation are also contributing to increasing fragility across the globe. Extreme poverty continues to be concentrated in rural areas, despite increased migration to cities. Nearly 90 per cent of the world's extremely poor are in rural areas, and increasing numbers are at risk of falling into poverty.
  - **Shifting global finance context.** Although total official development assistance has increased, there remains a significant financing gap to reach Sustainable Development Goals (SDGs) 1 and 2, and allocations to agriculture have plateaued. IFAD is able to use its status as an international financial institution (IFI) to leverage additional funding, sometimes working with actors outside of the target group, including the private sector, where this can catalyse inclusive rural transformation. There was also a commitment in IFAD12 to expand the outreach of global climate finance to support climate adaptation and mitigation responses, and sharpen the focus on environmental sustainability and protection of biodiversity.
  - **Evolving policy and delivery contexts.** In the last decade there have been major advances in country-level policies, programmes and systems for addressing poverty through social protection,<sup>3</sup> as well as in data quality and availability for improved targeting. These advances have been bolstered by

<sup>1</sup> [Food and Agriculture Organization of the United Nations \(2019\). The State of Food Security and Nutrition in the World.](#)

<sup>2</sup> Lakner et al. (2022). "How Much Does Reducing Inequality Matter for Global Inequality?", *Journal of Economic Inequality*.

<sup>3</sup> International Labour Organization (ILO) (2021). [World Social Protection Report 2020–2022](#). Geneva: ILO.

the response to the pandemic, which spurred rapid investments in social registries and wider systems, including major advances in digital technologies.<sup>4,5</sup> At the same time, there is growing recognition of the need to transform food systems to be inclusive and sustainable, and to invest in the midstream of the agricultural value chain to address the drivers of poverty among small-scale farmers.

- **Learning lessons from implementation.** Recent work from the Independent Office of Evaluation of IFAD (IOE) identified some important recommendations on the implementation of the targeting policy to date.<sup>6</sup> With regard to the definition, these include more clearly differentiating between those who are the target and others who are service providers or intermediaries, while ensuring that efforts aimed at mainstreaming gender equality, women’s empowerment and rural youth employment do not lead to the inclusion of women or youth in blanket terms but rather prioritize among those who are marginalized and living in poverty. With respect to the design process, changes have meant that targeting is often viewed as compliance, rather than being at the very core of design decisions. There is a need to galvanize efforts at the project design stage to ensure that a timely, high-quality analysis of the poverty context is undertaken and that designs are consultative and participatory. The technical capacity of IFAD and project implementation staff with respect to targeting should be strengthened, as should monitoring and accountability mechanisms.
  - **Building on successes.** IFAD has long been a leader in fostering the participation and empowerment of small-scale farmers. IFAD is at the vanguard of innovations to promote gender-transformative approaches and graduation model interventions that have helped IFAD to effectively target people living in rural poverty. Investments in rural infrastructure and public services also provide an effective way to reduce rural inequality and poverty.
2. IFAD’s Poverty Targeting Policy 2022 needs to tap into all of these global poverty, financing, policy and programming currents, while maintaining a clear definition of the individuals and communities that are the ultimate target of its work.

## II. Objectives and scope of the Policy

3. This Policy document aims to provide:
- A clear definition of IFAD’s target group (the “who”) and an updated conceptual understanding of poverty;
  - General principles to guide operations in identifying, reaching, benefiting and empowering its target group (the “what”);
  - Broad guidance on implementation in the context of the Fund’s operational instruments (the “how to”); and
  - Action and accountability mechanisms (the “how we will measure achievement”).
4. The Policy has two strategic objectives (SOs):
- SO1: IFAD is a champion of the needs, priorities and aspirations of rural people living in poverty

<sup>4</sup> Palomo et al. (2022). “[Social Protection and Response to COVID-19 in Latin America and the Caribbean: Innovations in Registration and Payment Systems](#),” IPC-IG Research Report No. 63. Brasilia and Panama City: International Policy Centre for Inclusive Growth (IPC-IG), United Nations Development Programme and United Nations Children’s Fund.

<sup>5</sup> Lowe, C. (2022). [The digitalisation of social protection before and since the onset of Covid-19: Opportunities, challenges and lessons](#). London: ODI.

<sup>6</sup> IOE (2022). Evaluation synthesis note and 2018 issues paper on targeting for the Annual Report on Results and Impacts of IFAD’s Operations.

- SO2: IFAD will enhance its outreach to and impact on rural people living in poverty and those who are left behind in order to catalyse rural transformations while reducing rural inequalities
5. This Policy will cover 10 years, from 2023 to 2032, spanning three replenishment periods. It is therefore set to remain relevant past the 2030 Agenda and will then be revisited to reflect any changes in context as necessary.
  6. It will serve as the overarching policy for the other people-centred policies such as the Policy on Engagement with Indigenous Peoples, the Disability Inclusion Strategy 2022-2027, the Private Sector Engagement Strategy, the Strategy and Action on Environment and Climate Change 2019-2025, the Integrated Borrowing Framework and the Strategy on Biodiversity 2022-2025.
  7. **Defining targeting.** IFAD's definition of targeting is more expansive than the definition often used by other organizations and in other contexts because it has both strategic and operational meanings.
    - **Strategically**, targeting relates to resource allocation to ensure that funds are programmed in a way that is consistent with IFAD's mandate. The focus of this Policy is on targeting *within* country programmes and informing new and existing corporate initiatives. Allocation of resources across countries through the performance-based allocation system and the Borrowed Resources Access Mechanism is not addressed here.
    - **Operationally**, poverty targeting is traditionally defined as the process by which resources are directed to people defined as poor on the basis of eligibility criteria (such as geographic targeting, self-targeting and direct targeting). IFAD expands this to encompass the broad set of actions – including all aspects of design and implementation – that include or exclude individuals from project interventions and ensure that IFAD's investment projects are relevant and effective in reaching, benefiting and empowering the target group.

