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ANNUAL REPORT ON RESULTS AND IMPACT OF IFAD
OPERATIONS EVALUATED IN 2004

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ABBREVIATIONS AND ACRONYMS

ARRI	Annual Report on Results and Impact of IFAD Operations
CBO	community-based organization
COSOP	country strategic opportunities paper
IEE	Independent External Evaluation of IFAD
IFI	international financial institution
MDGs	Millennium Development Goals
MFE	methodological framework for project evaluation
OE	Office of Evaluation
PMD	Programme Management Department
PSR	project status report

EXECUTIVE SUMMARY

1. This, the third Annual Report on Results and Impact of IFAD's Operations (ARRI), presents a synthesis of the findings and insights contained in the 13 project, country and thematic evaluations completed by the Office of Evaluation (OE) in 2004. In addition, this edition of the ARRI consolidates the findings from all of the 29 projects evaluated since 2002 that have used OE's methodological framework for project evaluation. These project evaluations are broadly representative of the geographical and sectoral coverage of the IFAD portfolio.

Main Findings

2. In general, the 2004 evaluations confirm, and are consistent with, the findings of previous years, and with the Independent External Evaluation of IFAD (IEE). Almost all of the projects were rated as highly or substantially relevant, two thirds as substantially effective, and half as highly or substantially efficient. Rural poverty impact was rated as high or substantial in 48% of projects, and partner performance as high or substantial in 42%. About 58% of the projects evaluated between 2002 and 2004 obtained an overall performance rating of high or substantial. While there are some differences in a few of the ratings for 2004 compared with previous years, the sample sizes are too small to draw any conclusions from these differences. The time series is also too short to indicate any trends.

3. The analysis of the evaluations over the past three years and the findings of the IEE point to five key findings:

- (i) around half of IFAD projects achieve substantial rural poverty impact, and almost two thirds have a significant positive impact on food security;
- (ii) a significant number of projects do not succeed in benefiting the poorest and most disadvantaged groups to the extent intended;
- (iii) a minority of projects are likely to be sustainable;
- (iv) less than half of projects have had a substantial positive impact on the environment and common resource base; and
- (v) IFAD's performance as a partner in design and implementation support has been satisfactory in only about 40% of the projects.

Underlying Reasons

4. These key findings can be explained by a number of factors, but three general insights taken together account for a significant part of the variable and often disappointing performance observed:

- **Ownership is limited in project identification, design and implementation.** Positive impact and sustainability tend to be associated with high levels of ownership by the community concerned. In fact, the degree to which governments and implementing partners own IFAD's priorities – such as those relating to poverty targeting, gender and participation – strongly determines the extent to which these priorities are put into practice.
- **Impact is significantly influenced by the policy and institutional context in which projects are implemented.** Projects in low-income countries with better policy and institutional environments tend to perform significantly better than those in poorer environments. Projects in Asia have performed uniformly well, while those in middle-income countries have performed relatively poorly with respect to rural poverty impact.

- **Performance shortfalls can often be attributed to the quality of project design and implementation support.** Criticisms of project design are contained in a number of OE evaluations, as well as in the IEE. Project effectiveness has also suffered from IFAD's limited engagement during implementation and from an inadequate in-country presence.

Key Issues for the Future

5. These findings have three main implications for IFAD's policies and operations:

- **Enhancing poverty impact through new approaches.** The message from these and other evaluations is that if IFAD is to make a real difference or impact in reducing poverty, it needs to offer a more diverse and customized range of services in order to meet the demands of different types of client countries.
- **Increasing effectiveness through better partnerships.** To increase its development effectiveness and make greater contributions to the attainment of the Millennium Development Goals, IFAD has to develop a better understanding of, and strategy for, its approach to partnerships.
- **Efficiency gains through better resource allocation.** The quality of IFAD's design and implementation support will depend on the number and quality of staff resources that are brought to bear on its programme in-country. Reallocating and/or increasing IFAD staff resources is one option. Optimizing partnerships is another.

6. The final section of this year's ARRI includes a number of recommendations that are in line with those of the IEE and that aim to increase IFAD's effectiveness in reducing rural poverty.

ANNUAL REPORT ON RESULTS AND IMPACT OF IFAD OPERATIONS EVALUATED IN 2004

I. INTRODUCTION

1. This is the third Annual Report on the Results and Impact of IFAD's Operations (ARRI) produced by the Office of Evaluation (OE). As in previous years, this ARRI consolidates and synthesizes the results and impact of IFAD's operations based on a cohort of project and country programme evaluations conducted in 2004. In addition, it presents the consolidated findings from all projects evaluated by OE since 2002.

2. The introduction of the new methodological framework for project evaluation (MFE) in 2002 provided OE with a common framework for use systematically across all IFAD project evaluations. A slightly revised MFE was produced in September 2003. Compliance with the framework has improved steadily since 2002, as is evident from the much more consistent set of project evaluation reports produced in 2004. However, independent evaluations continue to be constrained by the weakness of project monitoring and evaluation systems. As a result, ratings have not been given for all indicators in all projects for the last three years. This, together with the relatively small sample size and short time period, limits the extent to which data presented here can be interpreted as trends.

3. The MFE consists of three main composite evaluation criteria: (i) performance of the project; (ii) impact on rural poverty; and (iii) performance of the partners. Each main criterion is divided into a number of elements, or sub-criteria. The criteria are broadly consistent with those used by other international financial institutions (IFIs), the Development Assistance Committee of the Organisation for Economic Co-operation and Development, and members of the United Nations Evaluation Group, although impact domains differ according to the mandate of each organization. The MFE is explained in more detail in Annex I, which also illustrates how the MFE's impact domains relate to the objectives of the Strategic Framework for IFAD 2002-2006 and to the Millennium Development Goals (MDGs).

4. The main objective of the ARRI is to present a synthesis of evaluation findings based on the MFE. Each report is also intended to provide a basis for discussion within the Evaluation Committee, Executive Board and IFAD about how OE can best present its findings and how the report can be improved. This ARRI has taken account of comments received from the Evaluation Committee in September 2004.

5. The report follows the structure implied by the MFE. Section II provides an outline of the projects and country programmes evaluated. Sections III-VI provide a synthesis from the project evaluations in each of the main evaluation criteria: project performance (section III), impact on rural poverty (section IV) and performance of partners (section V). Section VI summarizes overall performance. Section VII examines the contribution to IFAD's strategic objectives and to the MDGs. The concluding section presents the key findings, suggests explanations for these findings, identifies main issues for the future and makes a number of recommendations.

II. PROJECTS AND COUNTRY PROGRAMMES EVALUATED

A. Evaluation Coverage

6. This report draws on the findings of 13 evaluation reports covering nine project/programme evaluations, two country programme evaluations and two thematic evaluations undertaken in 2004

(Box 1). It also consolidates the findings from the 20 project evaluations completed in 2002 and 2003, already reported in the two previous ARRIs.

Box 1: List of Evaluations, 2004*

<p>Interim Project Evaluations (IFAD loan)</p> <ul style="list-style-type: none"> • Ethiopia – Special Country Programme – Phase II (USD 22.6 million) • Gambia – Rural Finance and Community Initiatives Project (USD 9.2 million) • Jordan – Agricultural Resource Management Project – Phase II (USD 12.8 million) • Lao People’s Democratic Republic – Northern Sayabouri Rural Development Project (USD 7.3 million) • Senegal – Rural Micro-Enterprises Project (USD 7.3 million) • Tunisia – Integrated Agricultural Development Project in the Governorate of Siliana (USD 11.3 million) • Viet Nam – Agricultural Resources Conservation and Development Project in Quang Binh Province (USD 14.4 million) • Viet Nam – Ha Giang Development Project for Ethnic Minorities (USD 12.5 million) <p>Project Completion Evaluations</p> <ul style="list-style-type: none"> • Paraguay – Peasant Development Fund Credit Project – Eastern Region of Paraguay (USD 10.0 million) 	<p>Country Programme Evaluations</p> <ul style="list-style-type: none"> • Bolivia • Egypt <p>Thematic Evaluations</p> <ul style="list-style-type: none"> • IFAD’s Performance and Impact in Decentralizing Environments: Experiences from Ethiopia, Uganda and the United Republic of Tanzania • Poverty Reduction and Organic Agriculture in Asia: China and India Focus
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* Detailed project data in Annex II.

7. The total cost of the nine projects evaluated during 2004 was USD 182 million, of which the value of IFAD loans was USD 107 million (58%). The Bolivia and Egypt country programme evaluations covered a further 18 projects with a combined cost of USD 611 million. The total IFAD loan value of the two country programmes was USD 271 million.

B. Project Representativeness

8. All but one of the 2004 project evaluations were interim evaluations, which are mandatory before a second phase of a project. It is thus by chance rather than by design that the resultant sample broadly represents the geographical and sectoral coverage of the IFAD portfolio, as shown in the analysis of the regional and sectoral distribution of the 29 projects evaluated since 2002 (Annex III). In terms of sectoral coverage,¹ 80% of the projects evaluated in 2004 were rural and agricultural development projects, while only 65% of all operational IFAD projects in 1998-2004 fell into that category. In terms of regional coverage, the sample slightly over-represents the Western and Central Africa region, and under-represents the Eastern and Southern Africa region, although overall, Africa is correctly represented as are the other regions.

¹ IFAD’s sector definition includes: agricultural development; rural development; livestock; irrigation; settlement; research/extension/training; credit; fisheries; marketing; and programme loans.

9. The sample size of nine independent project evaluations in 2004 represents 50% of project completion reports prepared by borrowers and the Programme Management Department (PMD) during the same year, which is high in comparison with other IFIs. However, corrected for the fact that only 67% of projects actually submit/produce completion reports that are due, the coverage rate of independent in-depth evaluations becomes 33%, which is roughly in line with other IFIs.²

C. Comparison of Self and Independent Evaluation Ratings

10. Analysis in previous ARRIs has suggested that the sample of predominantly interim evaluations may underrepresent the category of projects classified by PMD as “underperforming” (i.e. with major problems). This is not the case for the 2004 evaluations, which indeed underrepresent the best projects, those classified as “problem-free”.³

11. For the 2004 sample, a comparison of the ratings in the latest project status reports (PSRs) prepared by PMD and those in the OE evaluations suggests that some PSRs may be overrating performance and under-acknowledging problems (Table 1), with 90% of projects reported as problem-free or having minor problems in the self-evaluation system, compared with 74% having “high” or substantial ratings in the independent evaluation system. More seriously, all projects that OE evaluated as having had problems with poverty targeting were rated in the PSRs as performing well in terms of poverty focus. Most PSR ratings for gender focus in implementation were also more favourable than those in the independent evaluations.

Table 1: Comparison of Self-Evaluation and Independent Evaluation Ratings, 2004

PMD Rating Scale for Project Performance	OE Rating Scale for Project Performance	PMD Ratings (Projects Completed in 2004)	Ratings for Projects Evaluated 2004	
			PMD	OE
Problem-free	High	40% (12)	0%	15% (1)
Minor problems	Substantial	50% (15)	90% (8)	59% (5)
Major problems, but improving	Modest	3% (1)	10% (1)	26% (3)
Major problems and not improving	Negligible	7% (2)	0%	0%
Total rated projects		100% (30)	100% (9)	100% (9)

Note: Figures in brackets represent number of projects.

12. For the period 2002-2004, Table 2 illustrates the discrepancies between the ratings of the self-evaluation and independent evaluation systems, which can be explained in part by differences in performance assessments and in part by the sample of projects included in the independent evaluation system. PMD rated 27% of all projects as problem-free, which is more positive than OE’s performance rating of 15%. However, a comparison of self-evaluation and independent evaluation ratings for the same sample of projects shows that the ratings are similar: 14% of projects were assessed as problem-free by PMD, and 15% by OE. The percentage of projects in the category “minor problems” or “substantial” was much higher for the self-evaluation ratings of the same sample group,

² Most independent evaluation offices of IFIs undertake completion or ex-post evaluations and cover a percentage (around 25-30%) of projects with completion reports, which are prepared by borrowers or the operations departments of those IFIs. In the majority of IFIs, completion reports are generally produced for 100% of projects. A 25-30% coverage rate is generally considered sufficient to verify self-evaluation reports and identify areas where they lack reliability.

