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**A METHODOLOGICAL FRAMEWORK FOR PROJECT EVALUATION**

**MAIN CRITERIA AND KEY QUESTIONS FOR PROJECT  
EVALUATION**



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### ABBREVIATIONS AND ACRONYMS

ACP	Agreement at Completion Point
AsDB	Asian Development Bank
CBO	Community-Based Organization
CI	Cooperating Institution
CLP	Core Learning Partnership
COSOP	Country Strategic Opportunities Paper
ERR	Economic Rate of Return
MDG	Millennium Development Goal
MFE	Methodological Framework for Evaluation
MTE	Mid-Term Evaluation
MTR	Mid-Term Review
NGO	Non-Governmental Organization
NLASP	Newlands Agricultural Services Project
NPV	Net Present Value
OE	Office of Evaluation
PRA	Participatory Rural Appraisal





## A METHODOLOGICAL FRAMEWORK FOR PROJECT EVALUATION

### MAIN CRITERIA AND KEY QUESTIONS FOR PROJECT EVALUATION

#### I. INTRODUCTION

##### A. IFAD Evaluation Policy and Approach

1. Following considerable in-house consultation, in 1999 the Office of Evaluation (OE) introduced “A New Approach to Evaluation”, which effectively changed the previous direction used for evaluation in IFAD.<sup>1</sup> The evaluation function in IFAD was redefined as a balancing act of accountability and learning. The new IFAD Evaluation Policy approved by the Executive Board in April 2003 establishes that the evaluation function at IFAD will operate in line with internationally accepted principles for the evaluation of development assistance. Foremost among these is that the evaluation process should be impartial and independent from both the policy-making process and the delivery and management of development assistance. Since April 2003 OE reports directly to IFAD’s Executive Board.
2. Each year, OE, while retaining its final authority to decide on the content of its annual work programme, will register the interest of its partners (primarily the Programme Management Department but also other stakeholders) and prepare a two-year rolling work programme for independent evaluation. This work programme will be based on the selection of a critical mass of evaluations that, according to OE, is required for promoting accountability and learning in IFAD, and for preparing the annual report on the results and impact of IFAD operations. Every work programme will include a mix of different types of evaluation.
3. Every evaluation will start with an approach paper that has a standard format covering the following aspects of the proposed evaluation: (i) background and rationale; (ii) objectives; (iii) expected focus and outcome; (iv) the core learning partnership (CLP) and the other partners involved; (v) process and workplan; (vi) human resource requirements for the evaluation; and (vii) communication and dissemination of results.
4. While preparing the approach paper, OE will identify members of the CLP, which consists of the main users of the evaluation. At the beginning of the process, the CLP helps flag issues and information sources for the evaluation. After the completion of the independent evaluation report, the CLP discusses the evaluation findings, deepens the understanding of the findings and recommendations, and eventually works out the operational implications of evaluation recommendations and the division of labour and responsibilities for their implementation among the various stakeholders involved.
5. The evaluation team comprising consultants recruited by OE to conduct the evaluation will prepare the evaluation report, which will consist of the executive summary, main text and working documents as annexes, if necessary. The evaluation team will work under the supervision of a lead evaluator, assigned by the OE Director to manage the evaluation process. The lead evaluator will be responsible for managing the evaluation process and ensuring the quality and content of the evaluation report, which should be short and user-friendly.

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<sup>1</sup> The process summarily described here is fully documented in the IFAD Evaluation Policy (EB 2003/78/R.17/Rev.1)



6. Upon completion of each independent evaluation report, OE, relevant IFAD officials and other stakeholders will develop a separate action-oriented document, called the understanding or agreement at completion point (ACP). The ACP is the end point of a process that aims to determine how well evaluation users understand the recommendations proposed in the independent evaluation, and how they propose to make them operational. Interaction among the stakeholders working through the CLP helps deepen the understanding of the evaluation findings and recommendations contained in the independent evaluation report, and elicits ownership for implementing the recommendations. The ACP illustrates the stakeholders' understanding of the evaluation findings and recommendations, their proposal to implement them and their commitment to act upon them. OE will participate in this process to ensure a full understanding of its findings and recommendations.

7. In total, the above-mentioned instruments embodied in IFAD's current evaluation policy and approach not only ensure transparency and accountability but also ownership of the evaluation by its users. It is important that the participatory nature of the exercise is maintained during fieldwork, so that all partners play an active role and are fully consulted at all stages.

## **B. Methodological Framework for Evaluation: Rationale and Objectives**

8. In parallel with the introduction of these new evaluation approaches, the *IFAD V: Plan of Action (2000-2002)* recommended that OE produce a systematic overview of the results and impact of IFAD's operations, based on the evaluations it undertakes each year. An obstacle to such an overview was the lack of a consistent evaluation framework. To address this problem, OE developed a new methodological framework for evaluation (MFE) during 2001, which it introduced in 2002. A common framework is therefore now available for systematic use across all IFAD project evaluations. The main objectives of the MFE are to: (i) provide a clear set of evaluation criteria to be used by all project evaluations; (ii) promote a more systematic assessment of impact at project completion; (iii) facilitate the production of a consolidated picture of the results, impact and performance of the evaluated projects during any given year; and (iv) facilitate the consolidation of insights and learning from evaluation.

9. The IFAD Evaluation Policy re-emphasizes the request made in the *IFAD V: Plan of Action (2000 2002)*. It states: "The main purpose of the independent evaluation function at IFAD is to promote accountability and learning in order to improve the performance of the Fund's operations and policies. Evaluations provide a basis for accountability by assessing the impact of IFAD-supported operations and policies. They are expected to give an accurate analysis of successes and shortcomings, i.e. 'to tell it the way it is'. This feedback helps the Fund improve its performance".<sup>2</sup> The policy states that such feedback is to be presented annually to the IFAD Executive Board.<sup>3</sup>

10. The MFE consists of a set of criteria to be applied to all project evaluations, which are assessed by asking a number of key questions. The criteria are consistent with the emerging consensus on evaluation criteria among international financial institutions and the Development Assistance Committee of the Organization for Economic Cooperation and Development. The evaluation criteria have their origin in *Strategic Framework for IFAD 2002-2005*, the current institutional need to place stronger emphasis on impact assessment, and the need to provide some measure of accountability to IFAD's governing bodies on

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<sup>2</sup> IFAD Evaluation Policy. EB 2003/78/R.17/Rev.1, page 2, paragraph 5.

<sup>3</sup> EB 2003/78/R.17/Rev. 1, page 12, paragraph 51, states, "Every year OE will also submit to the Executive Board an annual report on the results and impact of IFAD operations in its September session."



the Fund's performance and eventually on its contribution to the achievement of the Millennium Development Goals (MDGs).<sup>4</sup>

11. The use of the same criteria across evaluations is intended to help reduce variations in approaches and reporting format among evaluators and among evaluations. Consistent application of the framework should ensure that project impacts are systematically assessed, results and performance are comparable across projects and project categories, generic lessons are more easily identified, and a consolidation of the performance and results of a group of projects evaluated yearly is more feasibly provided. From September 2003 onwards, OE will prepare such a report, entitled "Annual Report on the Results and Impact of IFAD Operations", for presentation to IFAD's management and the Executive Board. This new report will be based on the evaluations undertaken in the previous year, and will provide an independent picture of results, impacts and effectiveness, together with a summary of insights and lessons learned.

12. A year after the MFE was introduced and used by all project evaluations undertaken during 2002, a review workshop<sup>5</sup> was held to discuss the practical difficulties encountered in using the MFE and ways the MFE could be improved. As a result of these discussions, it was decided to produce a revised version of the MFE, incorporating the workshop recommendations. The current document contains this revised version.

## II. CONTENTS OF THE METHODOLOGICAL FRAMEWORK FOR EVALUATION

13. The MFE comprises a number of evaluation tools that link together to form a generalized approach to undertaking a project evaluation. The overall intention is to ensure that the key areas of concern for IFAD are assessed (and reported on) in similar ways. These are briefly described below to give an overview of the framework, and then described in greater detail in separate sections.

### A. Standard Table of Contents for the Evaluation Report

14. While the MFE serves to define the common scope of the evaluation exercise, inevitably each evaluation will generate findings and data that are much more specific depending on the nature of the project. As part of the MFE and in line with the rationale for its introduction, **all project evaluations are now required to use a standard table of contents** to guide evaluation missions in extracting and presenting the findings, analyses and conclusions required by OE.

