



**DEMOCRATIC SOCIALIST
REPUBLIC OF SRI LANKA**

**COUNTRY STRATEGY AND
PROGRAMME EVALUATION**

**MAIN EVALUATION FINDINGS
AND RECOMMENDATIONS**

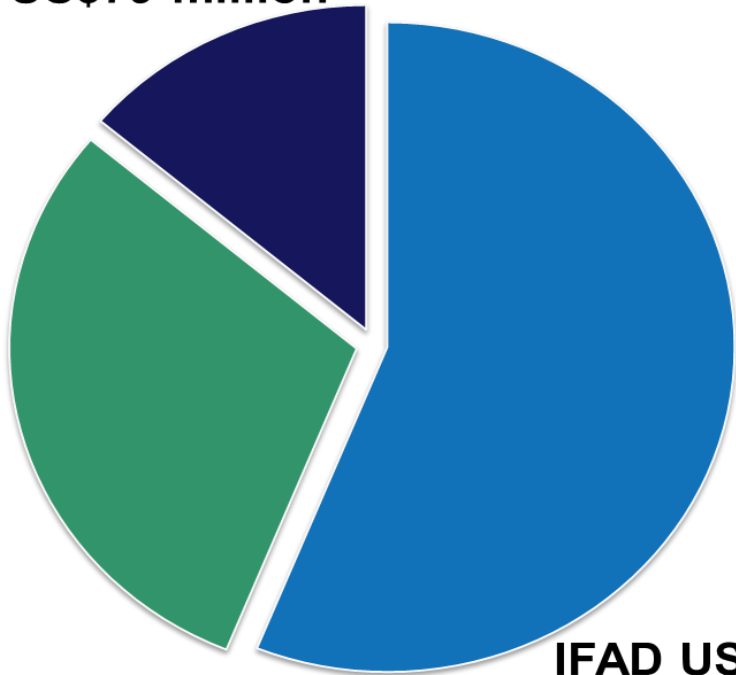
Evaluation Committee 105th session
19 June 2019

IFAD in Sri Lanka: overview

- Since 1978, 18 projects, total cost of US\$576 million

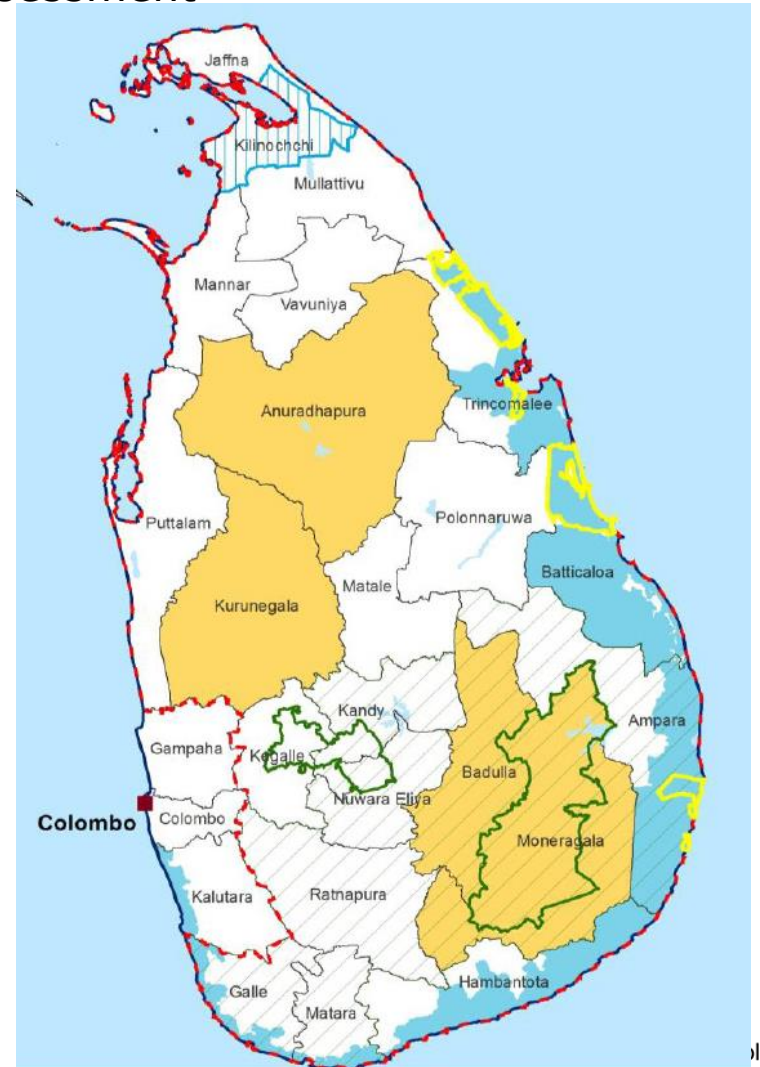
Projects covered in CSPE portfolio assessment