³ The rating system for self-evaluations is not harmonized with the OE rating system, but is nonetheless sufficient for comparison in the context of this report.

while the OE rating is more in line with the average self-evaluation rating for the portfolio as a whole. In general, more projects were rated less than satisfactory by OE than in the self-evaluation system.

13. These observations highlight the need for (i) better quality control of PSRs (which would enhance the credibility of the annual portfolio performance report prepared by PMD); and (ii) better alignment of the self-evaluation and independent evaluation systems to ensure greater comparability.

Table 2: Comparison of Self-Evaluation and Independent Evaluation Ratings for Project Performance, 2002-2004

PMD Rating Scale for Project Performance	OE Rating Scale for Project Performance	PMD Ratings (Total Portfolio)	Ratings for Projects Evaluated 2002-2004	
			PMD	OE
Problem-free	High	27% (29)	14% (4)	15% (4)
Minor problems	Substantial	56% (60)	79% (23)	54% (16)
Major problems, but improving	Modest	13% (14)	7% (2)	26% (8)
Major problems and not improving	Negligible	7% (2)	0%	5% (1)
Total rated projects		100% (105)	100% (29)	100% (29)

Note: Figures in brackets represent number of projects.

III. PERFORMANCE OF THE PROJECTS

14. This section summarizes the findings of the 29 project evaluations carried out between 2002 and 2004 with respect to three criteria (relevance, effectiveness and efficiency) and contrasts them with the findings of the evaluations conducted in 2004.

A. Relevance

Relevance is defined as the extent to which project objectives, as formally documented at the time of the evaluation, are consistent with: (i) the rural poor's perceptions of their needs and potential at the time of the evaluation; (ii) the economic, social and policy environment; (iii) IFAD's mandate and its strategic framework and policies; (iv) IFAD's current regional strategy and country strategy as contained in the country strategic opportunities paper (COSOP); and (v) the country's current policies and strategies for poverty reduction.

15. Project objectives are rated as highly or substantially relevant in 87% of the 2002-2004 evaluations. The overwhelming majority conclude that the objectives were consistent with the socio-economic context and with the policies and strategies of the country and IFAD. Given the general permissiveness of IFAD and country policies and strategies, as observed in the Independent External Evaluation of IFAD (IEE), it is not surprising that projects are generally rated very high in terms of relevance.

16. Despite this strong endorsement of the relevance of most of the projects, a number of evaluations contain criticisms of project design. A common criticism – contained in eight of the nine 2004 evaluations – was that projects were insufficiently targeted at the poorest and most vulnerable groups. While the projects were generally (but not invariably) located in the poorest areas, the criteria and mechanisms for reaching poorer groups within those areas were often imprecise or lacking.⁴ The

⁴ The need for clear and precise definitions of the target group has been mentioned in previous ARRIs. Greater precision in defining categories (poor, poorest, etc.) is also required in OE evaluations.

IEE made a similar observation. The relevance of some project activities to the poorer groups was also questioned, e.g. irrigation development and credit activities in the Lao People's Democratic Republic favoured the relatively better-off. The tendency for loan conditions of microfinance schemes to exclude the poorest and women was identified as a significant problem in two thirds of the 2004 evaluations.

17. Three of the 2004 evaluations suggest that better analysis and understanding of the existing poverty situation at the design stage could have increased the project's relevance to the target group. In Senegal, the assumptions regarding the economic interests of young men proved incorrect, while in Ethiopia there was insufficient analysis of traditional irrigation systems. In the Lao People's Democratic Republic, a better understanding was needed of the nature, causes and dynamics of poverty.

**Table 3: Relevance
(% by rating)**

Year	High	Substantial	Modest	Negligible
2002	40	40	20	
2003		90	10	
2004	33	66		
2002-2004	24	66	10	

B. Effectiveness

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

18. Of the 29 projects evaluated between 2002 and 2004, two thirds were rated as substantially effective overall. This reasonably favourable assessment needs some qualification. Current design weaknesses mean that objectives are sometimes stated as physical targets or outputs, or are framed in such broad terms that identifying objectively verifiable indicators would require reconstructing the project's impact hypothesis and relevant indicators. When a definition of effectiveness that corresponds to the attainment of project objectives is used, the performance rating is lower than currently indicated.

19. Few of the ratings for effectiveness take into account the distribution of project benefits among different groups (e.g. defined by gender, age or relative poverty). A project or component may still be rated as substantially effective even if the benefits have accrued mainly or disproportionately to those outside the priority target group, as happened with the women's development component in the Jordan project. While the main objective of this component was to increase poor families' income, the majority of beneficiaries were not drawn from the poorest groups. The fact that so many projects did not succeed in assisting the priority target groups to the extent intended, is a major issue for IFAD. Project objectives need to be formulated to state clearly who should be benefiting, in what way (i.e. how their lives are to change) and by when.

**Table 4: Effectiveness
(% by rating)**

Year	High	Substantial	Modest	Negligible
2002		60	40	
2003		70	30	
2004		67	33	
2002-2004		66	34	

C. Efficiency

Efficiency is a measure of how economically inputs (funds, expertise, time, etc.) are converted to outputs. This can either be based on economic and financial analysis, or on unit costs compared with alternative options and good practices.

20. Efficiency is often difficult to assess because the data available for cost-benefit analysis are generally limited and efficiency measures are difficult to establish for non-physical outputs (e.g. social capital). Previous ARRIIs observed that evaluations did not always assess project efficiency, but coverage has been improving. All the 2004 evaluations contained some assessment of efficiency (such as comparing unit costs with norms, or approaches used in the projects with alternatives), and almost half of the 2004 evaluations contained a re-estimate of the economic internal rate of return (EIRR). In two cases, the evaluation EIRR was lower than the appraisal estimate (because crop and income effects were lower than envisaged), and in one case it was higher (because all productive activities were included in the calculation rather than only crop production). On average, slightly more than half of the 29 projects were rated as highly or substantially efficient.

**Table 5: Efficiency
(% by rating)**

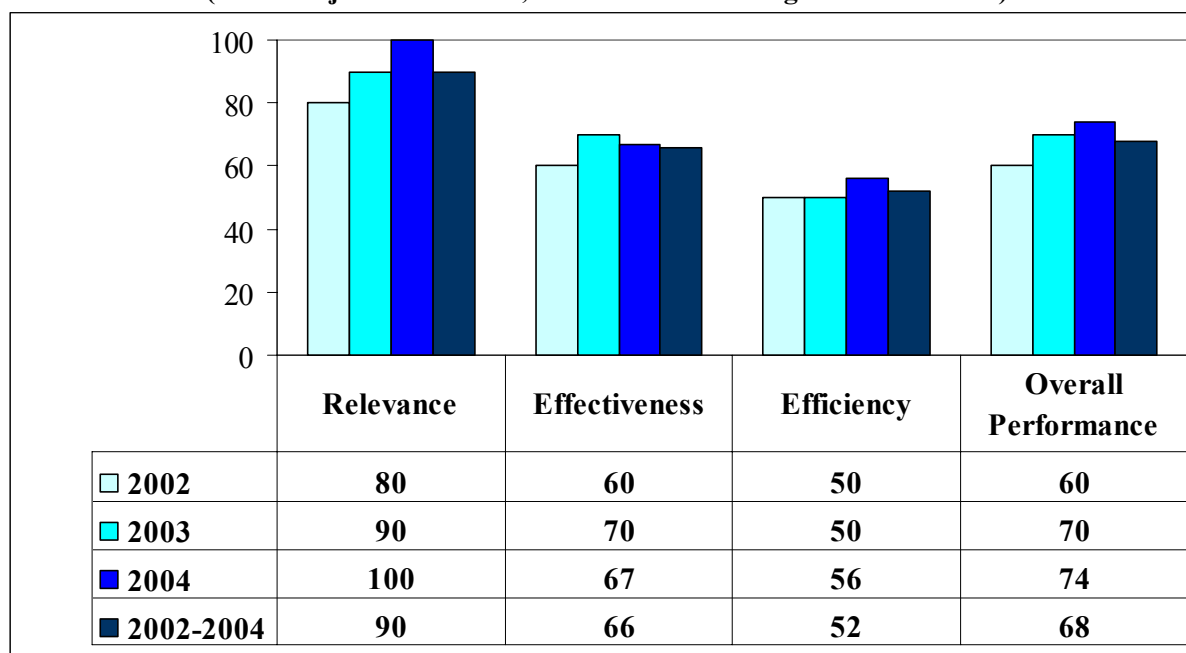
Year	High	Substantial	Modest	Negligible
2002	30	20	20	30
2003	20	30	40	10
2004	11	44	44	
2002-2004	21	31	34	14

D. Project Performance

Project performance is defined by OE as the combination of relevance, effectiveness and efficiency.

21. As seen in Figure 1, projects evaluated between 2002 and 2004 were rated highest on relevance, lower on effectiveness and lowest on efficiency, with relatively minor variations among the years. However, as indicated in paragraph 2, the time series is too short and sample size too small to allow a reliable trend analysis that would explain outlier performances such as that observed in 2003.

Figure 1: Summary of Project Performance
 (% of Projects Evaluated, 2002-2004 Rated High or Substantial)



IV. IMPACT ON RURAL POVERTY

Impact is defined in the MFE as the changes in the lives of the rural poor, intended or unintended, to which IFAD's interventions have contributed. It is determined at the time of the evaluation, but takes into account expectations of future events (such as the completion of project works) and the likely sustainability of such changes. A basic requirement 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. This definition of impact is slightly different from that used more generally by other development agencies. It includes elements of what in other evaluation systems are called results, outcomes and effects. It is also an estimate of **likely** long-term impact, rather than an estimate of actual impact at the time of the evaluation.

22. Six domains of rural poverty impact and three overarching factors are assessed within this evaluation criterion. These impact domains are listed in Box 2 and defined in the table in Annex I. Impact within each domain is assessed through specific questions or impact criteria.

Box 2: Rural Poverty Impact

Impact Domains

Impact on physical and financial assets
 Impact on human assets
 Impact on social capital and empowerment
 Impact on food security
 Impact on environment and common resource base
 Impact on institutions, policies and regulatory frameworks

Overarching Factors

Sustainability
 Innovation and replicability/scaling up
 Gender equality and women's empowerment

A. Physical and Financial Assets

23. Components aimed at increasing the physical and financial assets of poor people accounted for the largest proportion of project costs. Overall, this is also an area where impact has been most pronounced, with 55% of projects having achieved high or substantial impact.

24. In terms of **physical assets**, the majority of the 2002-2004 evaluations reported high or substantial impact on farm household physical assets (e.g. farmland, water, livestock) and other household assets (e.g. housing, bicycles). The 2004 evaluations identified significant improvements in irrigated land, livestock, household assets and soil and water conservation structures. New roads contributed importantly to the development of isolated communities, as observed in 2004 in the evaluation of the Quang Binh project in Viet Nam and in evaluations of two other projects in 2003.

25. Improved irrigation has brought substantial benefits to poor people in a number of projects. However, as pointed out in the first ARRI, the poorest have not always benefited from irrigation investments. This finding was confirmed by the 2004 evaluation of operations in Ethiopia and the Lao People's Democratic Republic. It is also consistent with a wider lesson: project activities need to be appropriate for, and accessible to, the target group. Other lessons from the 2004 evaluations that confirm those of previous years include:

- Irrigation design should be participatory, and based on an understanding and respect for indigenous irrigation systems. This is likely to lead to better designs, an enhanced sense of ownership among beneficiaries, and thus greater sustainability.
- Effective local water user groups are required for the management and maintenance of irrigation schemes. The tendency of some projects to concentrate on physical construction needs to be countered.

26. The need for projects to work on improving access to markets, and to address the issue of markets more generally, was also highlighted in a few of the 2003 and 2004 evaluations. The majority of evaluations report only modest or negligible impact in this area. As in previous years, a lack of attention to marketing was cited as a problem in three evaluations. In the Lao People's Democratic Republic, some cash crops and income-generating activities were promoted before market prospects had been properly appraised. Marketing problems have now been encountered; or in some cases, market prospects are still unknown.

