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Enabling the rural poor
to overcome poverty

Republic of Mali

Country programme evaluation

Executive summary

Evaluation Committee — Forty-sixth Session
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For: **Review**

Note to Evaluation Committee members

This document is submitted for review by the Evaluation Committee.

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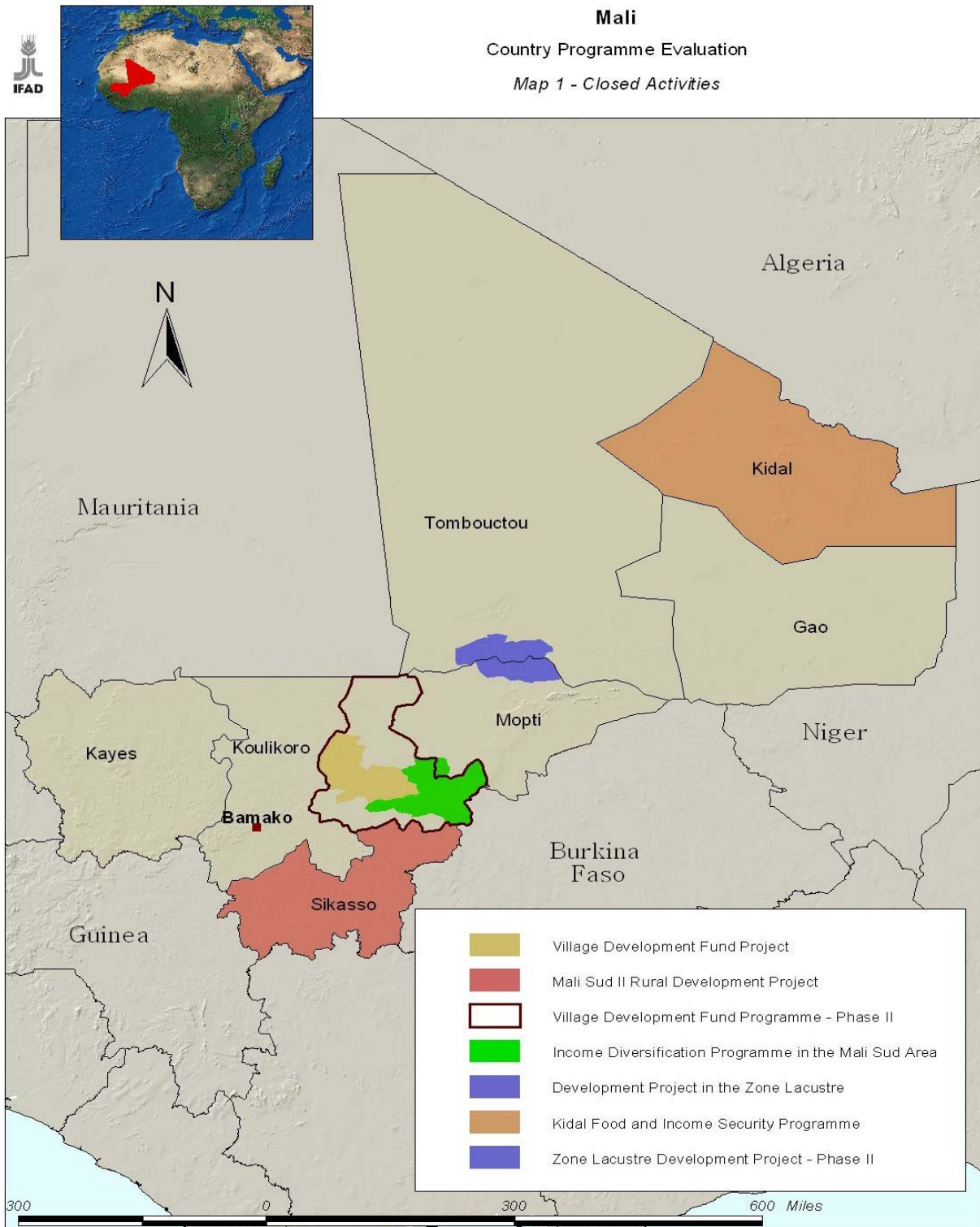
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Abbreviations and acronyms

AFD	French Agency for Development
ARRI	Annual Report on Results and Impact
BSF	Belgian Survival Fund
CFAF	CFA franc
COSOP	Country Strategic Opportunities Paper
FODESA	Sahelian Areas Development Fund Programme
GDP	gross domestic product
GTZ	German Agency for Technical Cooperation
ICRAF	International Center for Research in Agroforestry
IFPRI	International Food Policy Research Institute
IITA	International Institute of Tropical Agriculture
IPGRI	International Plant Genetic Resources Institute
NGO	Non-governmental organization
OPEC	Organization of the Petroleum Exporting Countries
PDR-MS	Income Diversification Project in the Mali-Sud non-cotton area
PDZL II	Zone Lacustre Development Project – Phase II
PIDRK	Kidal Integrated Rural Development Programme
PIDRN	Northern Regions Investment and Rural Development Programme
PFDVS II	Ségou Village Development Fund Programme – Phase II
PMU	Project management unit
PSARK	Kidal Food and Income Security Programme
RIMS	Results and Impact Management System
UNDP	United Nations Development Programme
UNICEF	United Nations Children’s Fund
WADB	West African Development Bank

Map of the programme area



Source: IFAD

The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.