### III. What's different

8. While many aspects of the Policy approved by the Executive Board in 2006 ([EB 2006/88/R.2/Rev.1](#)) remain relevant and will carry over into this Policy, some important shifts differentiate the updated policy from the previous one in response to the changing context, including the following:
  - **Aligning to the SDG framework** and the cross-cutting principle of "leave no one behind" (LNOB) by prioritizing those who are living in conditions of extreme poverty and those who are the most excluded.
  - **Aligning the Policy and target group definition with IFAD's mainstreaming priorities** of climate change, gender, nutrition and youth so that women and youth are not included as monolithic groups but rather fit within the definition of the target group.
  - **Anchoring the definition of IFAD's target group at the intersection of multiple drivers of poverty** – such as gender, disability, cultural identity, age, remoteness, environmental degradation and exposure to increased climate variability – and focusing not just on the poor but also on those who are at risk of becoming poor, to address underlying drivers of poverty in rural areas.
  - **Framing targeting within an understanding of value for money<sup>7</sup>** by recognizing the high cost of targeting while at the same time building a strong economic case for targeting the poorest and most marginalized.

<sup>7</sup> IFAD articulates value for money in terms of "4Es": economy, efficiency, effectiveness and equity. Value for money is about finding the right balance among these four dimensions and cannot be assessed through any of these dimensions in isolation.

Considerations of economy and efficiency must be balanced against effectiveness and equity to achieve overall value for money.

- **Including a theory of change (ToC) and strengthening accountability** for learning and adaptive management.
- **Leveraging partners, data and systems**, including stepping up engagement with social protection sectors; tapping into national and global evidence, policy dialogue and advocacy for those living in rural poverty, and using IFAD's IFI status to leverage other actors, including the private sector, will also help to drive inclusive and sustainable rural and food system transformations.
- **Revamping the targeting principles and measures** to ensure that they identify, reach, benefit and empower IFAD's target group in an inclusive, equitable and sustainable manner.

#### IV. IFAD's target group

9. The over-arching target group can be summarized as follows:

*IFAD's target group are people living in poverty in rural areas as well as vulnerable populations at risk of falling into poverty in rural geographies, with a continuing priority on the poorest and most excluded, including those who are food-insecure.*

10. IFAD's mainstreaming objectives serve to further refine its targeting priorities within this broad and diverse group and to promote gender equality and women's empowerment, improve nutrition, create rural employment for young people and build climate resilience. The objectives of stepping up engagement with persons with disabilities and strengthening commitments to Indigenous Peoples also reinforce the focus on those who are most marginalized.
11. It is important to distinguish between IFAD's target group and others such as service providers, employers or intermediaries who may also be included in and benefit from programming. These other groups must always be included in a way that maximizes benefits for IFAD's target group. In keeping with the Private Sector Engagement Strategy (2019–2024), this approach also applies to innovations in increased engagement with different kinds of private sector actors who may help catalyse rural transformations while encouraging a reduction in rural poverty and overall rural/urban inequalities.
12. Those living in poverty are heterogeneous and often do not fit easily into predefined social categories, as different economic, social, political and environmental factors drive deprivation and shape poverty in each country. IFAD's understanding of poverty must be used to identify the specific target group in each context, recognizing the following:
  - **Multidimensional nature of poverty.** Poverty is manifested along many different dimensions, and there is considerable variation across countries in the degree of income poverty versus other dimensions, including food insecurity, malnutrition and access to basic services such as water and sanitation.
  - **Intersecting drivers of vulnerability and exclusion.** Poverty is both a driver and a result of exclusion, which entrenches inequalities in access to and control over resources and opportunities. These inequalities are often driven by factors, including but not limited to income, assets, gender, age, ethnicity and disability status.
  - **Precarity of livelihoods.** Poverty and vulnerability are intimately related. Populations living in rural poverty and fragile contexts, including small-scale producers, tend to disproportionately rely on precarious livelihood strategies.

They are highly exposed to shocks due to climate change, environmental degradation and conflicts. They have low access to public infrastructure, public services and investments. They often have limited access to and control over resources, insecure tenure rights, limited social capital and poor nutritional status, and they diversify their incomes out of necessity. As a result, when shocks occur they have few positive coping mechanisms and are pushed into poverty traps.

- **Dynamic nature of poverty.** The combination of risk and vulnerability means that poverty is highly dynamic, with some households able to make gains in some years but remaining vulnerable to falling back (or even deeper) into poverty when a shock occurs. Sustained “graduation” from poverty requires considerable building of assets and shifting of livelihood strategies. It takes time to achieve and cannot be judged by simply “exiting poverty” in a single measurement period.

## V. Guiding principles for effectively identifying, reaching, benefiting and empowering the target group

13. This understanding of IFAD’s target group has important operational implications. The aim of this Policy is not to provide detailed guidance, which will be made available in separate updated operational guidelines. However, there are some important guiding principles for design, partnerships and managing for results.

### A. Guiding principles for design

*Take a people-centred approach to identifying the specific target group and designing interventions that promote their participation and meet their needs.*

14. Targeting goes beyond eligibility criteria and must be considered throughout the entire design. This means:
  - **Addressing disempowerment.** Poverty is often correlated with lack of opportunity, powerlessness, limited self-confidence and an erosion of people’s voices. IFAD’s projects will continue to build the structures and spaces for the active and informed participation of people living in poverty, so that they can collaborate in finding their own development solutions, claiming their rights, tackling harmful social norms and expanding their influence over public policy and institutions.
  - **Recognizing and addressing barriers to participation.** In rural areas, many are often left behind because of powerful barriers that restrict opportunities and the ability to participate in markets, including extremely low tolerance for risk, heavy domestic burdens and critical gaps in basic services. Designs must recognize and address these barriers with elements such as: providing for rural infrastructure and services; supporting immediate consumption needs or linking with social assistance programmes; allowing for flexible participation to accommodate diverse livelihood strategies; ensuring protection from downside risks if activities are unsuccessful; and addressing women’s domestic care burdens. In some cases, the target group may also require instruments beyond those that IFAD has at its disposal. In these cases, partnerships should be established with other programmes or agencies with comparative advantages in those areas.
  - **Including people who face multiple and intersecting inequalities and are more likely to be left behind.** IFAD’s target group includes rural people recognized as living at or below their national poverty line, or living above the line but vulnerable to falling below it, who face multiple, mutually reinforcing sources of deprivation and inequality. This includes those who are poor in



other dimensions, such as food security or access to basic services and opportunities (e.g. finance, credit, markets, public investments, social services). Examples of groups living in poverty that are often particularly marginalized are women and young people, Indigenous Peoples, pastoralists, ethnic minorities, persons with disabilities and people living in fragile contexts owing to climate change, environmental degradation or conflict.