27. Over half of the 2004 evaluations reported that physical assets had improved more for less-poor households than they had for the poorest. In projects in Jordan, Paraguay and Senegal, among others, most benefits went to the relatively better-off.

28. The skewed benefit profile was even more pronounced for **financial assets**. A majority of the 2004 projects, as in previous years, had a financial services component. In all six of the credit programmes evaluated in 2004, as well as in the country programme evaluation of Egypt, it was found that collateral conditions designed to ensure a high level of repayment had had the unintended effect of excluding the priority target groups, who by definition were less "credit-worthy", and therefore had discriminated against priority target groups (women, young and the poorest). The 2002 ARRI came to a similar conclusion. Grass-roots, group-based credit and savings institutions represent a promising solution, although the challenge of setting up these institutions in remote areas remains.

29. As in previous years, and as also recognized in the IEE,⁵ the general experience with financial services components was poor. Only one out of six credit programmes was judged to be successful (Jordan), and in this case most loan recipients were middle-income rather than poor. The other credit

⁵ IEE, final draft, paragraph 2.64.

programmes were unsustainable, unviable or inappropriate. In most cases, this was attributable to a poor design that pre-dated IFAD's policy on rural financial services⁶ and that had not been adapted to comply with it.

Box 3: Main Conclusions on Physical and Financial Assets

- Around 55% of projects achieved high or substantial impact on physical and financial assets.

Impact Assessment: Physical and Financial Assets (% of projects)

Year	High	Substantial	Modest	Negligible
2002	20	40	40	
2003	10	50	40	
2004	11	33	56	
2002-2004	14	41	45	

- Significant socio-economic benefits have derived from irrigation and road investments. A participatory design process, together with adequate attention to local institutional development, is likely to increase ownership, impact and sustainability.
- Most project benefits have not gone to the intended target groups (the poorest, women or the young). Project activities need to be appropriate for, and accessible to, the specific target group if that group is to benefit. This needs to be adequately researched at the design stage, and monitored during implementation.
- Extending financial services to rural areas continues to be a challenge. Projects need to design financial products that are appropriate for the poor rather than rely on credit schemes alone. Group-based saving and credit, or assistance other than credit, may be more appropriate than conventional credit programmes for the poorest.
- Markets matter. Projects have been least successful in this area.

B. Human Assets

30. On average, investment in human assets comprises less than 10% of project costs. The majority of this investment is for training, although half of the projects evaluated in 2004 also made improvements to domestic water supplies. A minority of projects made direct investments in health and education infrastructure and services.

31. Impact on human assets was rated as high or substantial in 55% of the 29 projects evaluated. The most positive impacts were recorded for improving **skills and access to information**. Among the 2004 evaluations, the project in Jordan and the Ha Giang project in Viet Nam helped raise farmers' skills, knowledge and self-confidence. Efforts to increase **adult literacy**, which does not fall squarely within IFAD's mandate, have met with more mixed success. In this, and in training generally, ensuring the inclusion of women and young people requires special effort. In Paraguay, these groups were almost totally excluded from training and technical assistance.

32. Improved access to **potable water** has had a very positive impact on the lives of thousands of people. Clean water has led to a reduction in disease in projects in the Lao People's Democratic Republic, Tunisia, and in the Ha Giang project in Viet Nam, and has made more time available for women and children. More generally, the impact on **women's and children's workloads** has been

⁶ IFAD Rural Finance Policy, April 2000.

mixed. Seasonal workloads have sometimes increased, but then so have incomes or food security/diversity as a result.

33. A minority of projects were found to have had a high or substantial impact on **health and education**. Of the projects evaluated in 2004, only three made specific investments in health and education services. In all three, improved health, increased school enrolment (including of girls in one case) and reduced school drop-out rates were reported. Indirect impacts were also noted in a number of projects without specific health and education components. These indirect impacts are more likely when projects attain their main objective of reducing rural poverty. The positive impact of improved water supplies on health has already been mentioned. Four of the 2004 evaluations identified a positive link between increased incomes and school enrolment/expenditures.

Box 4: Main Conclusions on Human Assets

- Investment in human assets generally accounts for less than 10% of project costs, mostly for training and drinking water. A minority of projects have specific health or education components. Nonetheless, more than 50% of projects achieved high or substantial impact on human assets.

Impact Assessment: Human Assets (% of projects)

Year	High	Substantial	Modest	Negligible
2002	10	40	40	10
2003	10	50	30	10
2004		56	44	
2002-2004	7	48	38	7

- Drinking-water supplies have improved in around half of the projects evaluated in 2004. A consequent reduction in disease has been reported in most cases.
- Around 50% of the evaluations observed that primary school enrolment increased, including a 33% rise in girls' enrolment, which has been attributed to increased incomes.
- The impact on women's and children's workloads has been mixed, and occasionally negative. Where seasonal workloads have increased, so have incomes or food security/diversity.
- Where training has been prioritized and systematically implemented, it has had major benefits in terms of skills, self-confidence and production. Specific efforts are needed to ensure that women and young people benefit.

C. Social Capital and Empowerment

34. Although typically accounting for less than 10% of project costs, building social capital has long been recognized as an important, and often critical, component of IFAD-supported projects. This was one of the strongest areas of project performance recorded in the first two ARRIs. The performance of the projects evaluated in 2004, however, was not as good as in previous years, with 56% of projects having only modest impacts. Overall performance over the three years was therefore mixed, with just over half of the project evaluations reporting high or substantial impact. The 2004 results are more in line with the IEE, which concluded that IFAD interventions had not had much success in fostering social capital or in creating new and sustainable institutions.⁷

⁷ IEE, final draft, paragraph 2.69.

35. A number of projects have been very successful in building local organizations and institutions. In the project in the Lao People's Democratic Republic, the establishment of infrastructure user groups has been positively received by villagers. Social cohesion seems to have improved, as has self-capacity and empowerment in better-off villages. In the Quang Binh project in Viet Nam, the delegation of community development funds to village level has been effective in ensuring proper demand-led and beneficiary-selected activities, and in encouraging more robust participation.

36. Three related criticisms of the approach to groups are contained in the evaluation reports. The first concerns the tendency of projects to ignore or bypass existing social mechanisms, institutions and structures (although it needs to be acknowledged that such structures are not always capable of supporting the poor). Partly as a consequence, many project-specific institutions are unsustainable, especially those without a clear economic *raison d'être* and/or without links to existing local, regional or national institutions. In some cases, this lack of sustainability is attributed to the absence of proper participation in design and implementation, the third aspect criticized.

37. Three-quarters of the 2004 evaluations contain criticisms of the participatory approach that had been implemented. In most cases, participation was described as weak and/or ineffective, with a large gap identified between what was possible and desirable in terms of participation, and what was actually achieved. In Jordan, where participation was a major plank of the design, participatory approaches were not adopted. Consequently the project has neither contributed to building local capacity nor exploited the potential of group/community-based approaches for increasing the participation of poorer women. In Tunisia, the limited application of a participatory and partnership approach has resulted in the continuation of a "welfare culture" (expecting the project or government to provide). The general consensus is that a better participatory process in projects would lead to better site and activity selection, better designs and increased impact and sustainability. One explanation put forward in the evaluation in Ethiopia is that non-participatory attitudes among programme partners take much longer to change than is assumed at design and appraisal. Previous evaluations have also emphasized that a commitment to participation at the design stage needs to be matched by resources and systematic support during implementation.

Box 5: Main Conclusions on Social Capital and Empowerment

- Slightly over 50% of projects evaluated in 2002-2004 achieved high or substantial impact on social capital and empowerment. These projects show that empowering the poor, and giving greater decision-making power to beneficiaries, can be the key to wider project impact and sustainability.

Impact Assessment: Social Capital and Empowerment
(% of projects)

Year	High	Substantial	Modest	Negligible
2002	10	50	30	10
2003		70	20	10
2004		33	56	11
2002-2004	3	52	34	10

- Common criticisms relate to the failure to consider or build on existing community institutions, and the unsustainability of project-specific institutions. The latter need to be financially and economically viable, and linked to existing institutions and networks.
- An effective and empowering participatory process can increase impact and sustainability. Many projects lack this, despite a commitment to participation in project design. Such a commitment needs to be matched by resources and systematic support during implementation, and tempered by a recognition that changing non-participatory attitudes and structures takes time. Project designs need to be realistic about the pace of, and potential for, change.

D. Food Security

38. In line with IFAD's core mandate, food security was the second most important area of project expenditure and, together with physical and financial assets, one of the areas where project impact has been the highest. Some 62% of the 29 projects were judged to have had a high or substantial impact on food security.

39. Improvements in agricultural technology, practices and production have been the most positively assessed impact areas. Over half of the 2004 evaluations reported improvements in technology, practices, yields and output. In the Quang Binh project in Viet Nam, for example, improvements in irrigated agriculture have led to increased agricultural production for an estimated 12 000 households. In this and other projects, increased agricultural production has resulted in reduced food insecurity. In the Ha Giang project in Viet Nam, the significant increase in yields and outputs has typically moved poor families from a position of food insecurity to one of food self-sufficiency in most years. In the Lao People's Democratic Republic, food security has especially improved in the poorest villages. However, in eight of the nine 2004 evaluations, the poorest and most disadvantaged groups were reported not to have benefited as much as better-off groups, or as much as intended in the project design.

40. More modest, but still positive, improvements in food security have sometimes been attributed to non-agricultural activities. In Senegal, for example, supplementary income from women entrepreneurs has improved the food situation for 1 350 families. A few evaluations reported a wider dietary intake resulting from crop diversification or vegetable gardens.

Box 6: Main Conclusions on Food Security

- Some 62% of projects evaluated in 2002-2004 achieved high or substantial impact on food security.

**Impact Assessment: Food Security
(% of projects)**

Year	High	Substantial	Modest	Negligible
2002	10	60	10	20
2003		50	40	10
2004	11	56	22	11
2002-2004	7	55	24	14

- Significant improvements in agricultural technology and production have led to improved household food security in most cases. Increased income from non-agricultural activities has also had a marked impact on food security in some cases.
- While households in poorer areas targeted by projects have benefited, 90% of the 2004 evaluations report that the poorest and most disadvantaged groups have not benefited as much as better-off groups.

E. Environment and Common Resource Base

41. As in previous years, the impact of projects on the environment and common resource base in 2004 was the least significant of all the domains. In 2004, 56% of projects were rated as having substantial environmental impacts, although, for the 2002-2004 evaluations, the percentage was 43%.

42. The main reason for this limited impact is that few projects make this a priority area. Natural resource management accounted for around 16% of project costs, but this was concentrated in just four projects. The majority of projects had no major environmental objective or component. The general lack of prioritization for environment and common resource base largely explains why substantial impact has only been achieved in a minority of projects.

43. The main project activity in this area was **soil and water conservation**, a major component in four operations and a minor component in three. Two of the projects with major soil and water conservation activities achieved substantial positive impact, which lends weight to the finding of last year's ARRI that an explicit emphasis on environmental issues is required for success. In Jordan, the degradation of land and water resources has been reduced or arrested where project interventions have taken place. In Tunisia, soil and water conservation measures have reduced siltation in dams and hill reservoirs, and increased production potential, on 21 000 hectares of treated land. And in Paraguay, where soil conservation has been a minor component, crop diversification and the introduction of practices to conserve and improve soils have had a significant impact.

44. Very little was achieved in one of the other operations with a major soil and water conservation component – Ethiopia – despite the significant funds allocated in the design. Less than 10% of the work planned was implemented, thus not only failing to attain environmental impact, but also potentially missing programme sustainability in the area of irrigation. Sustainability will also be an issue in the Gambia, where there was reported to be little ownership of the soil erosion schemes by villagers.

45. A number of the 2004 project evaluations identify environmental risks that have received insufficient attention. Two Asian projects failed to address the issue of cultivation on steep slopes

adequately. In one of these – the Ha Giang project in Viet Nam – intensive cropping practices with heavy fertilizer and chemical use also posed other dangers. Two other evaluations identified potential problems relating to water. In the Quang Binh project in Viet Nam, the expansion of shrimp farming had led to some contamination of groundwater. In Jordan, the project had not focused sufficiently on the crucial aspect of water management, and therefore had unintentionally accelerated the depletion of an already severely depleted aquifer.

