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Kingdom of Lesotho

Management Update on the Response to the
Project Performance Evaluation for the Rural
Financial Intermediation Programme

Comments by the Independent Office of
Evaluation of IFAD

Note to Evaluation Committee members

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For: Review

Management Update on the Response to the Project Performance Evaluation for the Rural Financial Intermediation Programme – Comments by the Independent Office of Evaluation of IFAD

1. Introduction. At the 100th session of the Evaluation Committee, held on 23 March 2018, the Committee reviewed the project performance evaluation (PPE) for the Rural Financial Intermediation Programme (RUFIP) in the Kingdom of Lesotho. As a result of the ensuing discussion, and while welcoming Management's response to and agreement with the four recommendations of the PPE, the Committee emphasized the need for a fundamental change in project design and other approaches, so as to ensure that future projects achieved better results.
2. General comments. The Independent Office of Evaluation of IFAD (IOE) has reviewed the Management update on the response to the PPE for the RUFIP and finds the proposed follow-up to the PPE to be sound and practical.
3. Specifically, the IOE acknowledges that three out of four recommendations were on rural finance, which is currently not part of the portfolio. However, Management has committed to carefully reviewing the rural finance recommendations as part of the process of preparing the country strategy note, which will be an opportunity for Management to decide whether and how to engage in rural finance.
4. The fourth recommendation was to improve the capacity and integrity of programme management staff in future projects. Management proposes to address this recommendation by: addressing staff turnover (paragraph 10(b)); providing implementation support services through NGOs (paragraph 10(c)); and strengthening monitoring and evaluation systems (paragraph 10(d)). The IOE considers these measurements to be relevant. In addition to this, the IOE also encourages Management to pay specific attention to governance and fiduciary aspects by ensuring that the necessary capacity and control mechanisms are in place.
5. In addition, Management emphasizes that an approach to project design has been adopted that is more selective (e.g. value chain support) and participatory. The PPE report found that excessively ambitious goals in project design were a problem. The IOE therefore welcomes Management's effort to address this issue.
6. The IOE may have an opportunity in the future to conduct evaluations in Lesotho, and will assess the progress made on the proposed measures.