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Republic of Mali

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I. Introduction

1. **IFAD assistance to Mali.** Since 1982, IFAD has approved nine loans for a sum of almost US\$15 million, making a total of US\$260 million with the contributions of the Government and such donors as the West African Development Bank (WADB) and the Belgian Survival Fund (BSF). Of these nine projects, seven have been completed and two are ongoing – the Sahelian Areas Development Fund Programme (FODESA), the only active programme, and the Northern Mali Investment and Rural Development Programme (PIDRN), which was launched in May 2006. A programme for the Kidal region (the Kidal Integrated Rural Development Programme – PIDRK) is in preparation (Appendix 1, Table 1). Apart from loan programmes, Mali has benefited from regional technical assistance grants, the most recent of which involve partnerships with such research institutes as the International Center for Research in Agroforestry (ICRAF), the International Institute of Tropical Agriculture (IITA) and the International Plant Genetic Resources Institute (IPGRI), or non-governmental organizations (NGOs).
2. **Evaluation objectives and methodology.** The main objectives of the country programme evaluation (CPE) were: (a) to assess the performance and impact of IFAD operations in Mali; and (b) generate a series of findings and recommendations that would serve as building blocks for the preparation of the next IFAD country strategic opportunities paper (COSOP) for Mali, a task which will be undertaken by PA following the completion of the CPE. Since 1997 IFAD's strategy in Mali has been based on a strategic orientation framework (the Country Strategic Opportunities Paper (COSOP)), which is to be updated. According to IFAD's methodology, a country programme evaluation addresses three main questions: a) the quality of the strategy, b) the effective implementation of the strategy and performance of operations, and c) the results and impact of IFAD's strategy and operations for the beneficiaries and the country. The CPE covered the period 1997 to 2006, even though some IFAD-funded operations before 1997 have also been considered in the evaluation for purpose of comparison.
3. The CPE was undertaken following the overall provisions contained in the IFAD Evaluation Policy¹. A draft approach paper was produced in March 2006 and discussed with partners at IFAD and in Mali. The approach paper, inter-alia, defined the overall objectives, methodology and key questions, process for engagement of partners as well as the broad timeframes for the evaluation. Moreover, as per the Evaluation Policy, a core learning partnership was established for the CPE.² The analysis of this evaluation is based on available official documents (including 2 project evaluations formerly carried out by OE), socio-economic surveys carried out by the International Institute of Tropical Agriculture (IITA), the International Food Policy Research Institute (IFPRI) and Cornell University in the zones of some IFAD

¹ Document EB 2003/78/R17/Rev.1.

² The core learning partnership (CLP) included representatives of authorities in Mali (Ministry of Agriculture, *Commissariat à la Sécurité Alimentaire*, Management Units of ongoing projects), of the Regional Division of IFAD for West and Central Africa and of the Office of Evaluation of IFAD. In line with the Evaluation Policy, the CLP at the beginning of the evaluation process commented upon the approach paper and helped flag issues and information sources for the evaluation; after the preparation of the draft report, the CLP discussed and commented upon the main findings. The CLP is also expected to work out the operational implications of the recommendations which will be eventually recorded in the agreement at completion point.

projects, interactions with partners, and data and information gathered during a mission to Mali from 20 May to 23 June 2006.³ The mission collected primary data, using focus groups, individual interviews and case studies in order to verify and complement existing information. The document benefited from discussions with the concerned partners, from an internal peer review process in OE, as well as from an external peer reviewer⁴. In particular, discussions were held with the management and staff in the concerned IFAD operations division (PA) and the Government of Mali at various stages in the evaluation process, and their inputs have been taken into consideration in finalising the CPE.

4. **A relatively undiversified economy dependent on external factors.** Mali is a landlocked Sahelian country, extremely dependent on climatic fluctuations, with an area of more than 1.2 million km², about 60% of this in arid zones or desert. With a per capita GDP of US\$358 (2004), it is a very poor country, with 11.4 million inhabitants, 70% of them in rural zones. Mali is ranked 174th of 177 countries according to the UNDP human development index. Since 1992, the country has been involved in a democratization process, which has resulted in various institutional advances, especially in decentralization. However, in the most recent Transparency International survey (2005), Mali received a score of 2.9 out of 10 in the corruption perception index, indicating the existence of governance problems⁵. Although GDP growth during the past ten years has been greater than population growth (6% as against 2.4%), the economy still lacks diversification and creates little value, with two key commodities: cotton and gold (together representing 60% of exports and 11% of GDP). The agricultural sector (agriculture, livestock production and fisheries) employs 80% of the working population and represents between 35% and 45% of GDP depending on the year, a variation that reflects the extent of the risks (climatic, economic and health) facing Malian farmers. Agriculture is dominated by rainfed cereals (millet/sorghum is the staple diet in rural areas), cotton (about 8% of GDP) and rice (with an increasing amount under irrigation).
5. **The features of poverty in Mali and the main challenges in order to reduce it.** The two main notions of poverty adopted in the debate around poverty reduction in Mali are mass and monetary poverty. "Mass poverty" refers to the degree of access to basic infrastructures, while "monetary poverty" is estimated on the basis of the income needed to meet basic needs. In 2001, *mass poverty* affected nearly two-thirds of Mali's population (64%), 76% in rural areas and only 30% in urban areas, and is more prevalent in the northern part of the country. On the other hand, the *monetary poverty* threshold has been fixed at CFAF 144 022 per person per year (or US\$0.72 per person per day in 2006, according to the National Directorate of Statistics and Informatics), in this case too with pronounced variations between rural and urban areas (an incidence of 81% and 33% respectively). Monetary poverty is greater in the Koulikoro, Sikasso (which is located in the southern cotton belt) and Mopti regions. Therefore monetary poverty is not necessarily concentrated in northern Mali.
6. The factors underlying rural poverty and hampering its reduction are mainly structural in nature, notably climatic risks, low farm productivity and the poor standard of basic infrastructures, all of which increase input costs and the various problems of competitiveness and market access. The crisis in the cotton sector, which used to be one of the engines of Mali's economy, is also tending to become structural. In institutional terms, although liberalization has removed some of the