15. The standard table of contents comprises the following nine chapters:

- I. Introduction
- II. Main Design Features
- III. Summary Implementation Results
- IV. Performance of the Project
- V. Rural Poverty Impact
- VI. Performance of the Partners
- VII. Overall Assessment and Conclusions
- VIII. Insights and Recommendations
- IX. Agreement at Completion Point

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<sup>4</sup> Seven of the MDGs ("Pledges on Sustainable Development") are in brief: (i) reducing extreme poverty; (ii) universal primary education; (iii) gender equality; (iv) reducing infant and child mortality; (v) reducing maternal mortality; (vi) access to reproductive health services; and (vii) reversal of losses of environmental resources with a strategy of sustainable development.

<sup>5</sup> The workshop was held in Rome on 3 February 2003; proceedings and recommendations are available from OE.



16. Chapters I, II and III serve to introduce the project, describe the evaluation process and summarize implementation results. Chapters IV, V, and VI present findings from the three main evaluation criteria (see below). Chapters VII and VIII present the evaluation's overall assessment, insights and recommendations. Chapter IX contains the agreement at completion point. To assist in the preparation of these chapters, OE has provided a number of support tools (Sections B, C and D).

17. In accordance with IFAD's policy on disclosure and transparency, the evaluation report will be published in electronic and hard-copy format and disclosed to the public without prior clearance from anyone outside OE. Additional material not used in the evaluation report is retained in OE and is available upon request.

## B. Evaluation Criteria

18. Consistent with international practice, three main evaluation criteria provide the basis on which project achievements and impacts are to be assessed:

- performance of the project;
- impact on rural poverty; and
- performance of the partners.

19. Each main criterion is divided into a number of elements (or sub-criteria) (see Box 1).

20. The first criterion – **performance of the project** – captures the extent to which project objectives are consistent with the priorities of the rural poor and other stakeholders (relevance); how well the project performed in delivering against objectives (effectiveness); and how economically resources have been converted into results (efficiency). The sub-criterion of relevance focuses on the quality of project objectives: Have we done the right things? The effectiveness and efficiency sub-criteria focus on the extent the right objectives were achieved at reasonable cost: Have we done things right? The performance of the project, therefore, answers the question: Were the right things done right?

21. The second criterion – **impact on rural poverty** – assesses the changes that have occurred by project completion. IFAD defines rural poverty impact as the changes in the lives of the rural poor, intended or unintended – as perceived at the time of the evaluation – to which IFAD's interventions have contributed, as well as the likely sustainability of such changes. This definition includes elements of what in other evaluation systems may be known as results, outcomes and effects.

22. Impact has been divided into six domains that are addressed by IFAD projects to varying degrees, and the overarching factors of sustainability, innovation and replicability/scaling up, and gender equality and women's empowerment. The six domains (explained in detail in Part IV) consider the impacts on:

- physical and financial assets;
- human assets;
- social capital and people's empowerment;
- food security;
- environment and communal resource base; and
- institutions, policies and the regulatory framework.



<b>BOX I. EVALUATION CRITERIA</b>	
<b>CRITERIA AND SUB-CRITERIA</b>	<b>COMMENTS</b>
<b>1. PERFORMANCE OF THE PROJECT</b>	<b>Evaluated soon after implementation completion (combines 1.1 to 1.3)</b>
1.1 Relevance of objectives	Extent to which project objectives, as formally documented at the time of evaluation, are relevant to the needs of the rural poor, to IFAD's regional strategy, its country strategy (as contained in the country strategic operations paper (COSOP) and the government's policies and strategy for poverty reduction.
1.2 Effectiveness	Extent to which the project met relevant project objectives, as understood and documented at evaluation (see Annex II).
1.3 Efficiency	Extent to which the project achieved, or is expected to achieve, benefits commensurate with inputs, based on economic and financial analyses or unit costs compared with alternative options and good practices.
<b>2. IMPACT ON RURAL POVERTY</b>	<b>Combines 2.1 to 2.7</b>
2.1 Impact on physical and financial assets	(See Annex I for key evaluation questions.)
2.2 Impact on human assets	“
2.3 Impact on social capital and people's empowerment	“
2.4 Impact on food security	“
2.5 Impact on the environment and communal resource base	“
2.6 Impact on institutions, policies and the regulatory framework	“
2.7 Overarching factors: <ul style="list-style-type: none"> <li>• Sustainability</li> <li>• Innovation and replicability/scaling up</li> <li>• Impact on gender equality and women's Empowerment</li> </ul>	Reflects rational expectations of sustainability (see Box 8). Reflects the catalytic role of IFAD (see text and Box 9). Assessment of impacts on gender is mainstreamed into 2.1-2.6 above and consolidated here. (See key questions guiding consolidation in paragraph 59.)
<b>3. PERFORMANCE OF THE PARTNERS</b>	<b>Combines 3.1 to 3.5</b>
3.1 IFAD	Adequacy of original design, follow-up during implementation and selection of partners (see Part V-A and Box 11).
3.2 Cooperating institution	Adequacy of the supervision function (see Part V-B and Box 11).
3.3 Government and its agencies	Focuses on government's responsibility and ownership for the intervention (see Part V-C and Box 11).
3.4 Non-governmental organizations (NGOs)/ Community-Based Organizations (CBOs)	Focuses on the role of these partners in capacity-building and empowerment of the poor (see Part V-D and Box 11).
3.5 Cofinanciers	Focuses on the degree of engagement in poverty-reduction objective and flexibility during implementation (see Part V-E and Box 11).





23. The choice of these domains and their definitions are based on OE's experience of evaluating more than 200 IFAD projects, *Strategic Framework for IFAD 2002-2006* and its *Rural Poverty Report 2001*. In each domain, a series of 'key questions' have been identified, concerning how the lives of the poor have been changed and whether this can be attributed to project activities. The 29 key questions have been determined by considering the most important factors that constitute elements of each impact domain.

24. The third criterion – **performance of the partners** – requires separate assessments of the performance of the primary partners in the project: IFAD, the cooperating institution (CI), the government agencies responsible for implementing the project, NGOs and CBOs involved in project implementation, and the project cofinanciers. This criterion addresses how well IFAD and its partners identified, prepared and supervised the project, and the contribution each made to project success during implementation.

25. While the evaluation criteria summarized above serve to clarify what has happened in the project, they are also intended logically to lead to further questions, such as: "Why did things go the way they did?" (or, if there were shortcomings) "How can such problems be avoided in future?" (where there are successes) "What are the main ingredients responsible for the success?" "How could the project be replicated or scaled up?" By asking these questions, the evaluation exercise will generate lessons and insights.

### C. Impact and Project Effectiveness Matrices

26. OE has constructed two matrices to facilitate and focus the work of the evaluation missions, particularly with respect to the impact and effectiveness criteria. These matrices provide rigorous checklists for project evaluation missions and are convenient ways to compile the data needed. However, the matrices should be treated as supporting tools in using the criteria, and not as summary assessments by the mission: at best the matrices ask "What has happened?", but do not address the question "Why has this happened?" or explain the contributing circumstances. The matrices comprise 29 key questions<sup>6</sup> on the vertical axis, and the considerations against which they should be assessed (for example, the extent and reach of the change, who has benefited and whether the change will be sustained) on the horizontal axis. **It is essential that evaluators provide quantitative assessments of the numbers of households and people reached in the column "reach of change"**. The matrices can be found in Annexes I and II. Practical approaches to completion of these matrices are considered later. In addition, a table of suggested key questions has been provided to support the preparation of the performance of the partner's criterion (see Box 11).

### D. Rating System

27. The MFE introduces a rating system for the evaluation criteria. This is intended to quantify or qualify the judgement of the evaluators and facilitate aggregation both within and across projects. At present, ratings should be provided for the three main evaluation criteria and all their sub-criteria (as listed in Box 2). The scales are symmetrical (that is, there are two positive and two negative ratings), and the distance between ratings should be conceptually equal. The scales used are high, substantial, modest, and negligible for project and partners performance criteria and sub-criteria (criteria 1 and 3), and for impact criteria and sub-criteria except for sustainability of impact. For sustainability, the scales are highly likely, likely, unlikely and highly unlikely. For purposes of aggregation, the scales are indicated by the numbers 4/3/2/1. The four-point scale is chosen to avoid 'fence sitting' or what has been called the mid-point refuge. An overall rating for the project being evaluated (based on the aggregation of evaluation criteria 1, 2 and 3) can also be given. OE is currently considering the issue of the weights assigned to different criteria.

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<sup>6</sup> Not all key questions will be relevant to a particular evaluation.