- **Recognizing the dynamic nature of poverty and the importance of tackling vulnerability.** The targeting process and approaches should take the dynamic nature of poverty into account, particularly in fragile contexts. Community and individual mechanisms that allow for shock-responsive targeting measures should be put into place, including early warning systems and mechanisms for scaling up interventions to those who are vulnerable to falling into poverty.
- **Remaining focused on the target group, even when others are also included in project designs.** There will be cases, as envisaged in the Private Sector Engagement Strategy 2019-2024, in which better-off people are included in IFAD interventions as suppliers, employers, leaders or innovators. In other cases, to avoid conflict and/or to improve the welfare and resilience of the community as a whole, geographic and community targeting are appropriate, rather than household targeting within project areas. In such cases, projects will need to clearly demonstrate, based on their ToC, how IFAD's target group, inclusive of the poorest, will ultimately benefit.

## B. Guiding principles for partnerships

*Take a leadership role in championing rural people living in poverty through policy dialogue with national governments and other development partners at the local, regional and global levels.*

15. This should include:

- **Aligning, negotiating and building capacity with governments for poverty reduction policies and strategies.** In keeping with its country-based model, IFAD interventions must be aligned with and contribute to government policies on relevant areas of intervention. Diagnostic processes will be carried out in partnership with governments, including national statistical agencies and agricultural data systems, and a rigorous review of policy will be undertaken to ensure a common vision and commitment to the identified poverty reduction goals and target group.
- **Strengthening government systems for inclusion.** Having multiple parallel targeting systems across sectors can undermine local decision-making and government capacity. Where possible, IFAD projects will use, or at least align with, government targeting approaches and systems, and help to strengthen institutional capacity to deliver interventions for the target group now and in the future.
- **Prioritizing participation through consultative and demand-driven processes.** People living in poverty in rural areas, along with their communities and organizations, are partners as co-owners and decision makers, but also as implementers and service providers who can reach and deliver to the last mile. IFAD has a long and consolidated experience with participatory processes, as reflected for instance in its framework for citizen engagement: the Farmers' Forum and the Indigenous Peoples' Forum. These efforts will be complemented by increased engagement and partnerships with rural youth and farmers' organizations and organizations of persons with disabilities at national, regional and global levels.

- **Strengthening existing partnerships and establishing new ones.** Efforts should also be made to identify and work with like-minded partners at all levels to develop a shared understanding of both the dynamics of rural poverty in different contexts and successful targeting approaches. The focus should be on building innovative and complementary partnerships to reach those within the target group whom IFAD alone cannot reach with the instruments at its disposal.

### C. Guiding principles for managing for results

*Implement through an adaptive approach, rooted in evidence and learning.*

16. This will include:

- **Ensuring a focus on targeting performance throughout the project cycle.** Efforts should be made to pilot, assess, document and share learning on successful and less successful approaches to targeting the groups most likely to be left behind and reducing rural inequalities, including engagement with social protection sectors and the use of geographic information systems (GIS).
- **Embedding empowerment and participation into management processes.** Feedback mechanisms should be leveraged during implementation to promote transparency, inclusiveness and consensus-building.
- **Assessing targeting in terms of value for money.** Decisions around targeting have important implications for IFAD's overall value for money. Targeting inevitably involves trade-offs, and these should be weighed transparently and comprehensively. Reaching the target group must be viewed not only in terms of costs and how efficiently resources are used, but also in terms of their effectiveness in reaching IFAD's objective of improving the lives of rural people living in poverty and catalysing rural and food system transformations.
- **Ensuring continual internal learning and capacity-building.** Delivering on this policy will require the ongoing generation of knowledge and building of individual capacity throughout the organization. In this context, it will be important to leverage IFAD's data systems and impact assessments to ask and answer the questions: how well is IFAD doing in ensuring that rural areas are transforming, what works (and why), what doesn't (and why), for whom and how much?

## VI. Putting the Policy into practice

17. While the details of the "how to" will be set out in the revised operational guidelines, two key aspects are included in the policy itself. The first is a broad outline of the targeting in IFAD's strategic and design processes, which is presented in this section; the second is an overview of the implications of the policy for IFAD's instruments, which is found in annex II.
18. There are three core elements of IFAD's strategic and design processes: the diagnostic framework, the strategic and programmatic responses and the monitoring and evaluation framework. These will differ in scale and degree of focus depending on the instrument (i.e. whether it is a country strategy or a specific project), but the general principles are similar.

### A. Diagnostic framework

19. At the heart of IFAD's approach is a robust understanding of the nature, conditions and drivers of poverty in the countries in which it works. The findings of this diagnostic work will clearly be specific to the country and project contexts and will

be informed by a combination of national, IFAD and externally available poverty data, GIS data that show physiographic and other correlates of poverty, and participatory poverty and livelihood analysis. The process includes the following steps:

- **Identify the patterns and drivers of inclusive rural and food system structural transformation** and establish the challenges and opportunities for inclusive rural centres of growth to fuel and catalyse just and sustainable rural transformations. This diagnostic process should reflect the complexity of sustainably improving the lives of rural people living in poverty and those who are vulnerable to poverty throughout food systems.
- **Profile rural populations** and their distribution by poverty levels, based on national multidimensional and income poverty indicators and including data on food security and nutrition. The profiling should capture diversity in terms of livelihood strategies, farming systems, risks, climate vulnerabilities and related coping mechanisms, and should identify intersecting categories that include specific groups and contexts.
- **Assess the policy and institutional environment.** The assessment should focus on the environment as it impacts the intended target group, and map activities of other partners – government ministries (including those with a social development mandate), NGOs, rural peoples’ organizations and donors – to identify potential partners.