³ This mission was composed of Corinne Riquet (rural finance), Boubacar Yamba (research and support to farmers' organizations), Djibrilla Haïdara (infrastructures and BSF activities), Jean-François Bélières (impact on households) and Jean Zaslavsky (mission leader). Fabrizio Felloni (Evaluation Officer, OE) was the lead evaluator for the Mali CPE. In this regard, he undertook, inter-alia, a CPE preparatory mission in March 2006 and took part in the first and last weeks of the field mission and in discussion of its aide-mémoire. He also went to Mali to discuss the provisional draft of the evaluation report in November 2006.

⁴ Henri-Philippe Cart, former president of the *Club du Sahel* (OECD).

⁵ Values of the index lower than 5 indicate significant governance problems.

constraints on development of the private sector, it has taken place mostly without the support measures needed to derive its full benefit. Other difficulties, especially problems of governance and human resources at the national, local and private-sector levels, are also reducing the effectiveness of economic policies and aid. The whole situation requires sustained training and organization efforts, with no easy, short-term solution.

7. Efforts in Mali have to date been primarily concerned with targeting poverty on the basis of geographical zoning. The zones identified as the most vulnerable in the late 1990s lay in the Sahelo-Saharan belt (in the northern part of the country), leading IFAD to concentrate its activities in this area. However, the latest surveys all confirm that the cotton zone in the south, considered the richest in the country until recently, is tending to become one of the poorest. There are also significant amounts of poverty in the Office du Niger zone, which was also considered a more prosperous area. In general terms, we may speak of a "new poverty" in Mali, comprising considerable sections of the farming community in crisis zones, but also young rural people who are increasingly mobile and semi-urbanized in their search for supplementary income. The distribution of poverty according to a simple north-south opposition, which was the basis of IFAD's latest strategy, is thus less valid today.
8. **Poverty reduction, the State budget and the weight of aid.** The Government of Mali adopted a Poverty Reduction Strategy Paper for the 2002-06 period, based on the private sector as the driving force, the empowerment of beneficiaries and increased decentralization, which has been one of the major developments of the past ten years. The goal of this document was to reduce the incidence of monetary poverty from 64 to 48 per cent in 2006. However, the reduction was only 0.7 per cent between 1994 and 2001, and the incidence of poverty was 59 per cent in 2005, despite growth in GDP. We are therefore far from the goals set, "which raises both the issue of the unequal distribution of the fruits of growth and that of the effectiveness of poverty reduction strategies and policies".⁶
9. The State's special investment budget covers planned investments using domestic resources and most of the projects financed by external aid. It was set at CFAF 327 billion for 2006 (or 35 per cent of the budget), CFAF 300 billion of which was directly or indirectly connected with poverty reduction. CFAF 233 billion (or 71 per cent of the special investment budget) comes from external aid. Overall, external aid amounts to CFAF 287 billion, or 13 per cent of GDP. In recent years, IFAD's annual expenditure in Mali has been in the region of US\$5 million (or about CFAF 2.5 billion), which is less than 1 per cent of total external financing devoted to poverty in 2006.⁷ IFAD cannot therefore influence national policies through the size of its investments, but rather through the *quality* of its interventions. This raises the twofold question of operation performance and innovation promoting capacity, which are discussed in sections IV and V of the present document respectively and are also taken up in the conclusions.
10. **Work of other donors.** The main donors involved in the support to the agricultural and rural sector in Mali include the World Bank, the African Development Bank, the European Union, France and Germany. Three of these (World Bank, AfDB and France) are active in the agricultural sector, while the other two (EU and Germany) are financing programmes that support the decentralisation process and rural finance institutions, although the EU is preparing a new investment programme focusing on rice production. In spite of the differences between their programmes, the interventions of these donors have two major common denominators: first their agricultural interventions favour a "commodity chain" approach, which deals with the

⁶ See "Dynamique de l'analyse de la pauvreté au Mali de 1993 à 2003", Observatoire du Développement Humain Durable/LCPM, July 2005.

⁷ See also the report by E. Colombo commissioned by the European Union, "Appui à l'harmonisation de l'aide au Mali", Bamako, March 2006. In certain geographical areas and sub-sectors the relative financial weight of IFAD is more favourable, although it remains globally limited.

organisation of upstream and downstream markets, second, they have sought to directly support the decentralisation process or harmonise their financing mechanisms with the new national framework to support local governments.