### **BOX 2. EXPECTED RATINGS FROM EVALUATION MISSIONS**

All evaluation missions are requested to provide ratings for the following criteria:

- Performance of the project (criterion number 1) and its sub-criteria – relevance of objectives, effectiveness and efficiency (1.1 to 1.3).
- Impact on rural poverty (criterion number 2); its six domains (2.1 to 2.6), together with overarching factors of sustainability, innovation and replicability/scaling up and impact on gender equity and women’s empowerment (2.7).
- Performance of the partners (criterion number 3), disaggregated to the various actors: CI, government and its agencies, NGOs/CBOs and cofinanciers.

In determining an aggregate rating for each of the above criteria, and in assigning an overall project rating, evaluation teams currently decide on the issue of respective weights. In the future, IFAD/OE and the Executive Board may need to determine consistent weights across projects.

### **E. Credibility of Findings**

28. It is essential that evaluation findings be based on as rigorous data collection and analysis as possible. Without this, it is difficult to convince evaluation partners of the validity of the conclusions reached and the lessons learned, especially when the evaluation is critical of project outcomes or impacts, or the way implementation has been undertaken. The need to obtain credible and well-supported findings is a major consideration in planning the overall evaluation exercise in terms of both selecting the topics/themes/issues to be examined and deciding on the most appropriate methods of investigating them. The process of identifying methods has to be balanced with time and resource considerations.

29. While the approach paper provides the mechanism through which the planning of the evaluation takes place, and this is guided and led by the designated evaluation officer, the evaluation mission still remains responsible for determining the ways in which fieldwork is to be undertaken. This often depends on the practical limitations imposed, for example, by the availability of local staff, transport provided and distances to be covered. The mission’s role is to optimize the results obtainable given these constraints. Examples of good practice in organizing such an exercise can be found in Boxes 3, 4 and 5.



### BOX 3. PARTICIPATORY RURAL APPRAISAL DESIGN – AN EXAMPLE OF GOOD PRACTICE FROM EGYPT

The Newlands Agricultural Services Project (NLASP) in Egypt was designed in the early 1990s to improve the services offered to new settlers in reclaimed desert areas. The reclamation and settlement process had been ongoing for many years, and settlers were a mix of traditional farmers and unemployed new graduates. The project concentrated on improving the technical basis of farm production. The mid-term evaluation (MTE) included a participatory rural appraisal (PRA) to assess project effects and emerging impacts with a cross section of NLASP stakeholders, especially the beneficiaries. The process was intended to maximize settler participation and to strengthen data reliability.

**Village selection strategy.** Since many of the 73 project villages were exclusively settled either by graduates or by traditional farmers, it was important to ensure that both were reached. The sample was further stratified by (i) length of residence, to determine whether the settlers' evaluation of NLASP was influenced by the number of years they had lived in the project area and (ii) location, to ensure that settlers in each of the three project areas (El Bustan, Sugar Beet and West Nubaria) were included.

**Participatory evaluation methods.** The MTE mission worked as an interdisciplinary team within each of the selected villages. Accordingly, five different focus groups met simultaneously, namely contact farmers (with the farming systems expert), borrowers (with the credit expert), water users' association members (with the irrigation expert), women-in-development beneficiaries (with the gender expert) and ordinary settlers (with the rural sociologist). The experts conducted semi-structured discussions with their focus groups, followed by visits to fields, homes, extension and research stations, and so forth. The rural sociologist (with the assistance of a translator) also conducted a series of participatory exercises to facilitate settlers' evaluation of specific NLASP components and to explore emerging impacts. A checklist of issues to be explored during the PRAs was shared with all mission members in advance, allowing them to add questions and use selected parts for their own focus group discussions, as appropriate.

**PRA tools.** For the sake of consistency and comparability, the same set of seven PRA tools was used in all participating villages. These were: village mapping; Venn diagrams; seasonal calendars; pie charts for household food supply, expenditures and incomes; ladder of fortune; wealth ranking; and SWOT (strengths, weaknesses, opportunities, threats) analysis by settlers of NLASP activities. These tools were selected because they were highly visual, allowing traditional farmers (most of whom are illiterate) to participate fully. Following the PRA process in each village – of one entire day each – team members cross-checked their findings. A total of 27 focus group meetings – ranging from five to 50 settlers each – were organized in ten different villages throughout the project area, in addition to four in-depth PRAs, which included 30-40 participants each. Altogether about 400 settlers participated in the participatory fieldwork, which was carried out over a three-week period.

The PRA produced significant findings for the MTE in terms of understanding household food supply and cash incomes, annual income levels and expenditures, and emerging project impact. In addition, it demonstrated to field staff how such an approach could be useful not only for project monitoring and evaluation purposes, but also to provide rapid feedback to management. This approach can be used whether projects have been designed/implemented in a participatory way or not. In the latter case, it provides an opportunity to introduce stakeholders to more participatory methods. The key to PRA success was careful planning: the rural sociologist and the gender specialist preceded the rest of the mission members by one week to hold initial focus group discussions with beneficiaries, to prepare questionnaires and to train local staff.



#### **BOX 4. POPULAR EVALUATIONS IN A JOINT EVALUATION PROCESS: AN EXAMPLE OF GOOD PRACTICE FROM SENEGAL**

Popular evaluations are intended to be part of a process of learning and empowerment for a project's primary stakeholders (intended beneficiaries). They use the need to develop participatory evaluation techniques to introduce a more formal (and credible) arrangement for beneficiary representatives to interact with other project partners and decision-makers. Once developed, this mechanism can remain in place as the project continues (hence the popular evaluation process is particularly applicable to interim evaluations).

Popular evaluations add a few extra steps to a participatory project evaluation, but require very few additional resources. First, results of the initial beneficiary surveys (e.g. PRAs or household surveys) are reported back to and discussed with the primary stakeholders in local forums. This means that the results may have to be translated into the local language, and a means found to present and discuss the findings. The participants are encouraged to give their own assessments of the project in terms of impact, stakeholder performance, etc., including recommendations for appropriate changes and identification of emerging lessons. The outcome of the forums is recorded, and participants appoint their own representative(s). A number of forums are held in the project area (e.g. wherever a PRA has taken place). The second additional step is to bring together the forum representatives to achieve consensus on what has worked in the project overall, the level of impacts and project performance, etc., thus creating a formal beneficiary viewpoint on impacts and other project aspects. This is followed by a project-wide stakeholder workshop (this is not an additional step) to discuss evaluation findings, which brings together the beneficiary representatives, the independent evaluation mission and all other stakeholders, including government officials, funding agencies and all CLP members. The workshop is held in the project area and entirely conducted in the local language(s) of the primary stakeholders with translation for the outsiders. Beneficiary representatives should account for at least a third of workshop participants, and they are now in a position, because of the popular evaluation process, to make a significant contribution to the proceedings and the evaluation results.

In 2002, this process was used for the interim evaluation of the Agricultural Development Project in Matam in Senegal. In this case, groupings were arranged according to the type of intervention adopted (small-scale irrigation, rangeland, agriculture, etc.), and eventually 41 representatives for the whole project area were chosen. Detailed discussions were held and resulted in comprehensive beneficiary perceptions for the project interventions, an analysis of impacts by the six domains, and detailed recommendations for the project's second phase – including ways for the primary stakeholders to participate in the design process. The conclusion was that the popular evaluation process had greatly enhanced the effectiveness and credibility of the overall evaluation and had strengthened the capacity of the beneficiaries to be major players in the design and implementation of the second phase.

#### **BOX 5. THE PHILIPPINES: AN EXAMPLE OF AUTHENTICATION THROUGH TRIANGULATION**

In recent years, there has been increasing consensus on the need to overlap different evaluation techniques to raise confidence in results and to bypass the weaknesses of various methodologies. Such overlapping has been achieved in recent project evaluations by splitting the tasks among different mission members. Typically the need may be to undertake: (i) classical household surveys; (ii) PRA and focus group discussions; and (iii) standardized case studies. This combination was applied in the evaluation of the Rural Micro-Enterprise Finance Project in The Philippines in 2002. The combination of these three approaches does not mean that all three methodologies need to be undertaken during the fieldwork stage. For example, secondary data from other institutions' surveys (or from existing PRAs) can be included: in The Philippines, a large survey conducted by the Asian Development Bank (AsDB) three months before the IFAD evaluation was used as a basis, to which focus group discussions and case studies were added. Key features of the techniques used were as follows:

**Household surveys.** Households were selected through random sampling and included project drop-outs and control groups. The main purpose was to obtain hard quantitative data on microfinance services. The experience showed that, although not always possible, it is useful if household surveys can be conducted before the full evaluation mission takes place. The survey size also needs to be adequate to ensure statistical significance (probably no fewer than 80-100 households). Although the AsDB survey did not include anthropometric indicators, past OE experience suggests that these are relevant, low-cost measures of poverty reduction, which can be conveniently collected through household surveys.