## B. Strategic and programmatic responses

20. Once an understanding of the poverty and policy contexts is in place, the next step is to articulate the strategic and programmatic responses with respect to targeting. The process includes the following steps:

- **Identify the target group and define the measures, approaches and activities to reach it.** There are two key aspects of design to consider: (i) the nature of the interventions to be carried out and, in particular, the barriers to participation by those living in poverty; and (ii) the specific eligibility criteria and targeting approaches to be used. Some proven approaches are described, and pros and cons of different options for different contexts are outlined in annex I.
- **Define the distinctive empowerment pathways in the theory of change.** The opportunities for and barriers to participation (e.g. assets, risk tolerance, immediate needs, care burdens) identified in the diagnostic framework should inform the project’s ToC. These empowerment pathways should be differentiated and should show how different socio-economic groups (with attention to the intersectional dimensions within them) will achieve the desired changes and how inequalities will be reduced. The risks and assumptions made at each level of the ToC should be clearly identified.
- **Ensure that the capacity for implementing targeting approaches is adequately built into the design.** Targeting designs on paper will not be translated into action automatically; they require adequate capacity in terms of staffing, training, supervision and delivery systems. These factors must be articulated in implementation manuals and reflected in budgets.

## C. Monitoring and evaluation framework

21. Managing for results requires that evidence on targeting is incorporated into routine monitoring as well as evaluations. The process includes the following steps:

- **Ensure that indicators are relevant and useful for assessing targeting performance.** Country strategies and operations should have monitoring indicators that, first and foremost, reflect the change pathways envisaged in the ToCs. Logical frameworks should include indicators that are adequately

disaggregated to reflect the extent to which the target group is included, and should identify heterogeneity of outcomes and impacts across groups. They should also include, where appropriate, process indicators and indicators of institutional capacity for targeting and inclusion.

- **Address targeting in evaluations.** Beyond logframe indicators, targeting effectiveness must also be included in programme and project evaluations. For impact assessments, this will mean explicitly including distributional analyses in impact assessment questions – i.e. looking not only at impacts on beneficiaries but also at who, within communities, is included and excluded and how impacts vary across different groups that participate, addressing the drivers of both rural poverty and rural inequality.

## VII. Accountability for results and measuring progress

### A. Theory of change for the Policy

22. The impact of catalytic inclusive rural and food system transformation where no one is left behind will contribute not only to SDG 1 and SDG 2 but also to other SDGs that are integrated in IFAD's work, such as SDG 5 (gender equality), SDG 8 (decent work and economic growth), SDG 10 (reduced inequalities) and SDG 13 (climate action).
23. The impact will be achieved through two complementary SOs:
  - **SO1: IFAD is a champion of the needs, priorities and aspirations of rural people living in poverty.** In reaffirming its position as a champion of rural people living in poverty and of the SDG/LNOB agenda at the national, regional and global levels, IFAD, as an assembler of finance, together with its partners,<sup>8</sup> will catalyse investments aimed at the rural poor to ensure that growth is truly inclusive. IFAD will influence policy, programmes and systems by leveraging its unique mandate and country and global presence to support and scale up effective and responsive pro-poor investments and approaches.
  - **SO2: IFAD will enhance its outreach to and impact on rural people living in poverty and those who are left behind to catalyse rural transformations while reducing rural inequalities.** IFAD commits to tackling multidimensional inequalities in asset distribution, economic opportunities, resilience, power relationships and rights by targeting its investments to those who need it most – rural people living in poverty and those left behind. The Fund will address the complex linkages between intersecting forms of inequality stemming from socially ascribed identities based on gender, age, ethnicity and disability, and multiple forms of deprivation.
24. To achieve these SOs, IFAD will need to deliver a set of four interlinked outputs relating to leadership, evidence, knowledge and partnerships. A more detailed ToC is provided in annex III, including a discussion of risks and assumptions.

### B. Accountability for results

25. This 10-year Policy will be implemented through a succession of three-year action plans, which set out the activities required to progressively deliver the four ToC outputs over the next three replenishment periods. The action plans will also include detailed indicators and targets to ensure that progress is actively managed and resourced. Results will be reported in the IFAD mainstreaming report.

---

<sup>8</sup> IFAD has a broad and diverse range of partners, including governmental institutions (ministries of finance, agriculture, social affairs, environment); civil society and producers' organizations representing IFAD's target group; development partners (United Nations, bilateral and multilateral agencies); and the private sector as sources and recipients of finance.