**Co-financed
US\$79 million**



**Government
US\$172 million**

**IFAD US\$
317 million**



IFAD in Sri Lanka (2003-): timeline

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
Events		Tsunami					War end							Severe drought & flood								
IFAD COSOPs	COSOP 2003-2008						Plan for new COSOP formulation not materialized....					COSOP 2015-2020										
IFAD PBAS cycles								IFAD8 \$20.2m	IFAD9 \$26m	IFAD10 \$51.1m	IFAD11 \$39.8m											
	Shift to direct supervision			IFAD national staff in place																		
IFAD-financed projects	15.6mth	DZ-LiSPP (\$26m)																				
	19.6mth	PT-LiSPP (\$4.7m)																				
	18.2mth	PT-CRRreMP (\$33m)																				
	10.9mth	SPEnDP (\$25m)																				
		NADeP (\$28m)																				
		IIDP (\$23m)																				
		StaRR (\$65m - planned)																				
		SAP (\$111m - planned) -->2023																				
Grant-funded						20.8mth	GEF (\$5.8m)															

CSPE scope: 2004-2017

Main evaluation findings - highlights

Project portfolio – strengths (1)

Contribution to **improved agricultural productivity and production:**

- Upgrading or establishment of tea and rubber small holdings
- Irrigation development (micro & major schemes)
- Improved technologies



Improved access to markets through partnerships with agribusinesses, access roads

Access to finance with subsidized targeted bank loans (ca. 35,000 loans) – for agriculture and non-agriculture activities

Main evaluation findings - highlights

Project portfolio – strengths (2)

Some achievements in post-tsunami projects, notably:

- On institutions and policies related to coastal resources management

Some projects operated in “niche” areas among development initiatives:

- DZ-LiSPP – the first development project to focus on micro-irrigation schemes.
- SPEnDP/STaRR – focus on smallholder plantations, complementing Government long-standing support.

Main evaluation findings - highlights

Project portfolio – challenges and issues

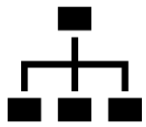
- Weaknesses in poverty focus and targeting performance
- Issues with relevance of project designs
- Scope for more systematic support for innovative technologies to promote resource use efficiency (e.g. water) and to strengthen climate resilience.
- Agribusiness partnerships – more careful consideration needed on how to ensure added value of public funding.
- Reliance on credit lines, with limited effort to leverage systemic change in financial service delivery.
- All projects affected by start-up delays and slow implementation.

Main evaluation findings - highlights

Non-lending activities

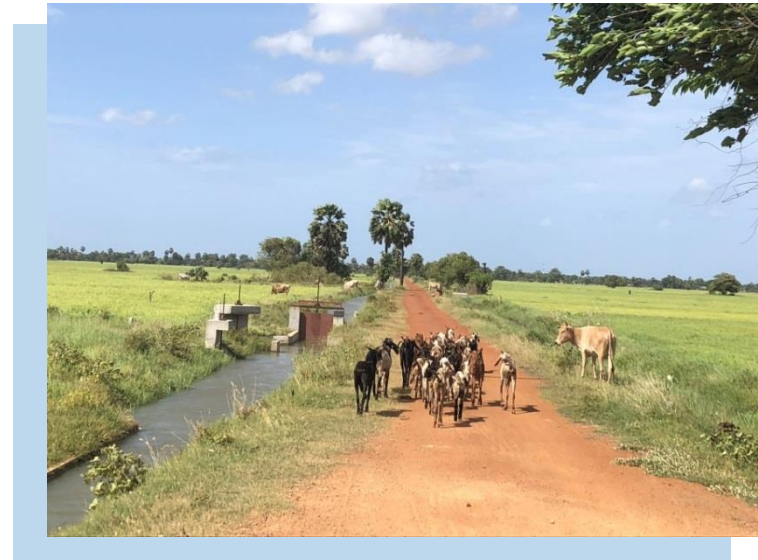
- ❖ Performance of non-lending activities (i.e. knowledge management, partnership building and policy engagement) has generally been weak.
- ❖ Knowledge management – largely limited to project level and only with a couple of projects.
- ❖ Good relationships with government agencies at project level, but little collaboration with other development agencies and partners.
- ❖ Inputs and outcomes in terms of policy engagement have been limited, although there is increased attention.
- ❖ There was a missed opportunity for the IFAD country presence between 2007 and 2016 to upgrade non-lending activities.

Storyline and conclusions



Individual projects largely relevant - but decision to respond to post-tsunami and post-war needs affected the coherence of the country programme.

-- leading to diverse projects and a lack of strategic direction during the middle part of the evaluation period.



However, the portfolio has been more streamlined – in focus and number – and is now well positioned to contribute to sustainable rural transformation.

Storyline and conclusions (cont.d)

- ⚙ Targeting has proved challenging - also given the poor are becoming a minority and as the portfolio increases commercial orientation.
- 🌱 Support for agribusiness partnerships and access to finance achieved good outreach, but more consideration needed to how to leverage added value and innovations.
- 📄 With a more streamlined portfolio, it is important that projects be catalytic in nature, leveraging additional investments and that non-lending activities play a more prominent role.

Recommendations

- 1. Sharpen the strategic focus and coherence of the country programme.** Better mainstreaming priority issues such as climate resilience, nutrition and youth.
- 2. Strengthen the poverty orientation and develop a strategy for inclusive – but sufficiently discriminating – targeting:** A clear target group definition and targeting strategy.
- 3. Steer the country strategy and programme to play a more catalytic role for rural transformation with enhanced partnerships.** More attention to analytical work, knowledge management and policy engagement.

Recommendations (cont.d)

4. Strengthen the strategy and operational frameworks to ensure additionality of partnerships with the private sector. To explore opportunities for project support for cost/risk-sharing to leverage private-sector investment and innovations.

5. Revisit the approach to rural finance support, sharpen the focus and explore opportunities to innovate - to leverage more systemic improvement.