**PRA and focus group discussions.** PRAs provided the format for discussion of beneficiary perceptions of project activities and effects (see Box 3 for more on the use of PRAs).

**Standardized case studies (of institutions).** In The Philippines, standardized case studies were used to compare different types of microfinance institutions (banks, cooperatives, NGOs, etc.) in terms of financial viability, sustainability and poverty impact. The case studies were useful for illustrative purposes and helped in the formulation of hypotheses to explain the different performance of institutions and households.

From these overlapping results, evaluators were able to make more credible and balanced judgements of project effects and impacts than would have been possible using any one approach. Key factors in the success of this exercise were that (i) the generalized areas of overlap had been identified at an early stage, and included in the planning of the surveys and other exercises undertaken, and (ii) the evaluation officer and mission members had carefully coordinated their respective inputs and the questions to be asked.



### III. PERFORMANCE OF THE PROJECT

30. The performance of the project is assessed on the basis of:

- relevance of its objectives;
- effectiveness (the extent to which its objectives have been achieved); and
- efficiency (how economically resources have been converted into results).

31. Taken together, these three sub-criteria capture how well IFAD selected the means of meeting the needs of the rural poor and how well the project performed in delivering against the right objectives, as seen at the end of the implementation period (see paragraph 20).

32. The experience of evaluation missions has been that the statements of project objectives in the designs have often been too general and thus inadequate for examination using the much more specific demands posed by the key questions. In such instances, the evaluation mission, together with other project partners, is expected, as far as possible, to reconstruct or deduce project intentions from the design documentation as a whole. For example, this can mean examining the resource allocations to determine whether designers allowed for funding to go to activities specified in the key questions. This problem is made easier where projects have logical frameworks. Although the key questions emanate from recent thinking in IFAD, many of the underlying objectives were actually inherent in older project designs. However, it is recognized that this can be a difficult and challenging exercise for evaluations.

#### A. Relevance of Objectives

33. **Relevance is defined as the extent to which the project objectives are consistent with the rural poor's perceptions of their needs and potential at the time of the evaluation; with the economic, social and policy environment; with IFAD's mandate and its strategic framework and policies; with IFAD's current regional strategy and its country strategy as formulated in the COSOP; and with the country's current poverty-reduction policies and strategy (when applicable).**

34. The relevance factor determines whether the project was worth doing. It assesses whether project objectives were focused on the right priorities when designed, and if they were adjusted to suit changing circumstances during implementation. It gives weight to the continual updating of project design during implementation to reflect the poor's emerging needs and perceptions.

35. IFAD's common vision on how to address the rural poor's needs should be reflected in the project strategy. This includes, for example, strengthening grass-roots organizations, the use of NGOs and civil society as partners, participation of the poor during design and implementation, mainstreaming of gender issues, and promotion of replicable innovations. See Box 6 for an example of the assessment of relevance.



**BOX 6. REPORTING ON THE RELEVANCE OF OBJECTIVES – AN EXAMPLE OF GOOD PRACTICE  
FROM THE UNITED REPUBLIC OF TANZANIA**

The Agricultural and Environmental Management Project was designed to supplement emergency assistance being provided to address the influx of 600 000 refugees into the remote Kagera region in the north-western part of the United Republic of Tanzania. In particular, the project aimed to improve food security and halt or reverse land degradation, and to support local services, especially health, which had come under extreme pressure as a result of the vast numbers of refugees.

The project's goal, which was revised during implementation, was to improve the living standards of the people in the region by "rehabilitating the region following the adverse effects of refugee encroachment and reversing the long-term decline in agricultural production". The evaluation undertaken in 2002 concluded that "the living standards of the Kagera population are crucially dependent upon agricultural productivity, since a predominant – estimated at 85% – proportion of the population is made up of small farm families for whom food sufficiency and farm income are key drivers of household livelihood and welfare. Thus the relevance of the goal or overall objective of the project was and is, high, 4."

The evaluation also provided ratings for the objectives of each component. For the rural infrastructure component, the stated objective had been broken down by sub-components and the evaluation reported as follows:

(i) **Health.** The objective was the improvement of health service delivery. The evaluation reported: "The implied main aims of the health sub-component ... are all highly relevant to the Kagera situation. However, the relevance of the objectives as stated – and in the context of the severity of the diverse problems of health service provision and the need for far more intensive community sensitization and involvement – is assessed at a modest 2."

(ii) **Water supply.** The objective was the improvement of farmers' access to safe drinking water. The evaluation found that "the appraisal correctly identified the key factors to achieve this aim as renovation or construction of low-cost schemes, enhancement of institutional capacity for their management at district and village levels. The relevance of these objectives, then as now, is high, 4."

For the project management component, the objectives were stated as strengthening implementation and service delivery capacity and assisting development of a participatory approach to resource management. The evaluation concluded: "The impetus of the component was directed to sound coordination and management of project operations and endowing the local government development partner agencies with the necessary learning and first-hand experience to raise their functional capacities. The relevance of these objectives was, and is, high, 4."

## **B. Effectiveness**

**36. Effectiveness is defined as the extent to which the project's major objectives, as understood and documented at the time of evaluation, were achieved at project completion, or are expected to be achieved.**

37. Project effectiveness is measured with respect to designers' expectations regarding the project's impact on poverty as defined in the main impact domains (see Annex I) and in the component objectives. The latter can be assessed within the effectiveness sub-criterion if the evaluators deem it necessary (e.g. when impact is expected over a longer term or cannot be easily assessed). In all cases, the effectiveness sub-criterion compares the expectations given in the design and expressed in project objectives (or as redesigned and approved by IFAD, the CI and the government) to the actual achievements found at completion. Project design objectives may have to be recast as much as possible in terms of the six domains of impact (Box 1, 2.1 to 2.6) and the way in which project objectives are formally understood at the time of the evaluation. This is facilitated by the project effectiveness matrix (Annex II), which guides and assists



evaluators in using this sub-criterion.<sup>7</sup> The ratings of the effectiveness sub-criterion should be agreed upon within the evaluation mission and in relation to percentages of the objectives achieved (e.g. 80% or more, high; 60-80%, substantial; 30-60%, modest; less than 30%, negligible).

### C. Efficiency

**38. Efficiency is defined as the extent to which the project achieved, or is expected to achieve, benefits commensurate with inputs, based on economic and financial analysis or unit costs compared with alternative options and good practices (how economically resources have been converted into results).**

39. Conventional economic indicators – net present value (NPV) and/or economic rate of return (ERR) – provide well-recognized tests of efficient resource use, but the well-known data gaps and the specific nature of IFAD-supported interventions may often restrict use of these analytical tools in the Fund’s projects. For some projects, qualitative judgements by the evaluators are necessary to assess efficiency, but always relying on an appreciation of the underlying concepts of cost/benefit analysis, together with good practice in similar situations and any other suitable indicators. As with all evaluation, a good basis for assessments, in the absence of objective standards for comparison, is informed evaluator judgement, especially using experience from similar projects. See Box 7 for an example of good practice in assessing project efficiency quantitatively.

#### **BOX 7. PROJECT IMPLEMENTATION EFFICIENCY – AN EXAMPLE OF GOOD PRACTICE FROM YEMEN**

One objective of the Tihama Environment Protection Project in Yemen was to investigate the most economical method of stabilizing sand dunes. Hence it was important that the project keep adequate records for the different stabilization methods tried. The interim evaluation, which took place in 2001, found that unfortunately this had not been done. The absence of project records showing the actual costs by component prevented any assessment of the cost-effectiveness of the various project activities. However, the mission did manage to re-estimate the potential rate of return from the sand dune stabilization component using data for costs obtained from various project sources and recent estimates of the rate of sand dune encroachment in the project area. The analysis used the same approach as that used at appraisal, which gave an internal rate of return of 9.6% for the land conservation component.

Two scenarios were developed by the evaluation mission. In the first, it was assumed that local communities would continue to manage and maintain sand dune stabilization belts adequately, while in the second, it was assumed that they would not. Based on these two scenarios, the mission reworked the ERR calculations for different cropping options. These showed that where the sand dunes had been stabilized and were adequately maintained, i.e. where the improvement was sustainable, an ERR of as much as 20% was possible. This applied where the belts protected fruit tree plantations (e.g. dates, bananas and mangoes), and to relatively well-off farmers in the area. Where the belts protected field and vegetable crops, typical of the situation of poor farmers, the ERR was similar to or in excess of the opportunity cost of capital (10%). However, in the second and more likely scenario, where the communities did not manage and maintain the belts after project end, the investment was found to be unprofitable, and in some cases the ERRs were found to be negative.