## Targeting approaches and methods

### A. Approaches for reaching IFAD's target group

1. IFAD has extensive experience with project designs that have proved to be effective in reaching, empowering and benefiting the target group. These include:
  - **Graduation models.** These models, in which IFAD has a comparative advantage, are pathway approaches to building the assets, capabilities and agency of those living in extreme poverty so that they can break out of the poverty trap and graduate to sustainable and resilient socio-economic livelihoods. The models are created by crafting multi-faceted and comprehensive support packages (for example, asset/cash transfers, skills training, financial literacy, enterprise development and vocational training) that combine protective and productive investments as well as public investments in rural areas. These approaches can be transformative, leading to multiple and interrelated development outcomes, such as promoting food security and nutrition, enhancing resilience, securing tenure rights, increasing credit access, building the employability of youth, building investments in farm and off-farm enterprises and fostering collective action.
  - **Gender Action Learning System (GALS) and Household Mentoring (HHM).** More recent experiences with GALS and HHM have demonstrated promise for gender-transformative and graduation approaches, respectively, that could be used to improve targeting and outreach more broadly.
  - **Community-driven development approaches.** These approaches have also proved to be effective in reaching and empowering IFAD's target group and building social cohesion, particularly in fragile contexts.<sup>9</sup> These approaches are characterized by facilitating beneficiary participation from design to implementation and building capacity at the grass-roots level.
  - **Inclusive value chains.** A value chain comprises the full range of activities (design to production to distribution) to bring a product to its final market. Inclusion of farmers living in poverty is more challenging than those who are better-off, but IFAD has gained experience as a leader in designing and implementing inclusive value chains. For example, IOE found that value chain projects that have been effective in targeting poor and very poor households were projects that accommodated their smaller asset base and leveraged their labour inputs along with robust targeting criteria and community-based engagement.<sup>10</sup>
  - **Social protection.** Many current programmes already include social protection elements,<sup>11</sup> and there is increasing potential to improve targeting in IFAD programming through greater alignment with social protection sectors. This could be done in different ways, depending on the context, but could involve a range of activities, from simply using social registries for targeting to more direct coordination by "piggy-backing" on existing social assistance programmes.
2. It is important to remember that none these approaches are panaceas. As ever, the key to successful graduation and community-driven development approaches for targeting the poorest is addressing barriers to participation – whether physical, financial, temporal or social – and providing adequate levels of support for quality implementation in the design.

<sup>9</sup> IOE (2020). Community-driven development in IFAD-supported projects: evaluation synthesis.

<sup>10</sup> IOE (2019). Corporate-level evaluation on IFAD's engagement in pro-poor value chain development.

<sup>11</sup> IFAD (2021). Strategic Discussion Paper on Rural Social Protection (EB 2021/133/R.2).

3. This list is by no means exhaustive. The key point here is to ensure a rural *people-centred* approach that focuses on catalysing rural and food system transformations in the diagnostic framework and strategic and programmatic responses.

## **B. Targeting methods**

4. When it comes to project design and implementation, there are number of different targeting methods that can be used to define eligibility and identify beneficiaries. There is no one universally “best” approach and no magic bullets; no method is perfect and all involve errors of inclusion and exclusion.
5. The key is to identify the method that will be most appropriate for a particular project in a particular context. But how do we assess which is best? There are six interrelated criteria that can be used to assess the different options.
6. **Accuracy.** How well do the categories assigned to households correspond to consumption poverty? While consumption poverty is of course not the only dimension of poverty that is relevant, it is useful for understanding accuracy because it provides an assessment of a household’s ability to meet basic needs. Furthermore, in developing countries, consumption and expenditure data are far more reliable, as compared with income data.
7. It is very important to note that, in terms of accuracy, no targeting/classification system is perfect: all have significant errors of inclusion and exclusion (aside from categorical approaches, which tend to be relatively easy to implement accurately). For poverty-targeted approaches, the smaller the target population (in terms of the share of the total), the larger the errors.
8. However, the methods do vary in terms of the extent and degree of the errors, where “extent” refers to the percentage of households wrongly included/excluded, and “degree” refers to how close those wrongly included are to the target. For example, even if two methods have a similar percentage of inclusion/exclusion error, one might have all the errors of inclusion from the richest groups and the other might have errors from those who are just slightly above the cut-off. The method with errors of inclusion coming from the much better-off groups clearly performs worse than the one where the errors of inclusion are near misses.
9. **Perceptions of fairness:** How does the public perceive the fairness of the classification? This is certainly related to accuracy, in that the more accurate the classification, the fairer it is likely to be perceived. However, perceptions depend greatly on how much the population itself is differentiated; where there is a large share of the population living very close to the poverty line in very similar circumstances, as is the case in many developing countries, the reasons for differences in classification might be hard to communicate. Whether a household is actually selected might seem more capricious than objective. For example, the proxy means test used in Programa de Educacion, Salud y Alimentacion (Progresa) in Mexico was viewed by many households as a lottery, or “determined by God”, because people could not understand why some households were selected while other, seemingly identical, households were not.<sup>12</sup> Much will also depend on communication: the more transparent the methodology for classification, the fairer it is likely to be perceived.
10. **Community involvement.** What is the role of the community? In theory, the objective indices all have little scope for community involvement, since a household’s classification depends only on the answers they provide for a specific number of indicators, with the algorithm for classification then automatically taking

---

<sup>12</sup> Kidd and Wyld (2011). *Targeting the Poorest: An assessment of the proxy means test methodology*. Canberra: Australian Agency for International Development.

care of the allocation of individual household categories. Aside from appealing on the grounds of incorrect information, there is no scope for changing the results.

11. However, in practice there are some entry points that can be opened for community involvement in the process and these are increasingly being included as standard features in targeting processes: (i) instead of filling in questionnaires/scorecards in isolation, the required information on each household could be collected in a participatory setting, with the answers provided in public in the community group, in line with the idea that the public nature of the responses will encourage greater truthfulness; and (ii) communities can help to “validate” lists of beneficiaries and perhaps use discretion in the inclusion of a limited number of spaces (for example, allowing communities to re-categorize  $x$  per cent of households that they feel were wrongly allocated).
12. **Whether a method is sustainable.** Will there be sufficient long-term political support for the classification system itself and/or the projects that use the categories for determining eligibility? Here, categorical and universal approaches tend to perform the best, as they overwhelmingly garner more political support.
13. **Feasibility and cost.** Generally speaking, the shorter the questionnaire used for the assessment and the lower the amount of supervision/staff time required to facilitate, the more feasible and less expensive the method will be to put into practice. For IFAD, however, feasibility and cost will partly depend on what national systems already in place could be utilized; in many instances it will be strategically and practically optimal to build on existing social registries or other targeting systems used by social protection sectors, and this could be less expensive than developing new stand-alone targeting approaches.
14. **More detailed guidance** will be provided in the revised operational guidance on targeting, but the table below provides a summary of the main approaches and their pros and cons. As most IFAD projects are not implemented at a national level, these approaches are assumed to be used in conjunction with geographic targeting as the first layer of a targeting approach.