11. A recent evaluation (2005) of the AfDB country assistance in 1994-2004 is available, while the World Bank is currently evaluating its latest country assistance strategy (2003-2006)⁸ The AfDB evaluation highlights a number of implementation constraints such as the scarcity of project staff with strong rural finance skills, the frequent delays in project start-up and the weakness of many local service providers. These problems have affected IFAD's programme as well. In general, several interventions of these donors are pertinent to IFAD's concentration domains but, since the adoption of the latest strategy in 1997, the only case of concrete collaboration pertains to the testing of a new model of rural finance institution (the regional financing association) in the Zone Lacustre with the German Agency for Technical Cooperation (GTZ), started in 2006. There are thus untapped opportunities of collaboration with other agencies such as the ones mentioned above.

II. The quality of IFAD's strategy

12. **The country strategic opportunities paper** (COSOP) for Mali was produced in 1997. According to this paper, the aim of assistance to the Government of Mali is to improve the rural poor's standard of living through four main objectives: a) ensuring household food security; b) creating a sustainable village- or group-based participatory development process; c) increasing household incomes; and d) ensuring sustainable natural resource management. The COSOP defined two intervention zones: the Sahelian zone, located between the 14th and 16th latitudes north (with annual rainfall of 400-800 mm) and the sub-Saharan belt (with annual rainfall of 150-400 mm).
13. In general terms, the COSOP shows a satisfactory understanding of the obstacles to poverty reduction, and takes stock of the then current state of knowledge about poverty in Mali. Similarly, the relevance and clarity of its objectives are satisfactory, except for objective b, which should be more detailed. There is a significant degree of consistency between the COSOP 1997, the main strategic directions of PA between 1997 and 2001 and the Regional Strategy for West and Central Africa, although the latter document was prepared in 2002 and thus explicitly spells out the objectives of IFAD's strategic framework 2002-2006 and has stronger focus on policy dialogue, partnership and knowledge management. The CPE also found that COSOP orientations in the area of rural finance are broadly coherent with the main thrusts contained in the corporate rural finance policy approved by the Executive Board in 2000⁹With regard to the analysis of target groups, the COSOP's targeting is primarily geographical, without detailed identification of target groups, partly due to limitations in the data available at that time. The issue of the organization of agricultural commodity chains, particularly the functioning of the various markets, is not properly addressed in the COSOP.¹⁰
14. **The demand-driven approach.** Unlike the classic project approach, which is seen as cumbersome, with little mobilizing power, the COSOP proposed "open" projects, in which the beneficiaries would be involved in preparing and implementing interventions. This was, at the time, an innovative proposal. It was foreseen that certain types of action would be found in nearly all interventions, such as support for decentralized financial systems, opening up of isolated areas, and actions focusing on health, hygiene and education. However, the precise intervention spheres would stay open, taking account of IFAD's mandate, Government strategies and beneficiaries' demands.

⁸ The results of this evaluation were not available at the time of the writing of the report.

⁹ It is the practical implementation of these orientations that has met with several difficulties.

¹⁰ The issue of marketing and commodity chains is an important element introduced by the Regional Strategy for West and Central Africa in 2002.

15. **Progress but also limitations.** While the demand-driven approach, with “light”, “open” and “catalysing” projects, is basically attractive and fairly innovative, the operationalization of this approach and of the strategy leaves some unanswered questions:
- (a) first, the COSOP tends to abandon the idea of building a real “programme”, with projects linked to a central issue; intervention sectors or areas (what is to be done and where) are basically left open; the document focuses primarily on defining an implementation philosophy rather than the programme to which this strategy should be applied, with precise goals and results;
 - (b) one of the weaknesses of the COSOP also concerns the fact that financial constraints are not taken into account. The document discusses neither the human nor organizational resources (the staff required at IFAD and in Mali, and piloting of operations) needed to implement the strategy, nor the budgetary implications; real priorities, in terms of intervention zones or sectors, cannot therefore be established, obviously increasing the risk of dispersion or reduced effectiveness; and
 - (c)) lastly, monitoring and impact evaluation are two of the major oversights of the COSOP, which makes almost no mention of them, making it very difficult to pilot a results-based policy or programme.
16. **Partnership.** The COSOP proposes an identification of possible partners, a list including IFAD’s “traditional” partners at that time (the WADB, the Islamic Development Bank and the OPEC Fund for International Development) and potential new partners (the World Bank, the French Agency for Development [AFD], the Dutch Cooperation and UNICEF). Although the inclusion of the latter would seem justified by their importance in terms of loans to the Government of Mali, there is no proper consideration of the consistency of their programmes, their potential strategic synergy and their contribution to the promotion of innovative approaches. Some of these partners (AFD, the World Bank and UNICEF) have not collaborated on IFAD projects since the COSOP was approved. In particular, there has been limited co-operation and sharing of knowledge with the AfDB, which is a missed opportunity as the Bank has a fair amount of activities in the agriculture and rural development sector in Mali. Some forms of cooperation have taken place at the field level in the context of FODESA between IFAD and AfDB projects. However, no projects have been co-financed by IFAD with the AfDB during the evaluation period, and neither has there any collaboration in project supervision and policy dialogue activities. This is a cause for concern, as the AfDB is one of the key institutions that can potentially contribute to the replication and up scaling of innovative approaches promoted by IFAD. Similarly, questions of policy dialogue have not been sufficiently identified. The COSOP recalls that IFAD is “relatively uninvolved in common reflection with the Government and development partners” and proposes that this situation change – without, however, specifying the issues to be discussed and the procedures for doing so.
17. For a better understanding of the context, it is helpful to recall the original definition of the function of a COSOP as a document to be used within IFAD to allow better organization of loan preparation and approval, rather than as a tool for consultation on strategy. Budgetary allocations available for preparing COSOPs were limited at the time (about US\$10 000), sufficient for one-off missions rather than a process of consultation, policy dialogue and strategic planning with partners. Furthermore, COSOPs of the old generation, such as the one for Mali, were prepared only in English, even for French-speaking countries such as Mali.
18. **Response to changes.** The COSOP anticipated that major revisions of its text may be needed starting in 2000-02, especially with a view to better integration into the dynamics of decentralization. This revision was not undertaken. Some initiatives have been initiated at the project level, including the communal development funds