46. The thematic evaluation of organic agriculture in Asia showed that besides their other benefits, organic farming methods had the potential for sustainably managing natural resources and thus limiting adverse environmental impacts.

Box 7: Main Conclusions on Environment and Common Resource Base

- A minority of projects were designed with major environment/common resource objectives or components. This largely explains why only 43% of projects achieved high or substantial impact in this area in 2002-2004. Significant positive environmental impacts are unlikely to result in the absence of a significant environmental effort. Most improvement is only achievable and discernable over the long term.

Impact Assessment: Environment and Common Resource Base (% of projects)

Year	High	Substantial	Modest	Negligible
2002		33	56	11
2003		40	40	20
2004		56	33	11
2002-2004		43	43	14

- Project design and supervision needs to ensure that important but indirect environmental risks – such as groundwater depletion or pollution, or the increased use of agrochemicals – are adequately identified, appraised and monitored.
- The absence of environmental considerations in IFAD projects indicates that IFAD does not adequately understand the nexus between poverty and the environment, and the potential risks arising from neglecting this aspect in its project work.

F. Institutions, Policies and Regulatory Frameworks

47. The majority of IFAD-supported projects have not had a substantial impact on institutions, policies or regulatory frameworks. Some 67% of the projects evaluated in 2004, and 59% of all 29 projects evaluated since 2002, have had only a modest or negligible impact in this area.

48. Most positive examples relate to local, and occasionally sectoral, institutions. In the Lao People's Democratic Republic, the project increased the staffing, capacity and coverage of some local institutions, although the sustainability of these changes is still unclear. In the Quang Binh project in Viet Nam, the training and investment in local line departments produced major improvements in terms of knowledge, skills and effectiveness. The rural finance project in the Gambia has played a role in the development of the microfinance sector.

49. These examples aside, there is little evidence of project impact on national or sectoral institutions, policies or regulations. Viet Nam provides the single positive case, where a series of IFAD projects has influenced the development philosophies, principles and concepts of other donors and the Government, contributing to the adoption of pro-poor policies and instruments in project design. IFAD has also played some part in the evolution of new policies and regulations in Viet Nam.

50. Two other evaluations suggest that the projects and IFAD missed an opportunity to contribute to national policy development. In Ethiopia, the evaluators noted that the programme had little demonstrable policy or institutional impact, and concluded that this need not have been so since programme activities were directly relevant to policies relating to food security, land and water management, coordination of government agencies, and marketing and price regulations. A better policy dialogue between IFAD and the Government was also required in the Lao People's Democratic Republic to minimize the adverse impacts of migration from villages and the merging of villages.

51. The main reason that impact has been so limited in this area is that most of these projects were not designed or managed with wider institutional and policy impact as a major objective. Most were designed as stand-alone development projects. A second reason relates to IFAD's limited national-level engagement. The evaluation of the Ha Giang project in Viet Nam concluded that IFAD's influence would have been greater had there been a more permanent or consistent IFAD presence in the country.

Box 8: Main Conclusions on Institutions, Policies and Regulatory Frameworks

- Less than 50% of the projects evaluated between 2002 and 2004, and only 33% of the projects evaluated in 2004, made a substantial impact on institutions, policies and regulatory frameworks. Most of the positive impacts were local rather than national.

Impact Assessment: Institutions, Policies and Regulatory Frameworks (% of projects)

Year	High	Substantial	Modest	Negligible
2002		50	30	20
2003		40	50	10
2004		33	56	11
2002-2004		49	45	14

- IFAD has missed opportunities to make important contributions to national policy.
- The main reasons for the lack of national impact are the local character and orientation of most projects, and the lack of an understanding of how project/community-level experience can be brought to bear on national-level policy formulation and enforcement.

G. Overarching Factors

Sustainability

52. Sustainability was rated as modest or unlikely in two thirds of the projects evaluated in 2004, and in 59% of the 29 projects. This is a major problem that IFAD needs to address urgently. As in previous years, the sustainability of credit components was doubtful in the majority of cases. Most of the village savings and credit associations supported by the project in the Gambia are unsustainable even in the short term. Only the minority of associations with good credit discipline and strong leadership are likely to be sustainable. In Paraguay, most of the intermediary financing institutions are likely to be unsustainable over the long term.

53. Similar doubts surround the self-management boards in the Quang Binh project in Viet Nam, which were only established to meet the conditions for new investment and to act as a conduit for project funds. In Tunisia, the consultative user groups were hastily set up. In both cases, the sustainability of such project-specific institutions is doubtful.

54. The picture with regard to the likely sustainability of physical investments is more positive. The Quang Binh project in Viet Nam has been notably successful at forming effective sectoral user groups (e.g. for road maintenance). Most of the physical assets are also likely to be maintained in the Lao People's Democratic Republic. In Jordan and Tunisia, however, the projects did not establish adequate local organizations and mechanisms to manage the investments. In Tunisia, for example, the prevailing assumption was that the project or a government agency would come back regularly to maintain the terraces and bunds created. Weaknesses in site selection (which was much less demanded than anticipated), a lack of attention to indigenous social structures and knowledge, and limited post-construction support to communities will threaten the sustainability of irrigation investments in Ethiopia.

55. The sustainability of services has received insufficient attention in a number of projects. In Senegal, inadequate attention was given to the sustainability of the advisory support services for rural microenterprises. Much of the support has been insufficiently empowering, and would have needed to be provided for a much longer period if these enterprises were to be sustainable. In the Gambia, the supply of vaccines at subsidized rates is unlikely to be sustained after the project.

Box 9: Main Conclusions on Sustainability

- Overall sustainability was assessed as modest or unlikely in 59% of the projects evaluated between 2002 and 2004. The sustainability of physical investments, project-specific institutions and subsidized support services (notably credit) is a common concern.

Sustainability (% of projects)

Year	High	Substantial	Modest	Negligible
2002		40	50	10
2003		50	50	
2004		33	56	11
2002-2004		41	52	7

- Projects and technologies need to be designed with sustainability in mind, and supported for a fairly long period.
- Ensuring local ownership, with adequate attention to user groups, is the key to sustainability. Ownership can be fostered by the delegation of decision-making power, supported by training and capacity-building.
- Projects need to be realistic about what can be maintained by whom. Some major maintenance tasks may be beyond the resources and skills available at local level.

Innovation, Replicability/Scaling Up

56. This impact area is unevenly covered in the evaluations. A more consistent definition of "innovation" is also needed. OE's evaluation of 2000/2001 proposed a new definition, which was also adopted by IFAD management. However, the projects evaluated in 2004 date well before then and retrofitting may not have occurred. Nonetheless, they scored relatively highly for innovation, replicability/scaling up, with 56% rated as substantial, almost returning to the 60% level observed in 2002. Half of the 29 projects (2002-2004) were rated as "substantial" for this criterion.

57. Almost all of the projects evaluated in 2004 had some innovative elements. In some cases, the innovation was limited to the introduction into the local area of techniques or approaches that had been

tried and tested elsewhere, such as soil and water conservation techniques in Ethiopia, or the advanced ovens in Senegal. In other cases, however, projects were experimenting with techniques or approaches that were innovative in the country context. Examples include the transfer of financial management to villages (the Quang Binh project in Viet Nam); volunteer workers and a voucher system in extension (Gambia); and a more participatory approach (Lao People's Democratic Republic and Tunisia).

58. A disappointing lack of innovation was noted in two cases. In the Gambia, the real innovation of the project would have been to have reached the poorest community members by developing financial products adapted to their needs, but this did not happen. The Ha Giang project in Viet Nam was also less than innovative in its adoption of traditional top-down approaches to infrastructure investment.

59. In most of the projects rated highly in 2004 for their innovation, actual or potential replication was only noted in some cases. In the Quang Binh project in Viet Nam, the self-management boards and water users' groups have been replicated elsewhere in the province. Positive potential for replication was identified with respect to volunteer extension workers in the Gambia, a financial system serving the rural poor in Paraguay, and income-generating activities in Jordan. However, as in previous years, there was no evidence that projects had been designed with replicable innovation and scaling up as an explicit objective, supported by related resources and activities.

Box 10: Main Conclusions on Innovation, Replicability/Scaling Up

- Innovation and replicability/scaling up were rated as substantial in approximately half of the projects evaluated since 2002. While examples of genuine innovation were numerous, there were also cases where opportunities to innovate were missed.

Innovation and Replicability/Scaling Up (% of projects)

Year	High	Substantial	Modest	Negligible
2002		60	40	
2003		40	60	
2004		56	44	
2002-2004		52	48	

- The role of IFAD as a developer and promoter of replicable innovation has not been prioritized in practice. Most projects have not been designed with replicable innovation and scaling up as an explicit objective. If IFAD is to realize its vision as an innovator, this aspect needs more emphasis both in the project cycle and in partnerships.

Gender Equality and Women's Empowerment

60. Over 50% of the 29 project evaluations since 2002 have rated the impact on gender equality and women's empowerment as high or substantial. However, the equivalent figure for the nine projects evaluated in 2004 was only 33%. In seven of these, gender impact was rated as modest or negligible.

61. In the highest-rated project – Jordan – the project design not only included a women's programme, but it also made specific reference to the inclusion of woman-headed households to enhance gender equality. Women's access to project benefits has been good: half of the project beneficiaries were women, and 90% of the loans went to women. The achievements of the women's

development programme have also been impressive. Unfortunately, restrictive loan conditions have meant that the target group of poor women have not benefited to the extent intended.

62. Credit conditions also limited the benefits for women in three other projects. In Senegal, while 46% of the loans by number went to women, disadvantaged women were excluded by a combination of restrictive credit conditions, the physical distance between their villages and the rural finance institutions, and the type of activities. In the Gambia, women only received 27% of the loans for similar reasons, despite making up 40% of association membership and providing 60% of deposits. Women did not have access to formal credit in the Quang Binh project in Viet Nam because they did not hold land titles.

63. In two projects, the lack of gender-sensitive design largely accounts for the limited impact for women. The Paraguay project lacked a gender focus from the outset. As a result, women were effectively excluded as a target group, and their participation in credit or extension was minimal or non-existent. In Tunisia, the women's component lacked appropriate tools and methods, and made up less than 3% of the budget. Despite its small size, the project has managed to create an enabling environment for the emancipation of girls. Its income-generating activities have contributed to changing the image of young women in the wider context of an improving role for women in Tunisia.

64. Despite reasonable designs, two projects made only modest progress. In Ethiopia, the vegetable gardens had a very positive impact for women, although coverage was far more limited than envisaged in the programme design, diminishing the impact. In the Ha Giang project in Viet Nam, the lack of a gender-disaggregated participatory rural appraisal prevented some serious problems from being identified and addressed. Consequently, while the project was reasonably successful in addressing women's practical needs, it failed to fulfil their strategic needs in terms of developing their managerial and entrepreneurial capabilities or promoting their involvement in decision-making.

Box 11: Main Conclusions on Gender Equality and Women's Empowerment

- The impact on gender equality and women's empowerment has been rated as high or substantial in nearly half of the projects evaluated since 2002.