On the basis of these estimates, the mission allocated a rating of 2 for project efficiency. However, estimates also showed that if communities had been appropriately consulted and had managed the sand dune stabilization effectively and sustainably, efficiency would have been much higher.

<sup>7</sup> The project effectiveness matrix based on “expectations of impact” can be filled in only after the project impact matrix (Annex I) has been completed.



40. Qualitative assessments of efficiency (in the absence of NPV, ERR and estimates of the financial rate of return) should take into account, inter alia, the following factors:

- actual costs compared with appraisal estimates and any revisions;
- implementation delays and any redesign that may have increased costs;
- the level of benefits and their growth curve compared with expectations (if feasible);
- utilization rates for project facilities and services;
- whether services and facilities meet good practice standards; and
- whether the benefits stream appears adequate compared with the costs.

#### IV. IMPACT ON RURAL POVERTY

41. The following section provides definitions of the main impact criterion and its sub-criteria, with suggestions on how they might be applied. However, it is neither possible nor appropriate to cover every possible situation that may arise. The MFE has some flexibility, to allow individual evaluations to tailor it to specific circumstances.

42. For IFAD's purposes, 'impact' is determined at the end of project implementation and not some time later when secondary and indirect effects may be observed, although it does include expectations of future events (see definition below). This criterion seeks to answer the question: What has this development project achieved in terms of results on the ground affecting the lives of the rural poor and their environment?

**43. Impact is defined as the changes in the lives of the rural poor, intended or unintended – as perceived at the time of the evaluation – to which IFAD's interventions have contributed, as well as the likely sustainability of such changes.**

44. Using six domains of impact and the overarching factors of sustainability, innovation and replicability/scaling up, and gender equality and women's empowerment (see paragraphs 21, 22 and Box 1), evaluators are asked to determine what has changed in the lives of the rural poor and what contribution project activities have made to this change. Having assessed what has changed, the evaluation then needs to decide who has benefited, the likelihood that the changes are sustainable, and whether the project has set in motion dynamic processes that will lead to further developments. Individual domains and the overarching factors are further described below.

45. A basic requirement, stemming from the definition, is that evaluation missions should work with the rural poor to obtain *their perceptions* of how their circumstances have or have not changed, and the extent to which the project was responsible. However, it is essential that these perceptions are supported and strengthened by other objective data and by consultations with other partners. In the final analysis, the evaluators are responsible for synthesizing and collectively judging these perceptions and data.

##### A. Physical and Financial Assets

46. For sustainable poverty reduction, the rural poor must have legally secure entitlement to physical and financial assets – land, water, livestock, tools, equipment, infrastructure, technology, information, and savings and credit. An asset, also called 'capital stock' or 'endowment', is anything that can be used, without being used up, to increase returns from labour, whether hired or self-employed, and thus helps to enhance production, income and consumption.





## **B. Human Assets**

47. Human assets are capital ‘embodied’ in people. They are classified as nutritional status, health, education and training. Human assets have intrinsic value in raising capabilities and instrumental value in raising income and improving livelihoods. These values can be realized directly, by applying improved skills or health to an initial endowment of labour and natural and physical assets; and indirectly, by using improved health, education and nutrition to control more assets that raise income and consumption.

## **C. Social Capital and People’s Empowerment**

48. Building the poor’s collective capacity (their social capital) is essential for poverty reduction. Strengthening local self-help organizations and institutions and promoting gender equality will increase the poor’s capacity to exploit potential economic opportunities and to develop stronger links with markets and external partners. A strong social capital base will empower the poor and enable them to interact more equitably and knowledgeably with those wielding social power and negotiate more effectively to improve their livelihoods. In the absence of strong social capital, investment in human and physical assets will fail to deliver sustainable benefits.

## **D. Food Security (Production, Income and Consumption)**

49. This domain is of major importance to IFAD’s mandate. In an open economy, a food-secure household (or community) is one that has enough food available at all times, whether produced or purchased, to ensure a minimum necessary intake by all members. Key elements of food security are availability (production and trade), access to food (income, markets and prices) and stability of access (storage and other marketing arrangement at household and local level).

## **E. Environment and Communal Resource Base**

50. Environmental degradation is very often a manifestation of poverty and the rural poor’s struggle for survival. The extent to which a project contributes to rehabilitation of the environment (particularly of the agricultural resource base) in areas affected by natural resource degradation is strongly associated with its expected poverty impact. This domain concentrates on the project’s local-level environmental impacts, as that is where IFAD projects are most likely to have environmental consequences. It is especially concerned with environmental aspects under the control of or influenced by the rural poor. Environmental impacts may be negative or positive, intended or unintended.

## **F. Institutions, Policies and Regulatory Framework**

51. Existing institutions, policies and regulatory frameworks significantly influence the lives of the rural poor. Supporting the capabilities of existing local public institutions in servicing the rural poor and reorienting institutions’ existing policies in favour of the poor are increasingly expected results of IFAD’s operations. They encompass the change brought about in sectoral and national policies affecting the rural poor, the ‘rules of the game’, namely, laws, statutes and regulations that constitute the enabling environment for economic and social activity. Also relevant is the degree of decentralization, which allows decision-making to be taken at the local level.

52. Typical ‘rules of the game’ affecting IFAD projects include land titles, credit regulations, statutory interest rates, marketing regulations, cooperative laws, user association regulations, and input and product



prices/subsidies as determined by government. Traditional and social practices may also serve to restrict equitable access to benefits. Some examples of these practices are intertribal and ethnic divisions, social restrictions on women's activities, traditional allocation by gender of rural tasks and income from different crops and livestock.

## G. Overarching Factors

### Sustainability

53. Assessing sustainability involves making a judgement that the net benefits generated by the project will be maintained in the longer term. The sustainability concept focuses on features that contribute to, or threaten, the maintenance of net positive changes over the long term, together with any arrangements to insulate these changes from unforeseen events and changing circumstances. Evaluators may consider ten factors, outlined in Box 8, to arrive at this judgement. Sustainability is an overarching criterion in that it is considered as one factor when determining the overall rating for impact on rural poverty.

#### BOX 8. FACTORS AFFECTING SUSTAINABILITY

Sustainability is assessed by reviewing the risks and uncertainties faced by a project, and whether adequate steps have been taken to avoid or mitigate these risks. Ten factors affecting sustainability are generally recognized in the literature:

- **social support** (including continued participation of beneficiaries and local communities, robustness of grass-roots organizations);
- **technical soundness;**
- **government commitment** (including of key central and local agencies and availability of operating funds);
- **commitment of other stakeholders** (including NGOs, local organizations, civil society and the private sector);
- **economic viability** (especially subsidy reliance/independence, agricultural prices);
- **financial viability** (including funding of rural organizations, role of cost recovery, capacity to finance recurrent cost, operational and financial self-sufficiency, and positive cash flows in marketing schemes);
- **institutional support** (including the legal/regulatory framework and organizational and management effectiveness);
- **environmental impact and protection;**
- **resilience to exogenous factors** such as price variability and market access, natural disasters and unstable security in the project area; and
- **replication** of a project approach as an indicator of sustainability.

The evaluator may use these ten factors, and others, to assess sustainability prospects. Sustainability is not intended to apply to negative impact.

### Innovation and Replicability/Scaling Up

54. **Innovation is defined as the development of improved and cost-effective ways to address problems/opportunities faced by the rural poor through the projects and programmes supported by IFAD. These encompass institutional and technological approaches, as well as pro-poor policies and partnerships. IFAD directly supports innovation and, together with its partners, facilitates its processes and promotes its replication and scaling up.<sup>8</sup>**

<sup>8</sup> See Understanding at Completion Point, in Evaluation of IFAD's Capacity as a Promoter of Replicable Innovations in Cooperation with Other Partners, November 2002.



55. Because of IFAD's relatively small size, its total impact on rural poverty using its own resources is limited. The Fund's policy is therefore to increase the outreach of its development activities by playing a catalytic role, seeking to influence other partners in the international community by promoting the scaling up of successful and replicable IFAD-supported innovations aimed at reaching the rural poor more effectively. These innovations may be in technology or development approaches and strategies. IFAD's current strategic framework refers to the scaling up of innovation as an important dimension of IFAD's catalytic role, one that allows the impact of IFAD projects to multiply or expand, going beyond the changes attributed to one single project. Evaluation findings point out that for innovations to have a high potential for scaling up, they should have certain characteristics (see Box 9).

#### **BOX 9. CHARACTERISTICS OF REPLICABLE INNOVATIONS**

The Evaluation of IFAD's Capacity as a Promoter of Replicable Innovation (2002) concluded that innovations that succeed in IFAD's operations:

- build on and improve existing local technologies or approaches;
- address a widely shared need or problem of the rural poor;
- are simple to understand and to implement;
- are culturally and socially acceptable;
- are affordable to the rural poor in terms of financial and time constraints;
- are low risk, and do not endanger the basic survival of the poor; and
- can be reversed if they do not work out.