in the context of PDZL II and the attempts to include representatives of local elected bodies in the case of FODESA. Beginning with 2007, FODESA is expected to be better harmonised with the decentralisation framework. However, given the importance of these policy changes, an earlier reflection of such issues in the Mali COSOP would have been appropriate. Similarly, the country's economic situation, the characteristics of poverty, and public policies or views of them have changed¹¹. By the same token, the COSOP might have been updated to better articulate the objectives of the new strategic framework of IFAD and the regional strategy. It is therefore not enough to define a country strategy. Its implementation procedures also have to be adapted to often rapid changes in situations and development issues. It is vital to boost this capacity for adaptation inasmuch as projects experience delays, often considerable, in getting off the ground, which increases discrepancies between project design, IFAD's strategy and current problems.

19. Table 1 gives the ratings of the COSOP given by the evaluation, according to the criteria laid down in the evaluation methodology. While some of the rating criteria might have not been explicitly mentioned in the former COSOP guidelines, the corresponding dimensions were *de facto* contemplated in the COSOP and they represent necessary conditions to ensure the quality of a strategic document. The average rating is 3.7, close to "moderately successful". As already noted, understanding of the issues involved in poverty reduction is successful, but the weaknesses of the COSOP are concentrated especially around the practical issues of operationalization, identification of partners, and policy dialogue. Perhaps these issues could have been better emphasised in the COSOP guidelines.

Table 1: Ratings of the key dimensions of the Mali 1997 COSOP

Quality of the strategy	Rating
Understanding of the main obstacles to rural poverty reduction	5
Relevance and clarity of general and specific objectives	4
Analysis of IFAD's target groups and their needs	4
Operationalization of the strategy	3
Identification of partners and partnership opportunities, and partnership building programme	3
Innovation, replicability and scaling up	4
Policy dialogue	3
Average rating	3.7

6 = highly successful 5 = successful 4 = moderately successful
3 = moderately unsuccessful 2 = unsuccessful 1 = highly unsuccessful

III. IFAD's programme in Mali

20. IFAD formulated strategic guidelines in 1979, 1992 and 1997, in varying sociopolitical contexts. In total, nine projects were approved and a further one is under appraisal (Appendix 1, Table 1). Between the adoption of the latest COSOP (1997) and 2006, two IFAD projects were approved for Mali (FODESA and PIDRN) and a third one (PIDRK) is in preparation. Of these, only one project, the FODESA, has been implemented, while the PIDRN became effective only in May 2006. The present evaluation has examined seven projects. They include the two projects approved after the COSOP (FODESA and PIDRN), as well as the PIDRK: in addition, the evaluation has studied the PDR-MS (Income Diversification Project in the Mali-Sud non-cotton area) and the PDZL II (Zone Lacustre Agricultural Development

¹¹ For example, in 1997 the cotton sector seemed to be flourishing, which the COSOP saw as justification for not intervening in the cotton-growing zone, whereas this area is now one of the poorest in the country, according to monetary poverty and infant malnutrition criteria.

Project – Phase II) as an integral part of the strategy because these projects were approved before but implemented after the adoption of the COSOP and they are defined by the COSOP as in line with its priorities. Finally, the evaluation considered two earlier projects as a pre-COSOP reference situation: the Kidal Food and Income Security Programme (PSARK) and the Ségou Village Development Fund Programme – Phase II (PFDVS II).

21. IFAD projects generally encompass several components with no specific sectoral specialization. According to forecasts at the time of the pre-evaluation, the “irrigation/rural infrastructure” component accounts for about one-third of planned costs (32%), the largest part of the portfolio, followed by “development/agricultural extension and research” (26%), rural finance (16%) and support to local public institutions and decentralization (8%). It should be noted that project management (with technical assistance and monitoring and evaluation) represented less than 18% of the costs anticipated during formulation.
22. Apart from projects, Mali has benefited from ten technical assistance grants of a rather mixed nature. Most of these were regionally-based grants, with activities affecting three to five countries, and between US\$2 and 3 million being devoted to Mali. The activities were carried out by international research institutions and international and local NGOs.