Gender Equality and Women's Empowerment (% of projects)

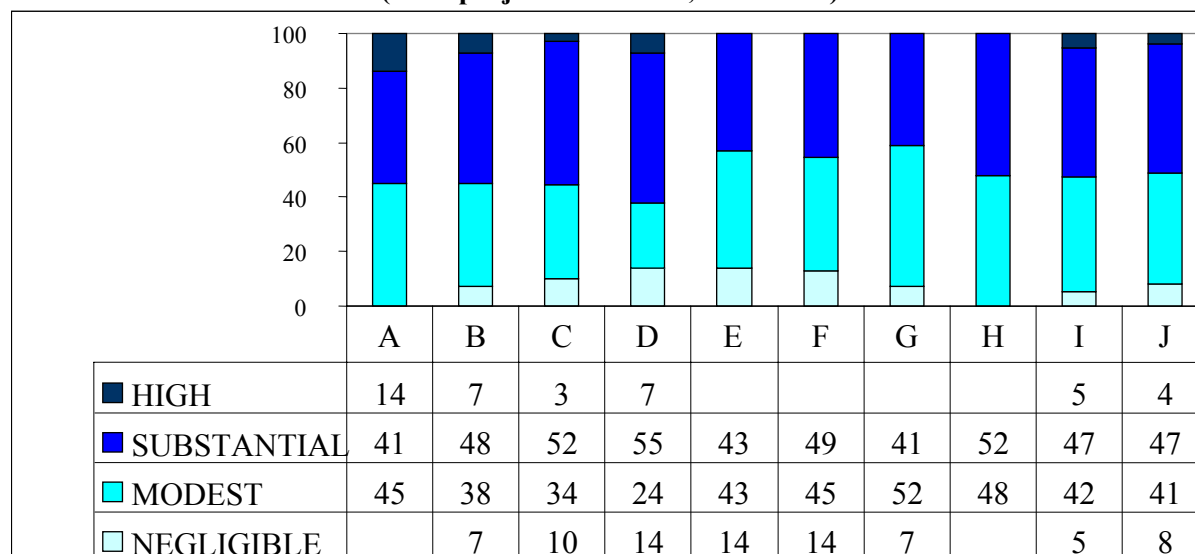
Year	High	Substantial	Modest	Negligible
2002				
2003		70	30	
2004	11	22	56	11
2002-2004	5	47	42	5

- Discriminatory credit conditions reduced the benefits for women in almost half of the projects evaluated in 2004.
- Positive impact on gender equality is more likely when the project design includes specific and significant consideration of gender issues, and results in a mainstreamed approach that extends beyond a women's programme. Design commitments need to be reflected in the resources dedicated during implementation. Staff recruitment and training is key.
- Gender equity is more likely to result where participation during design has been wide and effective, fostering ownership of project proposals by women, and where project implementation and resources are locally managed by institutions that have effective representation of women.

H. Overall Rural Poverty Impact

65. Figure 2 presents a summary of the ratings for each of the six impact domains, and the three overarching factors. It also presents a summary rating for the overall rural poverty impact. This represents an aggregation of the ratings in each of the six impact domains and the overarching factors. Overall, rural poverty impact was judged to be high or substantial in 51% of the 29 projects evaluated between 2002 and 2004.

Figure 2: Rural Poverty Impact by Impact Domain and Overarching Factor
(% of projects evaluated, 2002-2004)



Notes:

A = Physical and financial assets; B = Human assets; C = Social capital and empowerment; D = Food security; E = Environment and common resource base; F = Institutions, policies and regulatory frameworks; G = Sustainability; H = Innovation, replicability/scaling up; I = Gender equality and women's empowerment; J = Rural poverty impact.

V. PERFORMANCE OF PARTNERS

66. Each project evaluation assesses how well individual partners contribute to project design and implementation. While each partner is rated individually, it is their combined coordinated performance that influences the outcome of a project.

A. IFAD's Performance

IFAD's performance is defined as the extent to which services provided by the Fund, directly or through a cooperating institution, ensured a sound project design; facilitated participation by the rural poor and other partners; resulted in a realistic appraisal proposal; supported implementation effectively; and provided for participatory evaluation and lesson learning.

67. Project evaluations tend to be more critical of IFAD's performance than of that of any other partner. Almost two thirds of the 29 project evaluations carried out since 2002 rate IFAD's performance as modest or negligible. However, this trend was reversed in 2004 when 56% rated IFAD's performance as substantial.

68. IFAD's performance appears to be highly variable. In some projects, it was described as good and flexible, providing reasonable project design and effective project support. In other projects, these same aspects are criticized. This finding is in line with that of the IEE, which suggested that the individual country programme manager approach needed to be converted into a corporate service that assured partner countries a certain level of service and project quality.

69. As in previous years, criticism of IFAD's performance falls into two broad categories: (i) design; and (ii) implementation support. Eight of the nine 2004 evaluations contain criticisms of the project design: weak poverty targeting (see paragraph 16); unrealistic, unclear and/or overambitious objectives (Ethiopia, the Gambia, the Lao People's Democratic Republic, and the Ha Giang project in Viet Nam); and poorly designed credit components (the Gambia and the Quang Binh project in Viet Nam). IFAD is also sometimes criticized for its weak management of supervision (or weak direct supervision in the case of the Gambia), weak oversight, a failure to pursue supervision recommendations, and inadequate policy dialogue. In the vast majority of cases, evaluations are critical of the institutional processes and procedures that constrain IFAD's role during implementation, rather than of the individuals involved.

70. IFAD directly supervised one of the projects – the rural finance project in the Gambia. This was not a success. The constant turnover at the country programme manager level and the lack of a microfinance expert on seven of the nine supervision missions, seriously affected the quality of supervision. Almost all of the supervision missions rated the project positively, failing to diagnose design shortcomings or resolve problems that could have been addressed before the evaluation pointed to them.

**Table 6: IFAD's Performance
(% by rating)**

Year	High	Substantial	Modest	Negligible
2002		25	75	
2003	11	22	67	
2004		56	33	11
2002-2004	4	35	58	4

B. Performance of Cooperating Institutions

The performance of cooperating institutions is a key factor in influencing the success of implementation. A cooperating institution that provides adequate and informed support can help overcome the numerous difficulties that can be expected during implementation. Since cooperating institutions effectively represent IFAD, their performance becomes a reflection of IFAD's.

71. The United Nations Office for Project Services was the cooperating institution in four of the nine projects evaluated in 2004.⁸ The performance of cooperating institutions was rated as modest or negligible in 63% of the 2004 evaluations and half of all 29 evaluations. Four common criticisms are found in the evaluation reports: (i) the high turnover of supervision mission staff, which was a problem in the Lao People's Democratic Republic and the Quang Binh project in Viet Nam (and in the Gambia where IFAD was supervising the project directly); (ii) the failure to provide supervision staff with the appropriate specialist expertise; (iii) the tendency of cooperating institutions to focus on financial and administrative issues, rather than on technical issues related to implementation, noted in both the country programme evaluations (Bolivia and Egypt); and (iv) the limited resources made

⁸ **Cooperating institutions:** Arab Fund for Economic and Social Development for Jordan and Tunisia; Andean Development Corporation for Paraguay; United Nations Office for Project Services for Ethiopia, the Lao People's Democratic Republic, and the Ha Giang and Quang Binh projects in Viet Nam; and West African Development Bank for Senegal.

available by IFAD for supervision. Three evaluations concluded that if support and follow-up were to improve, more resources would be required for the supervision process. Furthermore, more needed to be done to move beyond the identification of faults; providing greater support and guidance for the implementation of recommendations was essential. Regular IFAD participation in supervision would also be beneficial, according to the Egypt country programme evaluation. Working through cooperating institutions has the disadvantage of placing IFAD one step away from monitoring and supporting the implementation progress first-hand.

**Table 7: Performance of Cooperating Institutions
(% by rating)**

Year	High	Substantial	Modest	Negligible
2002		44	56	
2003		67	22	11
2004		38	63	
2002-2004		50	46	4

C. Performance of Government and its Agencies

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; and complied with covenants and agreements.

72. Government and agency performance has generally been satisfactory, with over two thirds of evaluations in 2002-2004 rating it substantial. The only recurrent issue concerns the weakness of the project monitoring and evaluation system. This was mentioned in six of the nine project evaluation reports in 2004, and in one country programme evaluation.

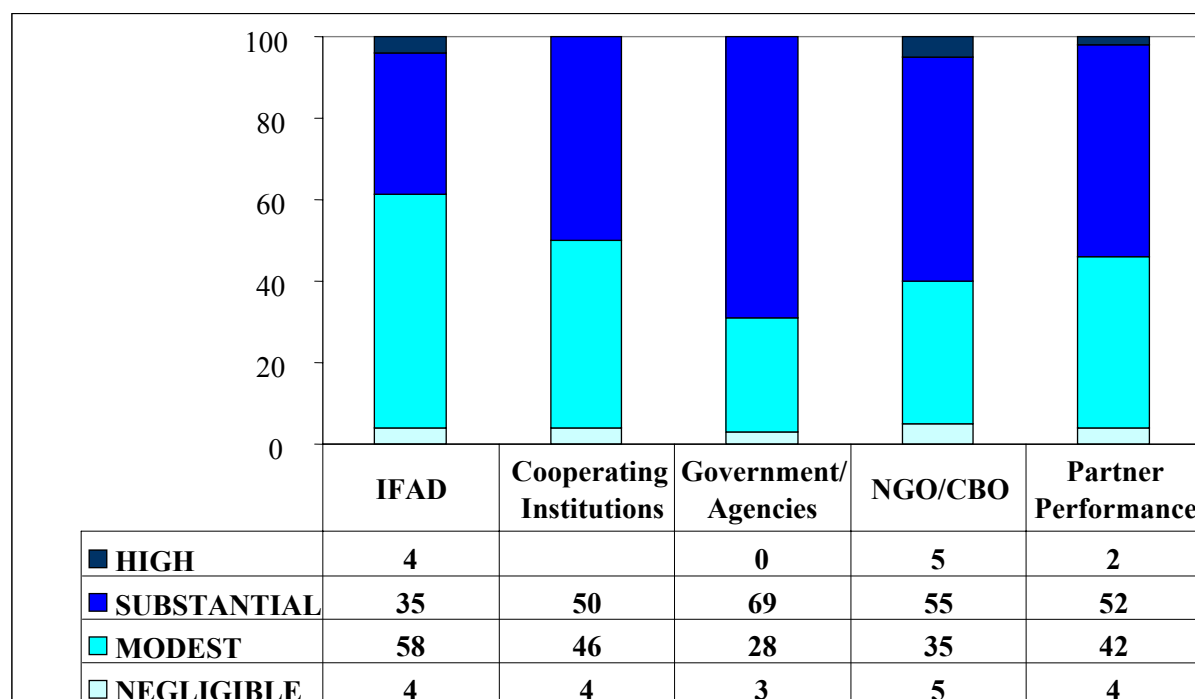
**Table 8: Performance of Government and its Agencies
(% by rating)**

Year	High	Substantial	Modest	Negligible
2002		80	20	
2003		70	30	
2004		56	33	11
2002-2004		69	28	3

D. Overall Partner Performance

73. Figure 3 summarizes the 2002-2004 ratings for the five partners that make up this evaluation category. Government, NGO/community-based organizations (CBOs) and cofinanciers have generally been assessed more favourably than IFAD and its cooperating institutions have been.

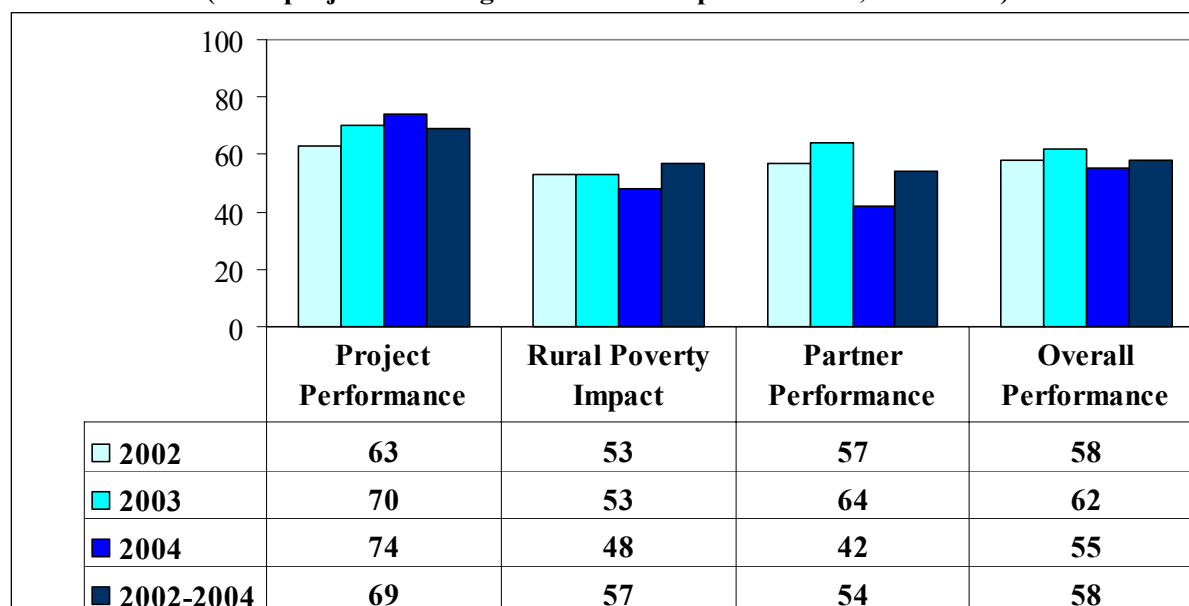
**Figure 3: Aggregate Rating for the Performance of Partners
(% of projects evaluated, 2002-2004)**



VI. OVERALL PERFORMANCE

74. Figure 4 compares and combines the performance of projects evaluated in 2004 with those evaluated in 2002 and 2003. Because of the small sample sizes and inconsistencies in adhering to the MFE in some evaluations, no significance should be read into the differences in ratings among years. Moreover, these figures cannot yet be seen as indicative of any emerging trend. The ratings for rural poverty impact are the most consistent of the three domains, with around half of the projects scoring high or substantial in any year. In terms of overall performance, 58% of the projects evaluated in 2002-2004 were rated as high or substantial.