| <i>Approach</i>  | <i>Pros</i>  | <i>Cons</i>  |
|--|--|--|
| Community-based targeting (CBT), using participatory approaches, can take different forms including participatory vulnerability assessment | <p>Can be effective when a community’s perception of “poor” overlaps with target group and there is strong facilitation</p> <p>Promotes community participation and buy-in</p> <p>Can be relatively less expensive than objective indices to implement, depending on level of facilitation</p> | <p>Tends to identify the “deserving poor” and can exclude those who are socially marginalized</p> <p>Prone to elite capture, particularly over time or where the benefits package is significant</p> |
| Objective indices: Simple scorecards using a combination of proxies and simple weights <sup>13</sup>                                       | <p>Viewed as being more intuitive than proxy means tests by implementers</p> <p>Can be viewed as fairer than CBT depending on community dynamics</p>   | <p>Very low levels of accuracy; large inclusion/exclusion errors</p>   |
| Objective indices: Proxy means tests, using a combination of proxies and regression-based weights  | <p>Relatively more accurate in many instances: errors of inclusion/ exclusion tend to be of a lesser degree (i.e. those wrongly included tend to be poor) than other methods</p> <p>Can be viewed as fairer than CBT, depending on community dynamics</p>                                      | <p>Often viewed by communities as “black boxes” or “lotteries”</p> <p>Relatively expensive to implement (although this depends on the extent to which national systems are already in place)</p>     |
| Categorical, usually a single category (e.g. age, disability status, or nutritionally-vulnerable group such as                             | <p>Easy to implement (low data requirements) and relatively low cost</p>   | <p>Not explicitly poverty-targeted (unless combined with other methods)</p>  |

<sup>13</sup> Proxies tend to include demographic characteristics (household size, dependency ratios, head-of-household age or sex, disability status, etc.), asset holdings (livestock, durable goods), dwelling characteristics (type of walls, floor, roof, water and sanitation access, etc.), and employment (whether daily wage labour, own-account farmer, pastoralist, etc.).

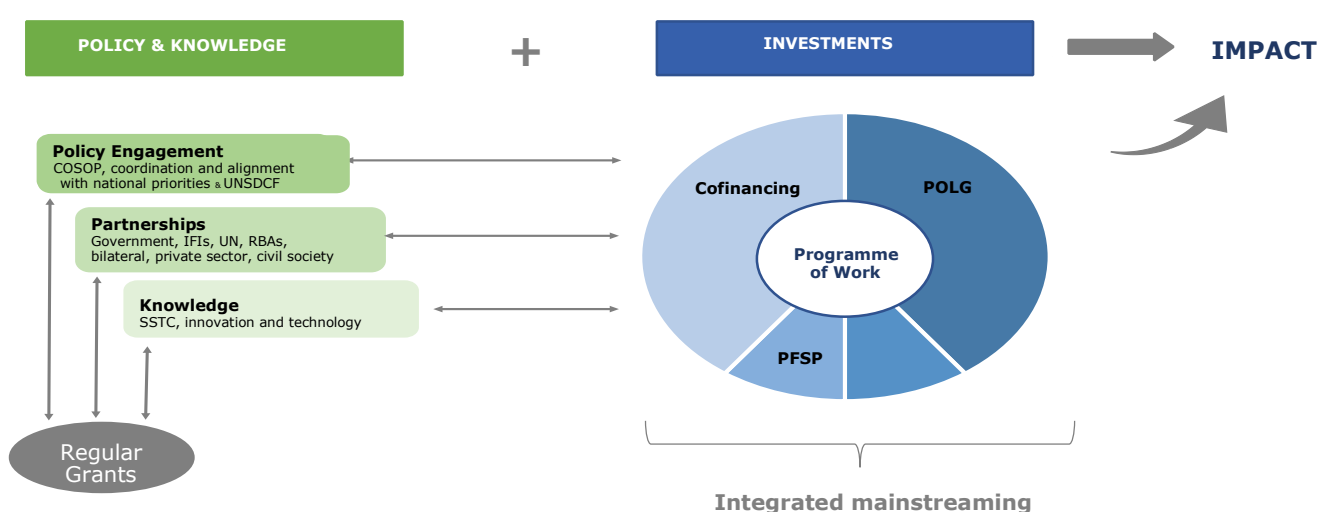
|                                   |  |  |
|-----------------------------------|--|--|
| pregnant and breastfeeding women) | Can overlap with consumption poverty (e.g. larger households, those with older people or persons with disabilities tend to be poorer)<br><br>Favourable political economy: tends to be popular and politically sustainable | Can imply large numbers of beneficiaries, which makes it difficult to use with very small projects (although can be combined with geographic targeting to limit size)  |
| Universal/geographic              | Easy and inexpensive to implement<br><br>Favourable political economy: tend to be popular and politically sustainable  | Not explicitly poverty-targeted<br><br>Can imply large numbers of beneficiaries, which makes it difficult to use with very small projects (although can be combined with geographic targeting to limit size) |
| Self-targeted                     | Easy for communities to understand<br><br>If done in a participatory manner, can ensure that projects are closely attuned to needs of the target group and maximize their participation                                    | To effectively exclude the better-off, the benefits package may need to be so limited that it compromises effectiveness<br><br>Often high errors of inclusion and exclusion                                  |



## Implications for IFAD's instruments

1. This Policy applies across all of IFAD's instruments in its programme of work, including regular grants to support policy and knowledge as well as investments. The IFAD12 business model introduced additional instruments beyond its programme of loans and grants to incorporate tools better suited to working with the private sector (the Private Sector Financing Programme [PSFP]) and expand the approach to climate and resilience-building (Enhanced Adaptation for Smallholder Agriculture Programme [ASAP+]). These are illustrated in the figure below, which highlights the way in which activities related to policy and knowledge (policy engagement, partnerships and knowledge management) complement investments in the programme of work. Note that specific instruments might continue to evolve over the life of the policy, but the principles here would continue to apply in any case.

Figure 1  
Joined-up instruments in country-level programmes



Source: IFAD12 Business Model and Financial Framework (2022–2024).