IV. Performance and impact

Relevance of interventions

23. The concept of *relevance* is applied first in defining the degree to which projects are integrated into the country’s policies and programmes and their congruence with IFAD’s strategy. In these terms, IFAD projects are very relevant. In the second place, it is applied to the relevance not of objectives but of the resources (human, financial and organizational) and the approaches to achieve them. Here the question is no longer what is done or what is sought to be done, but *how* it is to be done. And it is usually here that major problems arise. Several difficulties appeared as common to the various projects:
 - (a) the *problem of targeting* groups and/or villages on which to concentrate interventions has never been really satisfactorily solved: targeting is often purely *territorial*, which is practical but inadequate;
 - (b) *approaches are insufficiently economic*, in that they do not take sufficient account of all the problems of the various commodity chains, especially the issues of cost-effectiveness and marketing, which affect the sustainability of interventions;
 - (c) *monitoring and especially evaluation systems* are still too weak to be useful as real piloting tools; it is anticipated that the new projects (PIDRN and PIDRK) will be equipped with the necessary tools to develop a good reference situation, establish an operational monitoring system and make proper impact evaluations using the Results and Impact Management System (RIMS) framework;
 - (d) there are *problems of relevance with practically all the credit components* (inadequate design, inappropriate approaches, confusion between the credit union and village bank models¹²; formulation often focuses on the creation of new structures without taking sufficient account of existing institutions and networks and the experience of other actors.

¹² There are differences between the two models in legal status, governing structure, services offered and resources. Here it should simply be noted that village banks mainly target individual villages, aiming at small farmers and local traders, offering a relatively undiversified product and, with low savings levels, resorting to bank loans. On the other hand, credit unions tend to target a group of villages, with potential clients including all the inhabitants of the region, and with a fairly wide range of savings and credit products. The resources of credit unions are made up mainly of members’ deposits.

24. Although notable improvements can be seen in the design of new projects (PIDRN and PIDRK), it has taken time to position IFAD's operations firmly within the national decentralization process and related financing mechanisms. Projects tend to lack sufficient capacity to adjust their objectives and approaches to changing contexts and strategies. In contexts marked by rapid change, relevance also means adapting to changes – and, better yet, anticipating them.

Effectiveness

25. The effectiveness of operations has been satisfactory in terms of the increase in irrigated areas, thanks particularly to the PDZL II, which has transformed the food security situation in the Zone Lacustre. Projects have been satisfactory enough in actions to establish infrastructure in isolated zones (PDZL II and PDR-MS) and basic infrastructure in the spheres of drinking water, health and hygiene (PDZL II, PDR-MS and FODESA).
26. Interventions concerning production have not been properly accompanied by actions concerning the organization of markets, and this raises problems of cost-effectiveness and sustainability. The PDR-MS is a good example here. The popularization of fertilizing, conservation and soil improvement techniques (hedges, manure pits, zaïs), widely adopted by households, has contributed to a marked increase in areas under cultivation (+ 50%). However, the project has had limited results in terms of crop and income diversification, which was its main goal. Results have been poor, particularly in diversification niches (for example, sesame, *Acacia senegal*), for it is not enough to intervene on production without taking into account all the pre-production problems (inputs, credit) and post-production problems (processing, marketing, market information, norms and required quality)
27. IFAD has played a pioneering role in Mali in supporting grassroots organizations, a promising advance that has allowed the development of local-level management skills and the capacity to assume responsibility. Nevertheless, limitations can be seen, sometimes in the choice of cumbersome structures created by projects at the village level with no development dynamic or perspective (as in the case of village development societies in the PDR-MS) and often in the difficulty of establishing effective support mechanisms for grassroots organizations. The effectiveness of such mechanisms is hampered by the division of tasks among too many operators (NGOs, consulting firms, parastatal agencies), each one specializing in one function and one zone, with consequent problems of coordination and synergy among services, service providers and projects.
28. **Rural finance: evolving objectives, with implementation difficulties.** There has been a clear will on IFAD's side to abandon the inefficient and unsustainable procedures of earlier projects (loans subsidized or directly managed by the project unit). In this sense, some IFAD projects in Mali (for example the PDR-MS) have anticipated the general orientations of the Rural Finance Policy of IFAD. However, the approaches selected were not properly researched at the time of formulation, and project management teams did not include rural finance specialists. In the PDR-MS, hesitation and sometimes confusion between the credit union and village bank models are at the root of sustainability problems. The rural finance component of the PDZL II never got underway, but an agreement was signed with the GTZ at the close of the project, with the PIDRN being responsible for its implementation. In the case of the FODESA, the territorial nature of microfinance institutions does not always seem best for ensuring financial sustainability, while the links between credit and other project components are still weak.
29. **Technical assistance grants** have borne some promising results in terms of attempts to set up a partnership among researchers, developers, technical services and farmers. However, the weak links between research and extension, and especially between loan activities and grants, and the lack of a capitalization and

popularization strategy tend to restrict these pilot experiences to small areas and few farmers.

Efficiency

30. The efficiency of interventions can be assessed by comparing the unit costs of infrastructures (per hectare or per unit), the implementation costs of rural finance components and project management costs with local yardsticks and other reference values. In terms of efficiency, there have been, in general, good results with regard to infrastructures, especially hydro-agricultural schemes. However, low costs have often meant somewhat rough construction (as with many roads and buildings), thus increasing maintenance problems. The evaluation in particular identified problems of poor technical studies and the lack of specific skills within project management teams.
31. With regard to rural finance, the efficiency level has been generally low (with operating costs of rural finance interventions equivalent to 65% to 122% of the volume of loans distributed to beneficiaries). In relative terms, credit union networks, supported by the FODESA in the Koulikoro region, are performing better than networks of village banks as a result of economies of scale, inasmuch as each credit union covers a wider population, whereas the higher operating costs of village banks are, *a priori*, the price to pay for a highly decentralized service.
32. According to information made available to the Mission, projects often have higher operating costs than anticipated (30% or more, rather than the 18 or 20% specified during the appraisal phase), which is partly explained by the extension of projects, and reduces their interventions and further raises their costs.