Figure 4: Overall Performance
(% of projects with high or substantial performance, 2002-2004)



75. Last year's ARRI introduced a six-point rating in order to provide a more graduated picture of overall achievement. This system uses the four-point scale for each of the three criteria (project performance, rural poverty impact and partner performance), but groups projects depending on how well they performed in a number of these. For instance, a project rated as performing "high" on at least two of the three criteria would be highly successful, while a project rated "modest" in two of the three criteria would be rated moderately unsuccessful on the six-point scale. The results for 2002, 2003 and 2004, and for all three years together, are presented in Table 9. The percentage of unsuccessful projects is reasonably constant at around 20%. The percentages in the other categories are more variable. The percentage of successful projects was lower in 2004 than previously (11%) but there was a higher percentage of moderately successful projects (56%). As with the four-point achievement rating, no significance should be attached to the apparent increase in the proportion of successful/moderately successful projects over time. The sample sizes are too small and the time series too short to draw any conclusions.

Table 9: Overall Achievement, 2002-2004 – Six-Point Rating Scale
(% of projects)

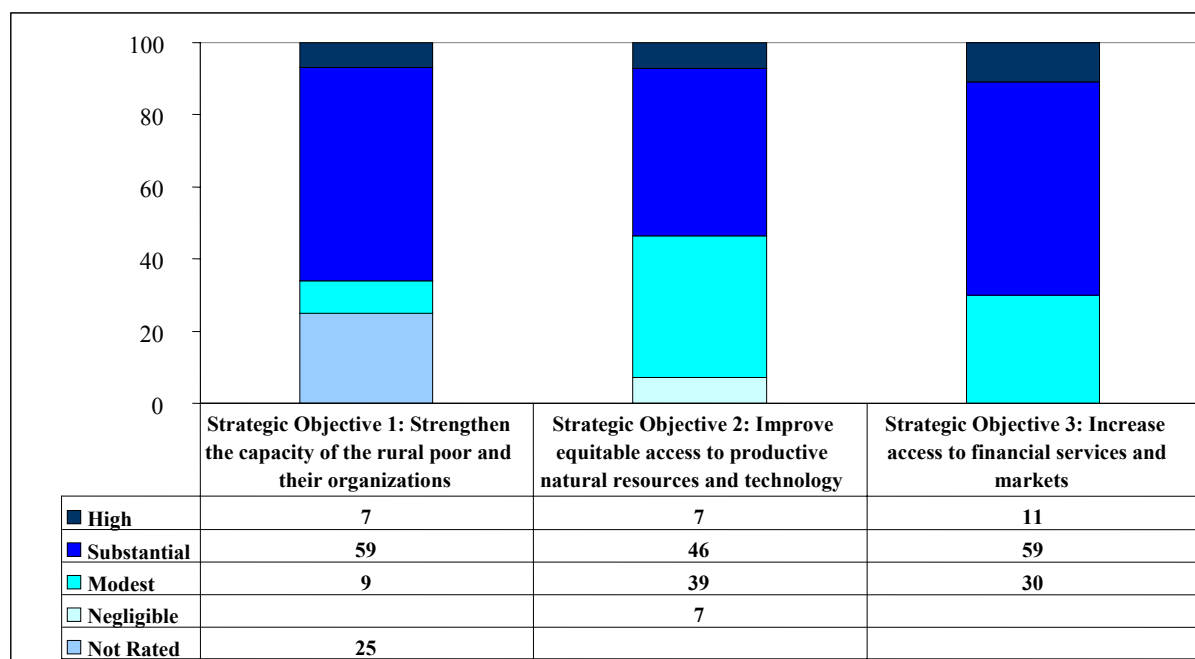
Year	Highly Successful	Successful	Moderately Successful	Moderately Unsuccessful	Unsuccessful	Highly Unsuccessful
2002		40	10	30	20	
2003		40	20	20	20	
2004		11	56	11	22	
2002-2004		31	28	21	21	

VII. CONTRIBUTION TO IFAD'S STRATEGIC OBJECTIVES AND THE MILLENNIUM DEVELOPMENT GOALS

76. As in previous ARRIs, the rural impact ratings have been regrouped according to IFAD's three strategic objectives and the six main MDGs. Details of how the impact criteria map against the strategic objectives and the MDGs can be found in the table in Annex I.

77. Figure 5 presents impact ratings for each of IFAD's 2002-2006 strategic objectives, based on consolidated results from the 2002-2004 project evaluations. Two thirds or more of the projects achieved high or substantial impact against the first and third strategic objective. Performance was lowest for the second objective, although also above 50%.

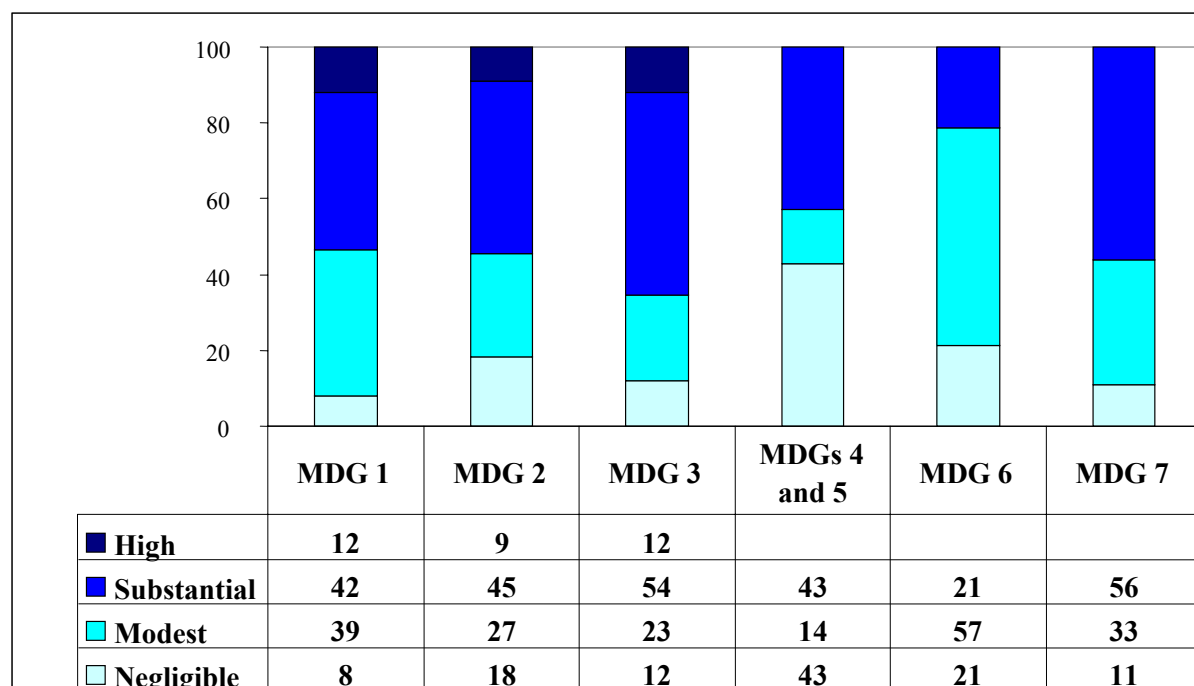
**Figure 5: Project Impact by IFAD Strategic Objective
(% of projects evaluated, 2002-2004)**



Contributing to the Millennium Development Goals

78. IFAD-supported projects make two types of contribution to the MDGs – direct and indirect. Neither is particularly easy to assess on the basis of the evaluation reports. Projects make a direct contribution by, for example, increasing household food security, improving drinking water supplies or reducing income poverty. These direct benefits (such as increasing household incomes) can yield indirect benefits (such as improved schooling or health). Some indication of both contributions can be derived by regrouping the MFE criteria according to the MDGs as in Figure 6. The figure shows that projects make the most obvious contribution to the first MDG, i.e. eradicating extreme poverty and hunger, which is squarely within IFAD's mandate. Positive contributions are also noted for the second, third and seventh MDG, the last largely due to the performance of water supply components. However, indirect impacts are often difficult to trace and attribute, and thus might not have been reported accurately in evaluations. In addition, it needs to be noted that Figure 6 does not provide information on the magnitude of IFAD's contributions to attaining the MDGs.

**Figure 6: Project Impact by Millennium Development Goal
(% of projects evaluated, 2002-2004)**



Notes:

MDG1 = Eradicate extreme poverty and hunger; MDG2 = Achieve universal primary education; MDG3 = Promote gender equality and empower women (the target for this MDG focuses exclusively on gender equality in primary and secondary education); MDG4 and 5 = Reduce child mortality and improve maternal health; MDG6 = Combat HIV/AIDS, malaria and other diseases; and MDG7 = Ensure environmental sustainability (including safe water).

79. One proxy indicator for the extent to which IFAD projects are addressing the challenge of the MDGs is the number of people living on less than USD 1 per day who are covered and reached by the projects. While evaluations have indicated that the poorest and key target groups (such as women and youth) were not always reached, the reports do not generate information to verify whether beneficiaries were below, around or above the international poverty line of USD 1 per day (or USD 2 per day for some regions) or national poverty lines. OE is addressing this question and should be able to generate more information in the future.

VIII. CONCLUSION

A. Key Findings

80. In general, the 2004 evaluations confirm, and are consistent with, the findings of previous years and with the IEE. Almost all of the projects were rated as highly or substantially relevant, two thirds as substantially effective, and more than half as highly or substantially efficient. Rural poverty impact was rated as high or substantial in 48% of projects, and partner performance as substantial in 42%. Overall, 58% of projects evaluated between 2002 and 2004 were rated as successful or moderately successful. While there are some differences in a few of the ratings for 2004 compared with previous years, the sample sizes are too small to draw any conclusions from these differences. The time series is also too short to indicate any trends. Nevertheless, the analysis of the evaluations over the past three years point to five key findings.

81. **Around half of projects achieve substantial rural poverty impact.** Almost two thirds of the projects evaluated have had a significant positive impact on food security, largely due to improvements in agricultural technology and practices. Increased agricultural incomes have been associated with positive impacts on health and school attendance. However, evaluations also show that poverty impacts were limited when projects focused insufficiently on markets and marketing to ensure that investments in productive assets generated returns.

82. **A significant number of projects do not succeed in benefiting poorest and disadvantaged groups to the extent intended.** While the design of almost all the projects is relevant to government and IFAD policy, and in general projects are appropriately located in poorer areas, during implementation projects often turn out to be less relevant for poorest or disadvantaged groups. In many cases, project components are not as relevant or accessible to these groups as they are to the relatively better-off. Most credit programmes are inappropriate for, or discriminate against, the poorest and women, and are not designed to meet the needs of these client groups.

83. **A minority of projects are likely to be sustainable.** The majority of projects are substantially effective, but only a minority achieve results that are likely to be sustainable. This problem is particularly pronounced when a project has set up new organizations using project funds to finance regular operations but has not developed mechanisms that ensure ownership, functioning structures and procedures, continuity of staffing, integration of the organization into a network, or long-term financing. These problems can be traced back to weak project design, which does not anticipate how project results can be sustained after project completion, does not incorporate an exit strategy into the project concept from the beginning, and sets implementation periods that are too short to attain fundamental and sustainable changes.

