
Comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme for the United Mexican States

Document: EB 2026/OR/1/Add.1

Date: 23 March 2026

Distribution: Public

Original: English

FOR: REVIEW

Action: The Executive Board is invited to review the comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme for the United Mexican States.

Technical questions:

Indran A. Naidoo
Director
Independent Office of Evaluation of IFAD
e-mail: i.naidoo@ifad.org

Mónica Lomeña-Gelis
Senior Evaluation Officer
Independent Office of Evaluation of IFAD
e-mail: m.lomena-gelis@ifad.org

Comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme for the United Mexican States

I. General comments

1. In 2025, the Independent Office of Evaluation of IFAD (IOE) conducted its third country strategy and programme evaluation (CSPE) in the United Mexican States, covering the period 2018–2024, which included one country strategic opportunities programme (COSOP), three loan-financed operations and a selection of regional grants and non-lending activities.
2. The evaluation provided a comprehensive assessment of IFAD's engagement in Mexico in a context characterized by significant structural changes in public policy and international cooperation. While Mexico reduced multidimensional poverty during the period, significant territorial disparities and environmental vulnerabilities persist in rural areas. IFAD's engagement was constrained by fiscal "republican austerity" policies. It was further limited by Mexico's budgetary framework, which is governed by the non-additionality principle, whereby external loans do not increase the budgets of executing agencies.
3. Within this institutional environment, IFAD has demonstrated adaptability in positioning itself as a strategic partner of the Government, mobilizing international climate and environmental finance and carving out spaces in the operating rules of national programmes to integrate some of its approaches and priorities. Despite these advances, ensuring priority attention to the intended target population remains a persistent problem, as identified by the CSPE. Interventions have relied on federal mechanisms that lack differentiated strategies for Indigenous Peoples, women, youth and Afro-Mexican communities. Furthermore, evidence of the impacts on food security was limited, despite the centrality of these issues in earlier strategic frameworks. Natural resource management and climate adaptation activities showed promising potential, yet the evidence base remains fragmented.
4. IFAD and the Government signed an agreement at completion point outlining areas of agreement or partial agreement with regard to the recommendations. These include (i) strengthening attention to vulnerable populations with difficulty accessing federal programmes, (ii) improving monitoring and evaluation systems, with a particular focus on environmental results, (iii) reinforcing IFAD's catalytic role in the rural financial ecosystem, (iv) supporting linkages between rural development policy agendas and environmental sustainability and (v) strengthening collaboration with the private sector.
5. The new COSOP for Mexico for the period 2026–2031 incorporates some of the key elements of the CSPE conclusions and recommendations. It proposes three strategic objectives: (i) improve the production capacities and market access of small and medium-sized rural producers in priority value chains; (ii) promote the resilience of rural producers and natural ecosystems; and (iii) strengthen the social and economic inclusion of women and Indigenous Peoples and build their financial capabilities. In general terms, the programme reveals a persistent tension between ambitious strategic aspirations and the operational constraints that shape IFAD's engagement in Mexico (the non-additionality framework, limited financial leverage, and the remote management structure of the country programme). Moreover, the COSOP provides limited information on the translation of strategic ambition into operational delivery for some of the areas highlighted in the CSPE recommendations.