56. The evaluation mission should therefore consider these factors when assessing the likelihood that an innovation will be replicated and scaled up. Innovation and replicability/scaling up are considered jointly and given a single rating in impact on rural poverty. The evaluators are also asked to record whether *actual replication or scaling up* has occurred in the region or country. This is a factual matter and includes an estimate of the extent of replication or scaling up.

#### **Gender Equality and Women's Empowerment**

57. Gender is a cross-cutting theme in the impact matrix. In assessing impacts in all domains, evaluators need to estimate the effects on gender equality and women's empowerment in some detail. Where information and data are not readily available from project sources, missions should ensure that field surveys, etc., fill the gaps or at least provide some guidance on relative gender impacts.<sup>9</sup>

58. The evaluation should identify the extent to which participation in project activities has been differentiated by gender and the actual and/or relative benefits accruing to women as compared to men. This assessment needs initially to consider how gender issues were approached in the design document, and the realities encountered in the implementation environment. A major consideration for evaluators is then whether poverty impacts could have been enhanced if more emphasis had been placed on ensuring gender-equitable access to project benefits and services, and specifically on empowering women during the implementation stage.

59. Key questions relating to gender equality and women's empowerment that should be addressed in the evaluation report to consolidate project impact in this regard are:

- Did the project design correctly identify gender-differentiated development opportunities?

<sup>9</sup> Some of the key questions in the impact matrix relate more to strategic goals (for example, expressed in the MDGs) and will probably require information from statistics published in the project area or from other donor surveys.



- Were adequate operational measures included in the design to realize this potential?
- Has the implementation environment, including the institutional environment, been supportive of/conducive to such development?
- Have women and men had equal opportunities to participate in overall project activities and in individual components?
- Have women and men benefited equitably from the overall project impact?
- Has the project been innovative in creating gender-equal opportunities and in empowering women?
- Has the project facilitated progress in gender-sensitive policies or government actions?

60. In addition, the role of the CI should also be considered as it pertains to: (i) supporting gender-differentiated participation; (ii) reporting on gender-differentiated impacts; and (iii) advising the project on how to improve its performance in these areas.

## H. Completing the Matrices

61. Mission experience with the original IRP matrix has underlined its importance to the evaluation process, but it must be emphasized that matrices remain only support tools to the evaluation report. While the matrices summarily help to analyse *what* has been achieved, they do not describe the *how* or *why* of these achievements, and as such cannot contribute much on their own to the learning process. The analysis and conclusions in the evaluation reports, which balance all these factors and are mostly the inherent judgement of the missions, remain the key outputs sought. Matrices are tools that help analyse the data collected in the field by asking key questions that serve to keep the evaluation centred on the beneficiary groups. The questions examine who has benefited, to what extent they have benefited, the reach of benefits, and the judgement on the project's contribution to those benefits.

62. The matrices require inputs from all evaluation mission members, but not all boxes are expected to be filled – only those relevant to the specific project being evaluated. Missions need to decide what parts of the matrices are going to be used early on, how the mission will approach completing the matrices and who will be assigned the task of completing them. It is helpful to allocate sufficient time to discuss the key questions as a team at the beginning of an evaluation. This will ensure that a common understanding exists of what is required and will also allow mission members to determine exactly what will be needed from them.

63. A useful approach has been to use the key questions as checklists to develop field questionnaires (for the impact matrix) and as a basis for discussion with implementing partners and beneficiaries. Experience has shown that the matrices are best treated as mission tools only, not to be given to other partners for direct completion.

64. Determining specific values for each cell will frequently require balancing the different perceptions given to mission members by, for example, beneficiaries and implementers. This requires consideration not only of the rigour of the data collection methodology but also of the way that informants may influence the information provided. In general, IFAD's stance would be to give more weight to the perceptions of the rural poor, but again it is important to stress that at the end it is the evaluators who decide on the final outcome.

65. The determination of an overall rating for a domain is a judgement of the mission alone, and needs to take account of the picture emerging from the matrices and the other factors reported in the text, including the rated criteria of innovation, scaling up and replication. The mission may choose to assign weightings to ratings in the matrices (either the key questions or the column headings) in order to reflect project



circumstances and hence influence the decision on overall domain ratings. At the moment, the ratings for (i) performance of the project, (ii) impact on rural poverty, (iii) performance of the partners (discussed below) and (iv) overall project achievements (i.e. the combined rating of (i) - (iii) is left to the evaluation mission. Guidance is currently sought from IFAD/OE and the Executive Board to determine consistent weights across projects reflecting IFAD's strategies and policies.

## V. PERFORMANCE OF THE PARTNERS

66. This criterion is concerned with assessing how well individual partners fulfilled the role expected of them. The performance of each partner has to be examined and reported on separately, but it is their coordinated and composite performance that influences how successful a project is. The criteria for judgement vary in each case, as described below. Box 11 contains a set of suggested key questions as a starting point for evaluation missions and to guide assessments of this criterion.

### A. IFAD Performance

**67. IFAD's performance is defined as the extent to which services provided by the Fund, directly or through the CI, ensured a sound project design; facilitated participation by the rural poor and other partners; resulted in a realistic appraisal proposal with an appropriate strategy and component mix; supported implementation effectively; ensured that arrangements were adequate for the project's operational phase; and provided for participatory evaluation, learning partnerships and adoption of lessons.**

68. This criterion rates the quality of the services provided by IFAD. More specifically, it rates the extent to which IFAD services assisted the government in preparing a project for IFAD funding and implementing it, and, most importantly, to what degree they facilitated the transition to regular operation of project-developed activities at project completion. The criterion also measures IFAD's success in learning lessons during implementation and applying them to the project. Evaluation of this criterion is complicated by the different responsibilities that IFAD and the CI have for these types of assistance. In reality, IFAD is ultimately responsible for the quality of its assistance, whether by proxy or not. The criterion is built on a number of factors:

- quality of the upstream services (prior to approval), as assessed by the final design approved for funding;
- selection and engagement of effective partners during design and implementation;
- quality of the mid-term review (MTR) undertaken by IFAD; and
- implementation assistance services (i.e. supervision by CI/IFAD and implementation follow-up by IFAD).

69. In the assessment of upstream services, the Fund's mandate and strategic framework require five design parameters to be considered in all projects:

- targeting of the poor;
- gender equality/mainstreaming;
- participation by the poor in design and implementation;
- partner selection/engagement; and
- innovation and replicability.



70. IFAD projects must include these elements as a means of achieving the main goal of poverty reduction. Thus the target groups, the poor, should be clearly defined at design stage, and targeting mechanisms clearly described. Project design should have introduced effective participatory approaches that allowed for target group involvement in design and decision-making concerning project activities. The participatory approach should have continued during implementation, thus ensuring that project benefits reached the poor. The project should also have selected and engaged national and local partners that facilitated addressing poverty issues. This can be judged by assessing the extent to which clear criteria were used for selecting NGOs and other partners. The project also should have introduced one or more innovative (technical, institutional or organizational) approaches that proved instrumental in increasing the access of the rural poor to essential resources and/or financial and social services. Such access would not have been possible otherwise. These approaches should lend themselves to replication and scaling up. See Box 10 for an example of reporting on IFAD's performance.

**BOX 10. REPORTING PERFORMANCE OF THE PARTNERS – AN EXAMPLE FROM IFAD'S PERFORMANCE IN YEMEN**

The purpose of the Tihama Environment Protection Project in Yemen was to find economically viable ways of preventing the further encroachment of sand dunes onto farming land, which was seriously undermining the livelihoods of the sharecroppers and casual labourers who comprised the majority of the agricultural population. Although designed in the early 1990s, the project only became effective in 1995. The interim evaluation, which was the first to apply the MFE, took place in early 2002. In reviewing the design, the evaluation was critical of a number of aspects in which the detailed arrangements necessary for implementation had been insufficiently addressed, thus undermining the potential for sustainability. The evaluation correctly saw these as failures in the design process that had subsequently not been corrected through supervision, even when they emerged as major issues. The evaluation came to the following conclusions on IFAD's performance, in this case assessed separately for the design and implementation phases:

“While the project design was well targeted, innovative and identified key issues that were essential for sustainability, it failed to provide guidance as to the approach and procedures that would help to ensure that sustainability would be achieved. In addition, insufficient attention was given to other key implementation issues, e.g. procurement ceilings and auditing requirements.”