84. **Only one third of projects have a substantial positive impact on the environment and common resource base.** Environmental risks, notably in relation to soil and water conservation, have received insufficient attention. Most projects lack a significant environmental component (in terms of resource allocations), measures to prevent or mitigate adverse environmental impacts or an environmental monitoring component. The nexus between poverty and the environment, which is particularly pronounced in marginal areas where soil erosion is one of the contributors to sustained poverty, does not yet seem well understood by the Fund.

85. **IFAD's performance in design and implementation support has been satisfactory in only about 40% of the projects.** Criticisms centre on weaknesses in project design, and weak implementation oversight and support. One likely contributing factor is the limited in-country presence of IFAD, which hinders the Fund's ability to build and maintain effective partnerships with stakeholders in the country and the international development community, limits the scope for policy dialogue and adversely affects the extent to which necessary support can be provided during implementation.

B. Underlying Reasons

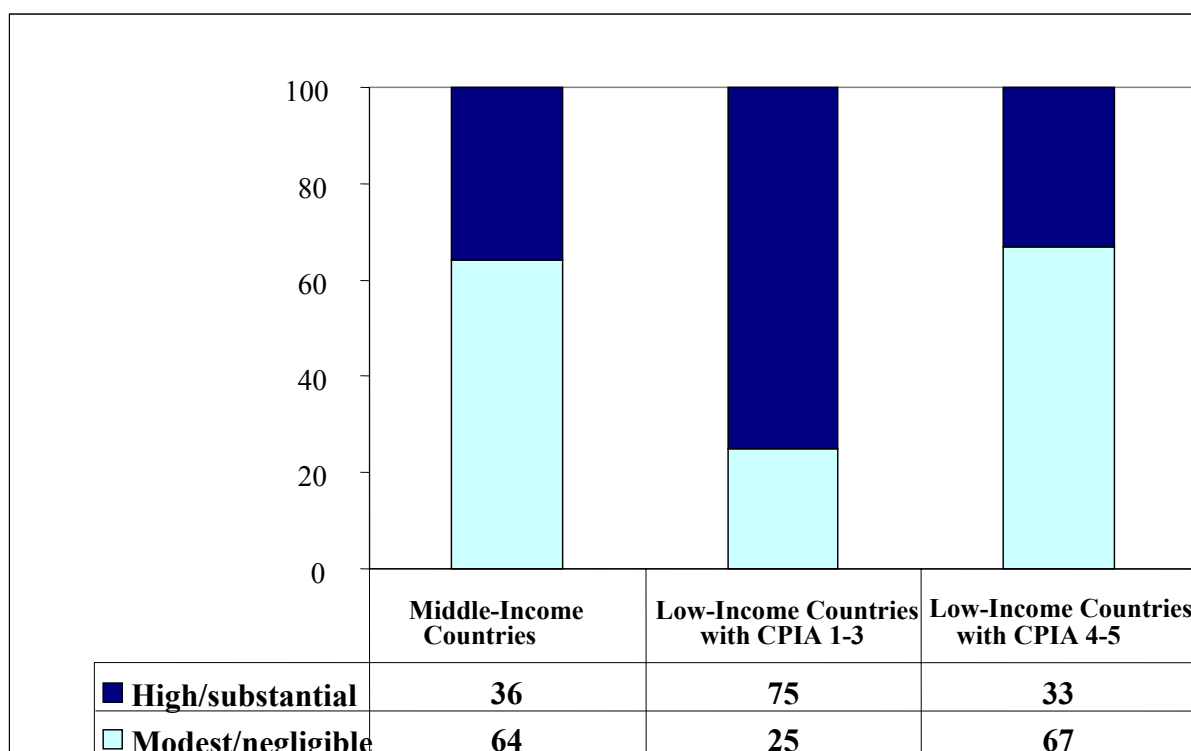
86. The fact that half of the projects had a substantial impact on the lives of the rural poor can be seen as a significant achievement for an institution that works with marginalized, resource-poor groups in difficult environments. That said, the relatively high proportion of projects assessed as having had modest and unsustainable impacts, and the persistence of problems identified in the evaluations, suggests that the reasons for the disappointing performance need to be understood. The key findings presented so far can be explained by a number of factors, but possibly the most important is ownership and, related to that, the context in which projects take place and the quality of project design and implementation support, including ex-ante quality assurance.

87. **Ownership is limited in project identification, design and implementation.** A number of evaluations suggest that high levels of impact and sustainability are associated with high levels of project ownership by the community and institutions concerned, and with the way in which partnerships with local stakeholders are developed and managed. This is, in turn, the product of a participatory and empowering approach to project design and implementation, sometimes associated with actual transfer of funds to community level. Conversely, activities or investments that have not involved or been determined by the community or local institutions have less prospects for impact and sustainability, and can explain the failure of projects to translate into reality important design features (e.g. reaching the poorer and poorest community members, achieving greater gender equality, monitoring project progress and performance) during project implementation. If these issues are seen as IFAD concerns, but are not owned by the governments, implementing agencies or communities, a gap between design intent and implementation reality is not surprising. Furthermore, ownership is essential to secure sustainability of project outcomes. A number of evaluations in 2004, as in the past, have shown weaknesses in participatory approaches and in building strong ownership, introducing these elements only after choices have been made about project components that may not correspond to the target group's priorities.

88. **Project effectiveness in attaining rural poverty impacts was influenced by the context in which projects were implemented.** Unsurprisingly, projects implemented in low-income countries with weaker policy and institutional environments⁹ achieved less rural poverty impact than those implemented in low-income countries with better environments. This observation is consistent with other research. Perhaps more surprisingly, IFAD projects in middle-income countries also performed relatively poorly with respect to rural poverty impact. While more difficult to explain, the following factors may have played a role: the concentration of poverty in extremely marginal and difficult physical environments, making it more challenging to achieve poverty reduction impacts; the more structural and political nature of extreme poverty in these countries; government policies not necessarily centring on poverty reduction as the core policy concern, but driven by broader macroeconomic issues; IFAD's relatively minor role in terms of funding and thus lesser attention to its projects; and the cost of IFAD lending, which is relatively expensive compared with the costs of other funding sources.

⁹ As measured by the World Bank ratings of country policy and institutional assessments.

**Figure 7: Poverty Impact of IFAD Projects in Low- and Middle-Income Countries
(% of projects)**



Notes:

CPIA = country policy and institutional assessment. Numbers refer to the quintiles into which the countries have been grouped depending on their CPIA rating: 1 refers to the first or best quintile, while 5 refers to the last or poorest-performing quintile.

Total number of countries: middle-income countries = 11, low-income countries with CPIA 1-3 = 12; and low-income countries with CPIA 4-5 = 6.

89. **Looking within: performance shortfalls can be attributed to the quality of project design and implementation support.** A number of evaluations attributed performance shortcomings to design weaknesses. This was also confirmed by the IEE, which attributed the need for redesigning projects at mid-term review to the same problem, and found that correcting design was difficult and costly. Equally, evaluations found that project effectiveness suffered from the insufficient engagement of IFAD during implementation and its inadequate in-country presence, both deficiencies limiting the Fund's ability to engage in and manage its partnerships at country level. Design weaknesses are surprising given that IFAD tends to focus its resources on project development and spends relatively little effort on supervision and implementation support. However, indications are that better project design is needed in order to be more responsive to target group needs and to have a built-in process for managing changes during project implementation. Such changes will require greater engagement of IFAD with its partners during design and implementation.

C. Key Issues for the Future

90. The above findings have a number of implications for IFAD's future direction, both in terms of policies and operations. They also concern the focus and diversity of IFAD's assistance, and related to that, its operating model.

91. **Enhancing poverty impacts through new approaches.** Implicit in the results related to IFAD's poverty reduction impact in different groups of countries (paragraph 88 and Figure 7) is a

message that is becoming increasingly apparent from evaluations, both by OE and others:¹⁰ the need to offer a diverse and customized range of services in order to meet the demands of client countries. This is so at the community level where evaluations have shown that positive impacts on reducing poverty are greater when ownership and participation are secured (paragraph 87), but also at the country level where countries with fewer resource constraints have different needs for IFAD services than do countries with greater resource constraints. IFAD's predominant model remains the project loan in nearly all countries, usually for an area-development project. This model needs rethinking to make better use of opportunities to work with partners, develop a different operating model that goes beyond the traditional lending approach, and combines lending and grant facilities more effectively.

92. **Increasing effectiveness through better partnerships.** IFAD recognizes the value of partnerships, given its small size and role as a catalyst. However, for the Fund to increase its development effectiveness and make greater contributions to the attainment of the MDGs, it has to develop a better understanding of partnerships and a better strategy for its approach to them. This is further necessitated by the move towards greater harmonization within the development assistance community, where IFAD needs to determine and demonstrate its role and value added. To build better partnerships, the Fund needs to consider processes for (i) identifying partners, through which it can enhance its catalytic role and with which it can establish mutual learning relationships and increase its capacity to provide tailored services to its client countries (rather than focusing on partnerships with cofinanciers and service providers); (ii) determining its own roles and responsibilities and those expected from other partners, which need to be negotiated and agreed upon with partners; and based on the foregoing; and (iii) playing a proactive role and effectively managing partnerships.

93. **Quality enhancement through better resource use.** OE evaluations identified shortcomings in project design and implementation as one of the causes of performance shortfalls (paragraph 89). The quality of IFAD's design and implementation support will depend on the number and quality of staff resources and on the quality assurance mechanisms brought to bear on its country programme. The need to provide both diversified and better-tailored services to client countries (paragraph 91) and greater implementation support will increase pressures on operational staff, who appear to be overstretched in terms of numbers and skills. Reallocating and/or increasing IFAD staff resources might be an option; optimizing partnerships is another possibility for ensuring essential functions are fulfilled that improve quality.

D. Recommendations

94. The results of this year's ARRI led to a number of recommendations that are in line with those of the IEE and aim to increase IFAD's development effectiveness in reducing rural poverty.

95. **Focusing on key target groups.** A policy statement is required that clearly underpins the Fund's priority aim to reduce rural poverty, and that recognizes the rural poor¹¹ as its primary beneficiaries. Such a policy statement should analyse latest thinking on and evidence of approaches that increase development effectiveness for poverty reduction, including analyses of targeting and policy or institutional-level approaches that promise to attain greatest poverty reduction impacts. The needs of IFAD's target group – the rural poor – and the extent to which they benefit from IFAD assistance should be used in defining country strategies (COSOPs) during project identification and design to ensure that the results of IFAD operations are focused on reaching the right target group(s), in design, implementation and monitoring and evaluation.

¹⁰ The World Bank's Annual Review of Development Effectiveness recently concluded that assistance strategies needed to be better customized to the country situation. One approach does not fit all.

¹¹ The rural poor are understood as living below the internationally defined poverty line of USD 1 per day, or internationally recognized national poverty lines.

96. **Increasing ownership.** To enhance ownership of country programmes and projects, target groups should be determined from the early stages of project identification and should engage in the project development process together with other local and national stakeholders. Greater ownership also requires a shift of responsibilities from one partner to another: just as governments need to cede control to local communities, so IFAD needs to cede control to borrowers. Building capacity in others, and doing less oneself, is fundamental to increased ownership and will require IFAD to rethink the range of its services and its own engagement in delivering these. IFAD's management action plan in response to the IEE foresees changes to the country programme approach to enhance ownership, which should respond to this recommendation.

97. **Enhancing partnerships.** Management's Action Plan foresees developing methodologies and operational guidelines on partnerships, which should address weaknesses identified in this ARRI (paragraph 93). The forthcoming guidelines should state clearly that IFAD aims to identify a more diverse group of partners, which criteria will be used to identify potential partners and how the process will be implemented. It should also determine the roles and responsibilities of IFAD, and those expected from its partners as a basis for negotiating partnership agreements with them. Equally, mechanisms for managing partnerships need to be developed as part of the operational guidelines.