Note: COSOP: country strategic opportunities programme; UNSDCF: United Nations Sustainable Development Cooperation Framework; RBAs: Rome-based agencies; SSTC: South-South and Triangular Cooperation; PoLG: programme of loans and grants.

2. The broad steps in the process outlined in the main text are relevant for both country strategies and investments, although they are applied slightly differently in each.
  - **Country strategies:** The primary objective of a country strategic opportunities programme (COSOP) or a country strategy note is to ensure that IFAD's investments promote inclusive and sustainable rural transformation while reducing poverty (SDG 1) and food insecurity (SDG 2). Based on dialogue and negotiation with governments, other donors and civil society organizations, IFAD's COSOPs will suggest where IFAD activities should operate and will identify specific groups of rural poor people to focus on, key pro-poor partnerships and the targeting measures that will be applied. These are fairly high-level, but should set the overall priorities for targeting, both in terms of which specific groups and which interventions and design features will be most relevant and effective and will apply to all instruments (including PSFP, ASAP+ and others).
  - **Investments:** With respect to specific investments, and building on recent lessons learned, IFAD's processes should be enhanced with respect to targeting in several key ways. The first is ensuring adequate time and

resources early in the design phase, so that targeting considerations are fundamental to the design rather than simply a matter of compliance. This depends on a robust poverty and policy diagnostic, as well as evidence-based interventions, and will initially require improvements in the quality of project concept notes, social assessments in Social, Environmental and Climate Assessment Procedures (SECAP) and design reports. The second is ensuring that implementers have the incentives and capacity to carry out the design in ways that ensure that the target group is included and that the interventions have the desired outcomes and impacts. This will require high-quality project implementation manuals and training and support of project implementation units. Finally, routine monitoring in midterm and project completion reports and project evaluations needs to measure targeting performance. A well-articulated logical framework will allow for robust value for money analysis in which targeting is a crucial factor. As mentioned above, these criteria apply across all of the various instruments that might be used within countries, whether in sovereign or non-sovereign operations.

- **Policy and knowledge.** Integrating targeting considerations into knowledge generation, partnerships and policy engagement is essential as well as mutually reinforcing. For example, evidence on targeting efficiency and the implications for development impacts (understanding what works and for whom) should be core parts of the learning agenda in each country. This evidence can then be used in ongoing policy dialogue with governments regarding specific investments being designed and implemented, and can also be used to help identify priorities and directions for the next country strategy and subsequent loans and grants.

## Theory of change

### A. Problem statement

1. Before articulating the theory of change (ToC) it is useful to start with the problem statement to identify the current issues that need to be addressed, drawing on the findings from IOE's evaluation synthesis note and other learning. These can be summarized in terms of gaps in three interrelated areas: evidence, knowledge and process. These gaps occur at different stages in the country strategy and project cycles, from design to implementation and evaluation.

Table 1

Gaps in evidence, knowledge and process throughout the project cycle

|                      | <i>Design</i>  | <i>Implementation</i>   | <i>Evaluation</i>   |
|----------------------|--|---|---|
| Evidence             | Weak segmentation and analysis of the target group, drivers of poverty, and evidence to support clear theory of change   | Lack of disaggregated data to robustly deduce targeting outcomes<br><br>Without strong ToCs for the target group, indicators to measure process and outcome changes are weak            | Distributional outcomes and impacts are not assessed by evaluations; lack of analysis of heterogeneity of outcomes and impacts<br><br>Infrastructure projects in particular tend to focus on physical results rather than impacts on the target group<br><br>Aspects important to the target group (such as quality of life) are not included |
| Knowledge and skills | Inconsistent understanding of target group definition<br><br>Lack of knowledge/skills by design teams on pro-poor design features and evidence base on what works and for whom | Capacity gaps within project implementation teams are not adequately addressed<br><br>Lack of translation of targeting design into practice<br><br>Uneven management focus on targeting | Lack of dissemination of evaluation evidence that exists, or sharing of good practices across projects/ regions<br><br>Lack of effective dissemination of evidence for policy advocacy purposes   |
| Process              | Analysis is undertaken too late in the process to be fully incorporated into design<br><br>Little or no participation by communities and individuals from the target group     | Inadequate timelines for effectively reaching and benefiting the target group, who are often more difficult to reach and need more sustained support than the better-off                | Evaluations do not consistently include opportunities for feedback from the target group<br><br>Limited decentralized resources to support effective knowledge and learning, within IFAD and externally for influencing strategic partners  |

2. These gaps all have direct implications for IFAD's own programming, as targeting efficiency and overall development impacts are lower than they could be because designs are not sufficiently suited to the needs of the target group and benefits are skewed towards the better-off. They also have implications externally, as influence on national policy and wider government programming to reach the poor is curtailed, and synergies with other partners are not maximized.

### B. Theory of change

3. **Outputs.** The ToC addresses these gaps directly through four mutually reinforcing outputs, which identify what IFAD must deliver for the IFAD Poverty Targeting Policy 2022 to be implemented to the fullest effect:
  - **Promoting corporate leadership and commitments** to ensure that organization incentives, processes and procedures, and strategic priorities are consistent with the needs of the Policy and sufficient momentum for results is generated;
  - **Generating evidence** to improve targeting throughout the project cycle through improved data collection and disaggregation and pro-poor research;