“As the United Nations Office for Project Services (UNOPS) was the cooperating institution, IFAD's direct role during implementation was limited to following up and taking action on the issues that required its attention. IFAD also carried out a MTR. There is no evidence from the supervision reports of IFAD's taking action in respect of key failures to comply with the loan agreement or to address other implementation issues. Finally, IFAD agreed to the Government's request to use USD 300 000 from the IFAD loan for the disposal of toxic waste in an area outside the project area (i.e. Wadi Surdud) and amended the loan agreement accordingly. This expenditure cannot contribute to the achievement of the project objectives and means that the project now lacks funds when belatedly it is endeavouring to develop a mechanism for the sustainable management of the sand dune stabilization belts. IFAD's performance during the implementation phase was 2 on a scale of 1 to 4.”

**B. Cooperating Institution Performance**

71. CI performance, which in the final analysis is also IFAD's performance, is a key factor in influencing the success of implementation. A CI that provides adequate and informed support can be an important factor in helping to overcome the numerous difficulties that can be expected during implementation. While one important function of the CI is to provide an ongoing check on financial accountability, in practice much more is required of the institution in terms of guiding the implementation process so that project managers, steering committees, other development partners, etc., are kept aware of IFAD's development approach and the need to progressively move towards the achievement of project goals. This means the



evaluation of CI performance, has to be seen as a comprehensive exercise in its own right, and requires the examination of various interlinking factors. Some suggested key questions that evaluators need to consider are included in Box 11.

### C. Government and Agency Performance

72. **Government and agency performance is defined as the extent to which the government and its agencies promoted rural poverty reduction, assumed ownership of and responsibility for the project, ensured the quality of preparation and implementation, fostered stakeholder participation to promote the achievement of development objectives and sustainability, and complied with covenants and agreements.**

73. This criterion is based on assessment of the four performance factors in the definition: promotion of rural poverty reduction; project preparation; project implementation; and compliance with covenants and agreements. These are described below (see also Box 11):

- **Promotion of rural poverty reduction.** This factor assesses the extent to which the government promoted and supported rural poverty reduction through its policies, regulatory framework and allocation of resources, so as to provide an enabling environment for the rural poor to overcome their poverty and for the project to achieve its goals. The evaluation team need to assess how the existence (or non-existence) of this environment influenced project implementation and achievements.
- **Formulation.** This factor assesses the performance/influence of the government or its agencies during project preparation (to the extent it is evident to the evaluators). Specifically, it evaluates whether they adequately targeted the rural poor; considered economic, financial, technical, policy and resource allocation aspects in favour of the poor; and encouraged their participation in project design.
- **Implementation.** This is a measure of the extent to which the government and its agencies facilitated project implementation and demonstrated commitment to the project.
- **Government compliance with covenants and agreements.** This factor assesses the government's compliance with loan covenants and major agreements, based on formal records, implementation reports and as verified by the evaluation.

### D. Performance of NGOs (and CBOs)

74. **NGO and CBO performance is defined as: the extent to which the NGOs and CBOs involved in the project facilitated or hampered project implementation and influenced project achievements.**

75. Four main factors should be assessed with respect to NGO/CBO performance (see also Box 11). It needs to be determined whether, at the time of the evaluation, NGOs and CBOs had:

- implemented the project activities as agreed;
- contributed to strengthening the capacity of the rural poor and their organizations;
- used resources made available to them under the project efficiently to support the rural poor; and
- contributed/or were likely to contribute to the sustainability of the project's impact.

**BOX. 11 SUGGESTED KEY QUESTIONS TO ASSESS PERFORMANCE OF THE PARTNERS**

IFAD	<ol style="list-style-type: none"><li>1. Did the project design illustrate the connection with the country and regional strategies?</li><li>2. Was the design process participatory?</li><li>3. Has the design adequately defined and addressed the project goals and objectives?</li><li>4. Did the design adequately address targeting, participation and gender issues?</li><li>5. Was the design suitably modified if necessary (e.g. through an MTR or learning process)?</li><li>6. Did resource allocations accord with project objectives/goals?</li><li>7. Are objectives currently relevant to target group's aspirations/needs?</li><li>8. Did IFAD support the CI by taking prompt action whenever required?</li><li>9. Has the project been innovative in design and implementation (see paragraph 54)?</li><li>10. Has IFAD promoted the replication or scaling-up of the project or project components?</li><li>11. Did IFAD help to enforce CI recommendations?</li><li>12. Was the project designed to be sustainable?</li><li>13. Has IFAD been active in creating an effective partnership for implementation?</li><li>14. Has IFAD sought to influence poverty policies (by being an advocate for the rural poor)?</li></ol>
Cooperating Institution	<ol style="list-style-type: none"><li>1. Has the supervision programme been well arranged (frequency, composition, continuity)?</li><li>2. Has the CI followed compliance with loan covenants?</li><li>3. Has the CI been effective in financial management?</li><li>4. Has the CI sought to monitor project impacts and IFAD concerns, e.g. targeting, participation, empowerment of the poor and gender aspects?</li><li>5. Have implementation problems been highlighted and appropriate remedies suggested?</li><li>6. Has the CI promoted or encouraged self-assessment and learning processes?</li><li>7. Has the supervision process enhanced implementation and poverty impacts?</li></ol>
Government and agencies	<ol style="list-style-type: none"><li>1. Has government correctly assumed ownership and responsibility for the project?</li><li>2. By its actions and policies has government been fully supportive of project goals?</li><li>3. Did government contribute adequately to the project preparation process?</li><li>4. Has adequate staffing and project management been assured?</li><li>5. Has technical assistance been contracted and used well when needed?</li><li>6. Has appropriate staff training been arranged and funded?</li><li>7. Have the appropriate levels of counterpart funds been provided on time?</li><li>8. Have administrative arrangements (especially procurement) been suitable for implementation needs?</li><li>9. Have participatory approaches included in the design been encouraged and/or adopted?</li><li>10. Have loan covenants and the spirit of the loan agreement been followed?</li><li>11. Has coordination of the implementing agencies been well arranged?</li><li>12. Has policy guidance been provided to the project management where necessary?</li><li>13. Has the project management discharged its functions adequately?</li><li>14. Has government facilitated the work of NGOs and civil society where appropriate?</li><li>15. Has adequate reporting and auditing been arranged?</li><li>16. Has government planned an exit strategy and/or made arrangements for the continuation of project activities?</li></ol>
NGOs/CBOs	<ol style="list-style-type: none"><li>1. Have NGOs/CBOs been involved in the project as envisaged?</li><li>2. How effectively have NGOs fulfilled their contractual service agreements?</li><li>3. Have the NGOs/CBOs acted to strengthen the capacity of rural poor organizations?</li><li>4. Will NGOs/CBOs contribute to the sustainability of project activities?</li></ol>
Cofinanciers	<ol style="list-style-type: none"><li>1. Were cofinanciers well chosen in terms of congruence of mandates?</li><li>2. Have adequate and timely resources been made available as agreed?</li><li>3. Have administrative arrangements worked well?</li><li>4. Have cofinanciers been active in encouraging project implementation?</li><li>5. Has there been adequate coordination with cofinanciers?</li><li>6. Is there potential for scaling up or continuing of cofinanciers' contributions/actions?</li></ol>





### **E. Performance of Cofinanciers**

**76. Performance of cofinanciers is defined as the extent to which cofinancing facilitated or hampered project implementation and contributed to the achievement of the project's objectives and its likely impact.**

77. The scope and potential for cofinancing is an important consideration during the design process. However, in practice effective and efficient cofinancing can be difficult to arrange and undertake as it involves trying to harmonize different development ambitions, financing mechanisms and timetables. An important consideration is that cofinancing arrangements should not be allowed to obstruct implementation activities or slow down the achievement of agreed project goals. Difficulties that have arisen with cofinancing are usually clear by the time an evaluation takes place. To assess these aspects, evaluators first have to look at the compatibility of funding partners' development agendas and the specific objectives for each partner expressed in the project design, and then consider the practical arrangements established for the project (see Box 11).

## **VI. EVALUATION REPORT**

78. The evaluation report facilitates the ordered presentation of the overall findings and conclusions of the project evaluation. The section headings have been decided to allow for the systematic coverage of all major evaluation determinants as described in this methodological framework, and hence are also the common features required for all project evaluations. The report is intended to be a succinct but complete summary of the evaluation findings; its maximum length, without appendices, is 40 pages. The detailed table of contents, including required subsections and appendices, is provided in Annex III.