98. **Need for a diversified approach.** The relatively weak poverty reduction impacts of IFAD projects in middle-income countries (paragraph 88 and Figure 7) needs further research to confirm this finding, to understand the reasons for this performance and to develop the Fund's strategic response. It is anticipated that such analysis will indicate the need for more diversified services. For instance, middle-income countries might need specialist advice on different aspects of working in remote areas with persistent poverty, or on policies and their implications for the rural poor, while low-income countries may need more investments in rural development projects.

THE METHODOLOGICAL FRAMEWORK FOR PROJECT EVALUATION

1. The MFE consists of three main composite evaluation criteria: (a) project performance; (b) impact on rural poverty; and (c) performance of partners. Each main criterion is divided into a number of elements or sub-criteria (see chart on next page).

2. The first criterion – **project performance** – captures the extent to which the 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).

3. 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 they and their partners perceive them at the time of the evaluation – to which IFAD’s interventions have contributed. Impact has been divided into six domains that are addressed by IFAD projects to varying degrees and into the overarching factors of sustainability, innovation and replicability/scaling up, and gender equality. The six impact domains are:

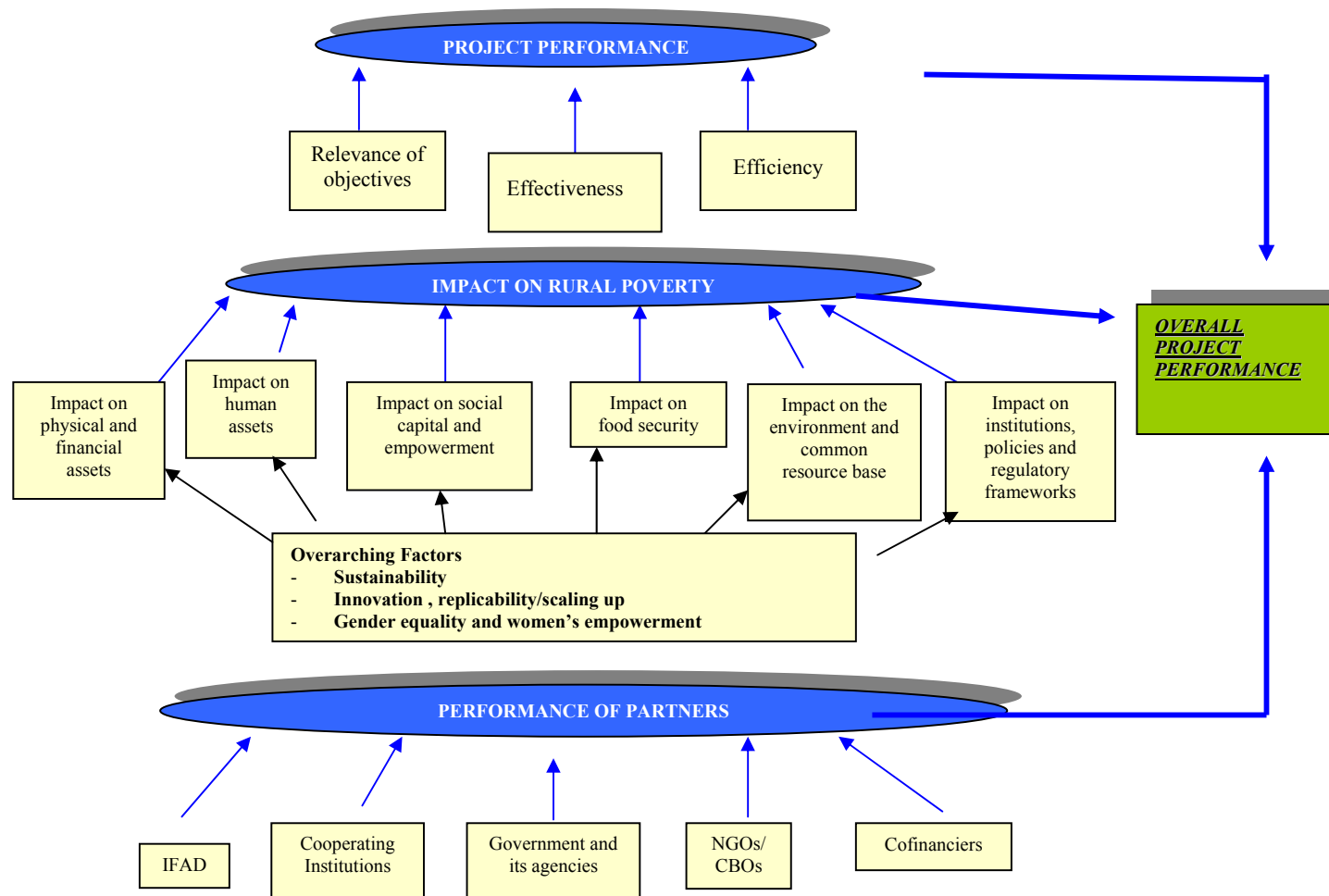
- physical and financial assets
- human assets
- social capital and empowerment
- food security
- environment and common resource base
- institutions, policies and regulatory frameworks

4. For each impact domain, there is a set of key evaluation questions that every evaluation attempts to answer (see table below). These and other questions provide the basis in the evaluation of projects for a consistent assessment of changes in social capital and empowerment. Regrouping these questions also allows for reporting against IFAD’s strategic objectives (see table below).

5. The third criterion – **performance of partners** – assesses the performance of the primary partners in the project: IFAD, cooperating institutions, the government agencies responsible for implementing the project, the NGOs/CBOs involved in project implementation and project cofinanciers. Here again, a number of questions are put forward to be answered by the evaluations (see table). They assess how well IFAD and its partners identified, prepared and supervised the project, and the contribution each made to project success during implementation.

6. The 2004 project evaluations have again applied a four-point rating scale to each criterion and sub-criterion, based on the combined judgement of the rural poor, partners and the evaluators, normally through an end-of-evaluation workshop. The resultant ratings were recorded in a detailed matrix covering all impact criteria. This report is based on the ratings contained in these matrices, and on a thorough analysis of the evaluation reports themselves.

CHART: METHODOLOGICAL FRAMEWORK FOR PROJECT EVALUATION



EVALUATION FRAMEWORK FOR PROJECT EVALUATION: THE DOMAINS OF IMPACT

Main Domains of Impact	Key Questions for Impact Assessment in Rural Communities Affected by the Project (changes to which the project has contributed)	IFAD Strategic Framework Objective	Millennium Development Goal
I. Physical and Financial Assets	Did farm households' physical assets change (e.g. farmland, water, livestock, trees, equipment)?	2	
	Did other household assets change (houses, bicycles, radios, other durables, etc.)?		Poverty and hunger
	Did infrastructure and people access to markets change (transport, roads, storage, communication facilities, etc.)?	3	
	Did households' financial assets change (savings and debts)?		Poverty and hunger
	Did rural people's access to financial services change (credit, saving, insurances, etc.)?	3	
II. Human Assets	Did rural people's access to potable water change?		Environment (including water)
	Did access to basic health and disease prevention services change?		Disease
	Did the incidence of HIV infection change?		Disease
	Did maternal mortality change?		Mortality rate
	Did access to primary education change?		Primary schooling
	Did primary school enrolment for girls change?		Primary schooling
	Did the adult literacy rate and/or access to information and knowledge change?	1	
III. Social Capital and Empowerment	Did rural people's organizations and institutions change?	1	
	Did social cohesion and the self-help capacity of rural communities change?	1	
	Did gender equity and/or women's conditions change?		Gender disparity
	Did rural people feel empowered vis-à-vis local and national public authorities and development partners? (Do they play a more effective role in decision-making?)	1	
	Did rural producers feel empowered vis-à-vis the market place? Are they in better control of input supply and the marketing of their products?	1	
IV. Food Security (Production, Income and Consumption)	Did children's nutritional status change?		Poverty and hunger
	Did household food security change?		Poverty and hunger
	Did farming technology and practices change?	2	
	Did the frequency of food shortages change?		Poverty and hunger
	Did agricultural production change (area, yield, production mix, etc.)?	2	
V. Environment and Common Resource Base	Did the status of the natural resource base change (land, water, forest, pasture, fish stocks, etc.)?		Environment (including water)
	Did exposure to environmental risks change?		Environment (including water)
VI. Institutions, Policies, and Regulatory Frameworks	Did rural financial institutions change?	3	
	Did local public institutions and service provision change?	1	
	Did national/sectoral policies affecting the rural poor change?	1, 3	
	Did the regulatory framework affecting the rural poor change?	1, 2, 3	
	Were there other change in institutions and policies?		

SUMMARY TABLE OF PROJECTS

Region ^a	Country	Project Title	Board Approval	Loan Effectiveness	Original Compl. Date	Current Closing	Expected Implem. Period (years)	Revised Implem. Period (years)	Sector	Main Activities	Total Project Costs (USD mill.)	IFAD loan (USD mill.)
PA	The Gambia	Rural Finance and Community Initiatives Project	Dec-98	Jul-99	Jun-05	Dec-05	6	6.5	Credit and financial services	Rural finance development, agricultural support and kafo capacity-building	11	9
PA	Senegal	Rural Micro-Enterprises Project	Dec-95	Jan-97	Sep-04	Mar-05	6	6.5	Rural development	Promotion of sustainable development of the microenterprise sector, based on the mobilization of human, physical and financial resources	11	7
PF	Ethiopia	Special Country Programme – Phase II	Dec-96	Feb-99	Jun-05	Dec-05	6	6.5	Agricultural development	Improve farm family incomes and household food security through small-scale irrigation supported by agricultural services and soil conservation	32	23
PI	Lao People's Democratic Republic	Northern Sayabouri Rural Development Project	Dec-97	Mar-98	Jun-04	Dec-04	7	7.5	Agricultural development	Agricultural development, income diversification, rural infrastructure and institutional strengthening	10	7
PI	Viet Nam	Ha Giang Development Project for Ethnic Minorities	Dec-97	Apr-98	Dec-03	Jun-04	6	6.5	Rural development	Rural infrastructure, agricultural development, income diversification, social development and project management	18	13
PI	Viet Nam	Agricultural Resources Conservation and Development Project in Quang Binh Province	Dec-96	Mar-97	Sep-02	Dec-02	6	6.25	Agricultural development	Irrigation and rural roads rehabilitation, agricultural and aquaculture development, sand-dune fixation, and institutional support	18	14
PL	Paraguay	Peasant Development Fund Credit Project – Eastern Region of Paraguay	Dec-95	Dec-96	Dec-04	Jun-05	6	6.5	Credit and financial services	Rural financial and technical services, institutional credit and capacity-building	22	10
PN	Jordan	Agricultural Resource Management Project – Phase II	Dec -95	Jul-96	Jun-03	Dec-03	7	7.5	Agricultural development	Resource management, agricultural development, institution strengthening, women's promotion activities and project coordination and management	19	13
PN	Tunisia	Integrated Agricultural Development Project in the Governorate of Siliana	Dec-95	Jun-96	Dec-04	Jun-05	7	7.5	Agricultural development	Resource management, agricultural development, rural infrastructure and women's and community development.	42	11
Total cost											183	107

^a PA= Western and Central Africa; PF= Eastern and Southern Africa; PI= Asia and the Pacific; PL= Latin America and the Caribbean; PN= Near East and North Africa

REGIONAL AND SECTORAL REPRESENTATIVENESS OF PROJECTS EVALUATED SINCE 2002

Regional Representativeness of Projects Evaluated

Region	% Distribution of Ongoing IFAD Projects at end 2004	% Distribution of Projects Evaluated in 2004
Western and Central Africa	19.7	22.2
Eastern and Southern Africa	22.3	11.1
Asia and the Pacific	20.7	33.4
Latin America and the Caribbean	17.6	11.1
Near East and North Africa	19.7	22.2
Total	100.0	100.0

Sectoral Representativeness of Projects Evaluated

Project Type	% Distribution of all IFAD Projects 1998-2004	% Projects Evaluated in 2004
Rural and agricultural development	65	80
Credit and financial services	11	20
Research/extension/training	8	-
Irrigation	7	-
Livestock	5	-
Other ^a	4	-
Total	100	100

^a This category includes projects in the areas of fisheries, marketing and the Flexible Lending Mechanism.