Impact of interventions on poverty reduction in rural areas

33. By comparison with projects of an earlier generation (PSARK and PFDVS II), recent projects (PDR-MS, PDZL II and FODESA) have overall had more significant impact. However, the relative progress does not always mean that the results are satisfactory, especially when the COSOP objectives are taken into account. The PDZL II has clearly had a remarkable impact on rural poverty, especially on food security and household income. The Zone Lacustre has been turned from a deficit zone to a surplus zone in terms of food crop production. The percentage of poor households and the incidence of infant malnutrition have fallen considerably according to surveys, and farmers are now concerned about marketing the surplus. The results and impacts of the PDR-MS and the FODESA are overall more limited. It is clear that agro-ecological differences between project areas should be taken into account. In particular, PDZL II is implemented in an area with abundant water resources, which is not the case of PDR-MS and FODESA. However, limited performances of PDR-MS and FODESA are mainly due to problems with certain approaches adopted by the two projects.
34. In terms of **increased material and productive resources**, the most effective activities concern hydro-agricultural schemes, notably in the PDZL II zone where, according to our estimates, new irrigated areas have resulted in a per capita increase in income of CFAF 37 000 (a rise equivalent to + 25% of the current per capita poverty threshold for almost half the population of the zone). The PDR-MS has contributed to major increases in areas and in the production of millet and sorghum (traditional crops), but no increase in agricultural yields and no significant diversification of crops or sources of income – its main objectives – have been observed. For the PDR-MS the basic problem is identified with the choice of an institutional model – village development societies¹³ – ill-suited to the context, and

¹³ Village development societies were designed on the model of the village associations in the neighbouring cotton zone. They are structures of the "village cooperative" type, responsible for organizing the promotion of alternative products and social services. However, the PDR-MS has been carried out in a non-cotton zone, which means that the economic engine typical of village associations was absent. The village development societies have remained relatively lethargic project structures, attracting project funding but with limited sustainability chances after project closure.

also with the lack of a commodity chain approach, which does not help the disposal of products on markets. The FODESA, the only project implemented after approval of the COSOP, has had a limited effect in terms of increasing household incomes (a per capita increase of 1 to 2% of the poverty threshold, according to our calculations), because of the low profitability of microprojects and problems over getting rural finance activities under way.

35. In terms of **improved health conditions**, the impact has been fairly significant, especially for drinking water and health. The three projects evaluated (PDR-MS, PDZL II and FODESA) have made it possible to meet the water requirements of nearly a quarter of the people in the communes in question. As concerns health, the establishment of community health centres (PDZL II and PDR-MS) has resulted in a significant increase in access to care, a reduction in the rate of childhood diseases and a marked improvement in the health of mothers and children.
36. **Food security.** The project with the most marked impact in this sphere is the PDZL II. According to our calculations, the project has resulted in a net gain of about 100 kg of rice per beneficiary, equivalent to more than half the per capita cereal consumption (186 kg). According to surveys carried out in the project zone by IFPRI (1997/98) and Cornell University (2006), indicators of the nutritional status of children from zero to five years of age (the weight/height ratio and especially the height/age ratio) have shown a marked rise. These results are due not only to increased production but also to support to health centres, which have played major roles in raising awareness of nutrition problems (measurement of young children) and in the general improvement in health conditions. We can therefore speak here of a clear interaction between increased production (linked to irrigation) and improved health (linked to health centres and drinking water).
37. In terms of the **environment**, the project that has paid more attention to natural resource management is the PDR-MS, with many operations concerned with hedges, reforestation and *Acacia senegal* plantations. In the same context, *diversity fields* were established in the context of the technical assistance grant programme with the aim of preserving biodiversity by bringing research and farmers' knowledge together more effectively. It was an innovative and promising venture, but there has been limited follow-up to these activities. In the case of PDZL II watershed protection measures have been taken. They are in principle pertinent ones, although no assessment of their final effects is available.¹⁴
38. **Social capital and the functioning of institutions.** Much support has been given to village associations, grassroots farmers' organizations and, less systematically, to umbrella organizations. Local-level management skills have thus been developed, and the place of women and young people within decision-making structures boosted. However, the impact of these support measures is hard to gauge and raises many questions. Thus, support has often been given to structures that in fact had little chance of lasting; this is particularly the case with village development societies under the PDR-MS. Support to umbrella organizations has rarely been decisive or has tended to be confined to organizational advice, with no significant content or any practical economic aim. Lastly, impact is limited by a lack of coordination between the various technical, economic and organizational support measures, which are often entrusted to different operators.
39. **Market access.** Most IFAD projects include activities to open up road access to isolated areas, with resulting impact on transport costs and hence, on market access. Although improvement to the road network facilitates access to all social and economic services, the solution of market access problems cannot be confined to such initiatives. It must be admitted here that IFAD's interventions with regard to

¹⁴ In the case of FODESA, very few actions have been undertaken so far, but a US\$6 million agreement has been signed with GEF and a partnership is being developed with the Institut d'économie rurale of Mali and Ecocarbone – France.

marketing have been unsystematic and limited, and have had therefore little sustainable impact on the organization of agricultural commodity chains. One of the reasons is the stress placed (in principle, rightly so) on food security, but with an approach too narrowly focused on production. As a result, pre-production problems (credit, inputs) and all the key problems of marketing (processing, organization of collection, information systems, standards and qualities needed to facilitate marketing) have been underestimated, although production has a cost and producers have to sell part of their production to cover that cost.