II. Specific comments

6. **Theory of change and results management framework.** The COSOP's theory of change (paras. 30–35) is overly linear and optimistic, overlooking structural barriers such as fragmented rural institutions and the restrictive non-additionality budget rules. The logic suffers from a "missing middle," failing to explain how individual capacity building overcomes systemic hurdles such as lack of collateral and how they are expected to translate into broader community-level outcomes. The results management framework relies on inputs/outputs (e.g. number of people trained) rather than outcomes (e.g. net income increase or market access). Furthermore, the shift from food security in the previous COSOP to food sovereignty reflects an alignment with the priorities of the current national policy framework;¹ however, the theory of change would benefit from greater conceptual clarity on food sovereignty and operational specification. The theory of change would also benefit from a clearer articulation of its underlying assumptions and risks – for example, regarding macroeconomic stability or government openness to external borrowing. Strengthening internal coherence between the theory of change and the results management framework would also facilitate the development of a more robust monitoring and evaluation system capable of tracking progress towards the programme's intended objectives.
7. **Non-lending activities and South-South and Triangular Cooperation (SSTC).** The strategy lacks clear plans for policy engagement and knowledge sharing with development partners. The COSOP does not provide a clear strategy for engaging with other development partners, including which mechanisms for information sharing, joint analytical work and coordinated interventions will be used to enhance the overall coherence and impact of development efforts in rural territories. It relies heavily on SSTC, despite the limited engagement observed during the previous COSOP. Moreover, it is unclear how these exchanges will be institutionalized beyond ad hoc workshops. In a context where financial additionality is constrained, these non-financial instruments represent a key dimension of IFAD's potential value added.
8. **Targeting and differentiated strategies.** The COSOP proposes a targeting approach that combines geographical targeting, self-selection and direct selection. While these mechanisms are broadly consistent with IFAD's targeting policy, evidence from the previous CSPE demonstrates that this institutional arrangement could limit the ability of IFAD-supported interventions to prioritize specific vulnerable groups. Although the COSOP reiterates its intention to support women, youth, Indigenous Peoples and Afro-Mexican communities, the operational strategies for reaching these groups remain ill-defined and mainly aspirational. The document does not specify how it will overcome the structural barrier of secure land ownership, which prevents these groups from accessing most of the financial instruments the COSOP proposes. A more explicit strategy for engaging rural youth could strengthen the programme's contribution to long-term rural transformation, given young people's critical role in technology adoption, innovation and the renewal of rural economies.
9. **Evidence of environmental results as global public goods.** The COSOP's emphasis on environmental sustainability, climate resilience and the restoration of natural ecosystems is consistent with both national priorities and IFAD's corporate commitments. However, to better capture contributions to global public goods, the framework should move beyond metrics of greenhouse gas emissions reduction and hectares under sustainable practices. Integrating broader environmental outcomes associated with ecosystem restoration and climate resilience – such as soil health

¹ Food sovereignty and self-sufficiency plan, in accordance with the [National Development Plan 2025–2030 and the Mexico Plan](#)).

and biodiversity – using remote sensing and ecological baselines is feasible and desirable, given the robust technical capacities of national partners and the importance of generating credible evidence to mobilize international climate and environmental finance. Establishing clearer responsibilities, methodologies and resource allocations for environmental monitoring would help ensure that the programme’s environmental ambitions translate into operationally deliverable results and contribute to the generation of credible global public goods.

10. **IFAD’s catalytic role in the rural financial ecosystem.** The strategy would benefit from a more in-depth diagnostic of the evolving institutional and regulatory environment shaping rural finance in Mexico following the closure of several public financial institutions and the evolving role of entities such as savings and loan cooperatives, development banks and emerging financial intermediaries. Clarifying the institutional arrangements and operational modalities through which financial inclusion objectives will be pursued would heighten the feasibility of this strategic objective.
11. **Private sector engagement.** While the COSOP appendices provide a strong diagnostic of potential value chains and anchor companies operating in rural territories, the main text lacks operational detail. The programme describes IFAD’s intended role as an ecosystem builder that facilitates linkages between producers, financial institutions and private sector actors. This vision is conceptually sound; however, further specification of implementation modalities would strengthen the strategy. In particular, clarifying how partnerships with anchor companies will be developed, what incentives will be provided for private sector participation and how risks associated with operating in rural territories characterized by insecurity will be assessed and managed would enhance the programme’s capacity to catalyse inclusive value chain development.

III. Final comments

12. The programme presents a strategic vision that is broadly aligned with national priorities, IFAD’s corporate frameworks and the evolving context of a country approaching graduation from IFAD borrowing. Nonetheless, IOE reiterates the need to strengthen the operational clarity needed to overcome Mexico’s unique institutional constraints. IOE appreciates the preparation of the new COSOP, while noting gaps in the follow-up of specific CSPE recommendations aimed at improving the effectiveness, impact and sustainability of development results. Strengthening the articulation of the theory of change, refining targeting strategies, enhancing environmental monitoring systems and clarifying the modalities for private sector engagement and financial inclusion would improve the programme’s strategic coherence and the implementation feasibility of tangible and sustainable results. A focused approach that prioritizes areas where IFAD can provide distinctive value added could bridge the gap between strategic ambition and implementation capacity. IOE remains available to provide any further clarification that may support the finalization and implementation of the COSOP.