- **Disseminating knowledge, promoting learning and building capacity** among IFAD staff and implementers, so that they can build effective, monitorable and scalable targeting systems;
  - **Building partnerships** with like-minded national and international actors that can help the Fund pilot and influence policies towards the scaling-up of effective approaches to go the last mile in ending poverty and reducing inequalities.
4. Given the 10-year time frame, specific activities will change over time with each subsequent action plan. An indicative set of activities for the first action plan has been articulated:
- **Building corporate commitment** by: reviewing institutional processes to ensure that resources and impacts effectively reach IFAD's target group. This could include increasing accountability for targeting and exploring approaches to measure targeting effectiveness throughout the programme cycle.
  - **Promoting evidence generation** by: improving the quality of social and poverty analysis and generating sound disaggregated poverty data that can inform the design and implementation of differentiated empowerment pathways for people living in poverty and the development of effective monitoring systems. Impact assessments and other pro-poor research initiatives will help IFAD and partners assess targeting performance and the degree of elite capture. The evidence generated will also be used to demonstrate the benefits of pro-poor targeting in terms of inclusive growth and to engage successfully in awareness-raising, policy dialogue and subsequent scaling-up.
  - **Supporting capacity development** by: providing a range of learning initiatives and leveraging the enormous potential of peer-to-peer learning, such as learning routes and South-South exchange. IFAD will also develop new and updated guidance and tools for IFAD staff on a range of thematic areas, including graduation and inclusion of persons with disabilities.
  - **Partnership and policy dialogue** will address the need to build capacity and commitment among governments to go the last mile in ending poverty and reducing rural inequalities. This will require investments in joint programmes and initiatives at the country, regional and global levels, as well as through supplementary and grant-funded programmes, for advocacy and policy dialogue.
5. Key assumptions in the achievement of outputs are as follows:
- Knowledge products are relevant, engaging and effective.
  - Staffing levels are adequate and the division of responsibilities and workloads is consistent with staff having adequate time to build their knowledge.
  - Corporate leadership promotes positive organizational change.
  - Adequate resources are in place.
6. As these are internal to IFAD, and outputs are fully under the control of the organization, many of the risks at this level will be mitigated through careful adaptive management, especially through quality control of evidence and knowledge products and the processes that generate them, tracking progress both quantitatively and in more qualitative terms, and through active leadership and promotion of internal champions for change. External risks outside the control of IFAD would include large-scale global crises that significantly disrupt regular activities (e.g. global pandemics, severe economic downturns, heightened conflicts).

7. **Strategic objectives.** The four outputs should lead to the two Policy strategic objectives (SOs), as articulated in the main text:
- **SO1: IFAD is a champion of the needs, priorities and aspirations of rural people living in poverty.** In reaffirming its position as a champion of rural people living in poverty and of the SDG/LNOB agenda at the national, regional and global levels, IFAD, as an assembler of finance, together with its partners,<sup>14</sup> will catalyse investments aimed at the rural poor to ensure that growth is truly inclusive. IFAD will influence policy, programmes and systems by leveraging its unique mandate and country and global presence to support and scale up effective and responsive pro-poor investments and approaches.
  - **SO2: IFAD will enhance its outreach to and impact on rural people living in poverty and those who are left behind in order to catalyse rural transformations while reducing rural inequalities.** IFAD commits to tackling multidimensional inequalities in asset distribution, economic opportunities, resilience, power relationships and rights by targeting its investments to those who need it most – those living in rural poverty and those left behind. The Fund will address the complex linkages between intersecting forms of inequality stemming from socially ascribed identities based on gender, age, ethnicity and disability, and multiple forms of deprivation.
8. Assumptions involved in the translation of outputs into SOs include the following:
- Staff within IFAD and implementing partners have sufficient incentives and skills to translate knowledge into action to improve targeting.
  - Partner governments have sufficient political will and commitment to agree on, cofinance and implement projects that effectively reach and benefit IFAD's target group.
  - Multisector partnerships beyond agriculture can be gradually and effectively built.
9. Major risks include a lack of financial commitment because of constraints on fiscal space (particularly in light of the global financial context, which will dominate the early years of the policy) or a shift in global development priorities caused by further unexpected global crises.
10. **Outcomes and impacts.** The Policy's two SOs should lead to three outcomes that will double IFAD's impact by 2030.<sup>15</sup> This means increasing investments in rural people who live in poverty and extreme poverty so that their livelihoods and food systems become more resilient, their productive capacity and income are enhanced, and ultimately their agency and voice are strengthened so that they can change the "rules of the game" in institutions and policies that perpetrate exclusion. SO1 represents a long-term and sustainable, but more indirect, route to these outcomes, by promoting change in policies and programmes of partners, while SO2 is a more direct route to change through IFAD's own programming, over which it has immediate control. These two routes together balance the needs for immediate change on the ground and slower, longer-term changes embedded in institutions and systems.
11. The **impact** of catalytic, inclusive rural and food system transformation where no one is left behind will contribute not only to SDG 1 and SDG 2, but also strategically to other SDGs that are integrated in IFAD's work, such as SDG 5

---

<sup>14</sup> IFAD has a broad and diverse range of partners, including governmental institutions (ministries of finance, agriculture, social affairs, environment); civil society and producers' organizations representing IFAD's target group; development partners (United Nations, bilateral and multilateral agencies); and the private sector as sources and recipients of finance.

<sup>15</sup> Report of the Consultation on the Twelfth Replenishment of IFAD's Resources.

- (gender equality), SDG 8 (decent work and economic growth), SDG 10 (reduced inequalities) and SDG 13 (climate action).
12. These outcomes and impacts are consistent with the strategic objectives, goal and strategic vision of the current Strategic Framework, but are more forward-looking, as they are expected to continue to be relevant over the entire 10-year period of this Policy.
  13. Assumptions for the Policy SOs and the outcomes and impacts include the following:
    - Projects are relevant, effectively designed and well-implemented in order to improve the lives of IFAD's target group.
    - Shocks to project participants (whether climate- and environment-related or financial) are within the levels envisaged within project designs.
    - Global development and financing priorities remain consistent with IFAD's strategic vision and target group.
    - Governments have sufficient political will and adequate resources to gradually improve policy frameworks and delivery mechanisms.
  14. Moving from strategic objectives to outcomes and impacts inevitably involves greater levels of risk, as much is outside of IFAD's direct control. This includes unforeseen climatic and environmental shocks or outbreaks of conflict (beyond those which can and must be incorporated into project designs) which would potentially undermine expected project inclusion of and impact on the target group. It also includes risks to global development and financing priorities beyond those which IFAD could mitigate through its own effective strategic management.

**Figure 2**  
**Theory of change**