79. From 2003 onwards a new section on gender has been added to the evaluation report, on the recommendation of the review workshop. While the format of the main report is not intended to 'straitjacket' the reporting of evaluation findings, it does require an approach that prioritizes the selection of material. Hence only a summary description of the design and implementation history is expected, with more emphasis placed on findings, conclusions, ratings and recommendations. Where evaluations wish to provide more details or explanations of findings, these should be placed in annexes and referred to in the report. OE will retain this material for reference. Should the evaluation report need to include further analyses (for example, where the borrowing government or a member of the CLP has requested that a specific issue be included), then another section may be added, but without increasing the length of the report.

## IMPACT MATRIX

MAIN DOMAINS OF IMPACT	Key Questions for Impact Assessment in Rural Communities Affected by the Project (changes to which the project has contributed)	Assessment of Change (1)				Reach of Change (3)				Dynamic Processes ** (4)	Sus. Pot *** (5)
		Presence and Direction of Change (+) (0) (-)	What Has Changed? (indicators)	Extent of Change:		How Many? (households and people)	Who? (1) (Poor/ Poorest/ Better-off)	Who? (2) M/F	Project Contribution 4/3/2/1	4/3/2/1	4/3/2/1
				How Much?	(Rating) *4/3/2/1						
<b>I. Physical and Financial Assets</b>	1.1 Did farm households' physical assets change (farmland, water, livestock, trees, equipment, etc.)?										
	1.2 Did other household assets change (houses, bicycles, radios, etc.)?										
	1.3 Did infrastructure and people access to markets change (transport, roads, storage, communication facilities, etc.)?										
	1.4 Did households' financial assets change (savings, etc.)?										
	1.5 Did rural people access to financial services change (credit, saving, insurance, etc.)?										
<b>II. Human Assets</b>	2.1 Did people's access to potable water change?										
	2.2 Did access to basic health and disease prevention services change?										
	2.3 Did the incidence of HIV infection change?										
	2.4 Did maternal mortality change?										
	2.5 Did access to primary education change?										
	2.6 Did primary school enrolment for girls change?										
	2.7 Did women's and children's workloads change?										
	2.8 Did adult literacy rate and/or access to information change?										
<b>III. Social Capital and People's Empowerment</b>	3.1 Did rural people's organizations and institutions change?										
	3.2 Did social cohesion and local self-help capacity of rural communities change?										
	3.3 Did gender equality and/or women's conditions change?										
	3.4 Did rural people feel empowered vis-à-vis local and national public authorities and development partners? (Do they play more effective role in decision-making?)										
	3.5 Did rural producers feel empowered vis-à-vis the marketplace? Are they in better control of input supply and marketing of their products?										
<b>IV. Food Security (Production, Income and Consumption)</b>	4.1 Did children's nutritional status change?										
	4.2 Did household food security change?										
	4.3 Did farming technology and practices change?										
	4.4 Did the frequency of food shortages change?										
	4.5 Did agricultural production change (area, yield, production mix, etc.)?										
<b>V. Environment and Common Resource Base</b>	5.1 Did the natural resource base status change (land, water, forest, pasture, fish stocks, etc.)?										
	5.2 Did exposure to environmental risks change?										
<b>VI. Institutions, Policies, and Regulatory Framework</b>	6.1 Did rural financial institutions change?										
	6.2 Did local public institutions and service provision change?										
	6.3 Did national/sectoral policies affecting the rural poor change?										
	6.4 Did the regulatory framework affecting the rural poor change?										

\* Rating: 4= high; 3= substantial; 2= modest; 1= negligible. The rating here is based on the rural poor's (and their partners') perspectives in relation to the situation in the base year. \*\*\* Rating: 4= highly likely; 2= unlikely; 1= highly unlikely. \*\* This refers to cases where even though impact achievement is modest or negligible, the project in question has set in motion dynamic positive processes that will eventually to substantial impact achievement. The identification of the existence of these processes is left to the evaluators' judgement on a case-by-case basis.

**PROJECT EFFECTIVENESS MATRIX\***

MAIN DOMAINS OF IMPACT	Key Questions for Impact Assessment in Rural Communities Affected by the Project (Changes to Which the Project Has Contributed)	Expectation of Impact (Project's Stated Objectives)				Effectiveness Rating (Achievement against Stated Objectives) 4/3/2/1			
		Reach Who?	Change What?	Change How Much?	Reach How Many?	Reach Who?	Change What?	Change How Much?	Reach How Many?
<b>I. Physical and Financial Assets</b>	1.1 Did farm households' physical assets change (i.e. farmland, water, livestock, trees, equipment, etc.)?								
	1.2 Did other household assets change (houses, bicycles, radios, etc.)?								
	1.3 Did infrastructure and people's access to markets change (transport, roads, storage, communication facilities, etc.)?								
	1.4 Did households' financial assets change (savings etc.)?								
	1.5 Did rural people's access to financial services change (credit, saving, insurance's, etc.)?								
<b>II. Human Assets</b>	2.1 Did people's access to potable water change?								
	2.2 Did access to basic health and disease prevention services change?								
	2.3 Did the incidence of HIV infection change?								
	2.4 Did maternal mortality change?								
	2.5 Did access to primary education change?								
	2.6 Did primary school enrolment for girls change?								
	2.7 Did women's and children's workloads change?								
	2.8 Did adult literacy rate and/or access to information and knowledge change?								
<b>III. Social Capital and People's Empowerment</b>	3.1 Did rural people's organizations and institutions change?								
	3.2 Did social cohesion and local self-help capacities of rural communities change?								
	3.3 Did gender equality and/or women's conditions change?								
	3.4 Did rural people feel empowered vis-à-vis local and national public authorities and development partners? (Do they play more effective role in decision-making?)								
	3.5 Did rural producers feel empowered vis-à-vis the marketplace? Are they in better control of input supply and marketing of their products?								
<b>IV. Food Security (Production, Income and Consumption)</b>	4.1 Did children's nutritional status change?								
	4.2 Did household food security change?								
	4.2 Did farming technology and practices change?								
	4.3 Did the frequency of food shortages change?								
	4.4 Did agricultural production change (area, yield, production mix, etc.)?								
<b>V. Environment and Common Resource Base</b>	5.1 Did status of the natural resource base change (land, water, forest, pasture, fish stocks, etc.)?								
	5.2 Did exposure to environmental risks change?								
<b>VI. Institutions, Policies, and Regulatory Framework</b>	6.1 Did rural financial institutions change?								
	6.2 Did local public institutions and service provision change?								
	6.3 Did national/sectoral policies affecting the rural poor change?								
	6.4 Did the regulatory framework affecting the rural poor change?								

\* See paragraph 36 of the text.

## ANNEX III

**TABLE OF CONTENTS FOR PROJECT EVALUATION<sup>10</sup>****Abbreviations and Acronyms****Maps****Executive Summary****I. INTRODUCTION**

- A. Background of the Evaluation
- B. Approach and Methodology

**II. MAIN DESIGN FEATURES**

- A. Project Rationale and Strategy
- B. Project Area and Target Group
- C. Goals, Objectives and Components
- D. Implementation Partners and Arrangements
- E. Major Changes in Policy and Institutions during Implementation
- F. Design Changes during Implementation

**III. SUMMARY IMPLEMENTATION RESULTS**

Implementation Results (This chapter provides a 3-5 page summary of results, supported by an appendix that shows the logical framework (if it exists) and the latest implementation data. More detailed implementation findings are reported in working papers (annexes), available from OE on request, but do not form part of the issued evaluation report.)

**IV. PERFORMANCE OF THE PROJECT**

- A. Relevance of Objectives
- B. Effectiveness
- C. Efficiency

**V. IMPACT ON RURAL POVERTY**

- A. Impact on Physical and Financial Assets
- B. Impact on Human Assets
- C. Impact on Social Capital and Empowerment
- D. Impact on Food Security
- E. Impact on the Environment and Communal Resource Base
- F. Impact on Institutions, Policies and the Regulatory Framework
- G. Impacts on Gender
- H. Sustainability
- I. Innovation and Replicability/Scaling Up
- J. Other Poverty Impact
- K. Overall Impact Assessment

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<sup>10</sup> This table of contents has been translated into French and Spanish for evaluators' use.

## ANNEX III

**VI. PERFORMANCE OF PARTNERS**

- A. Performance of IFAD
- B. Performance of the Cooperating Institution
- C. Government and Its Agencies (including project management)
- D. Performance of Non-Governmental and Community Based-Organizations
- E. Performance of Cofinanciers

**VII. OVERALL ASSESSMENT AND CONCLUSIONS****VIII. INSIGHTS AND RECOMMENDATIONS****IX. AGREEMENT AT COMPLETION POINT****APPENDIXES**

- I. Implementation Results**
- II. Terms of Reference of the Mission and Its Composition**
- III. Impact and Effectiveness Matrices**
- ... (other appendixes as required)**