40. The performance and impact of COSOP-generation projects (PDR-MS, PDZL II and FODESA) have, in general, improved in comparison with the reference situation (PSARK and PFDVS II). However, the overall results cannot yet be considered satisfactory, particularly because the most significant advances are concentrated in a single project (PDZL II) and because only a part of the COSOP's objectives have been achieved in a satisfactory manner. Results in the improvement of food security (the COSOP's first objective) have generally been fairly satisfactory, as have those in the improvement of health and access to drinking water. However, impact is still limited in two key COSOP domains: the creation of a sustainable process of participatory village development (second objective) and improved household incomes (third objective). For sustainable natural resource management, actions have been undertaken under PDR-MS and PDZL II although no assessment is available of their final effects. Impact has been significant when interventions have been integrated and concentrated in geographical terms, as in the PDZL II, which had a strong territorial concentration of interventions and synergy among components (for example, irrigation, health centres and drinking water in the same communities). On the other hand, impact has been limited in projects such as the FODESA, where the main problems are connected with the demand-driven approach, which entails the risk of scattering activities over a fairly wide area with a poor integration of components.¹⁵
41. **Sustainability** is still weak because of the weaknesses of farmers' organizations, an often unclear definition of responsibilities for the upkeep of infrastructures, and the fact that little study has been devoted to the cost-effectiveness of productive microprojects (warehouses, shops, soap-making and dyeing units, local irrigation schemes). The lack of specialists in project management units (PMUs) has reduced the quality of interventions. With regard to rural finance, the networks established are far from being sustainable, and various elements indicate persistent difficulties, such as a financial sustainability rate of 50 to 60%. In general, real sustainability possibilities are often overestimated when the projects are being formulated, and the search for sustainability starts only at the end of the project, leaving little time to ensure the transition.

Innovation and replicability potential

42. IFAD has not been very innovative in Mali in the past ten years, particularly in key areas such as rural finance, support to farmers' organizations or adaptation to the decentralization process. Innovations have been confined to two areas: technical assistance grants and the demand-driven approach. Technical assistance grants have introduced innovative approaches in terms of participatory research and the boosting of farmers' capacity to understand, analyse and manage their plant genetic resources. However, such activities have tended to remain localized without a structured process to capitalize on and share and disseminate experiences, and thus without replication and upscaling. In particular, there is little synergy between grant and project activities, a situation resulting from the lack of a clear approach to

¹⁵ During the implementation phase, there have been attempts to reduce the administrative area of project coverage. Still at the time of the evaluation, in those villages served by FODESA, there was an average of 1,1 projet per village, which, given the nature of microprojets, is inadequate to generate major dynamics and impact at the community level.

innovation in the COSOP, the separation between grant conception and monitoring within IFAD, and the separation between executing agencies in the field.¹⁶

43. The second innovation in the Malian context concerns the FODESA, and particularly the demand-driven approach and its institutional arrangements (attempts to include farmers' association in the project management structure). Although this approach may seem attractive, it does have limitations in terms of the scattered nature of interventions and poor income generation. At the same time IFAD's direct supervision missions have questioned the capacity of the project to effectively represent farmers' organisations. These limitations have been recognized by IFAD and the Fund is now trying to modify the project's strategy.

Non-project activities

44. These activities can be deemed indispensable tools in formulating and implementing IFAD projects and in promoting innovation. Dialogue with partners is concentrated mainly on the problems of the setting up or piloting of a given project. IFAD is not represented in Mali, except for an IFAD project coordination office within the Ministry of Agriculture. However, this office seems to be a liaison body between the Government and IFAD, without the status that would allow it to carry on direct dialogue with other partners. IFAD is thus absent from several thematic groups (notably those on rural development or decentralization) that coordinate between major donors who have little knowledge of what IFAD does in the field. By the same token, IFAD is part of the Mali UNDAF but lack of field presence poses constraints. Practical coordination has to take place on the spot and as needed, which would probably require local official representation. IFAD's traditional partners such as the WADB and the BSF make contributions in such areas as infrastructure, health and nutrition, but IFAD's contacts have been weaker with other organizations, such as the European Union, the World Bank, France and Germany, which play major roles in the various aspects of rural poverty reduction. Now IFAD has a new role as lead agency for the regions of northern Mali, which means that its interactions with other donors will have to be stepped up.
45. The absence of field presence, the limited financial resources available and some limitations in the articulation of objectives are constraints on IFAD when engaged in policy dialogue. IFAD projects can contribute to policy dialogue insofar as they provide innovative experiences that can be replicated. In earlier projects, support to grassroots farmers' organizations helped to highlight the question of partnership among the public sector, farmers' organizations and the private sector. However, IFAD's contribution to policy dialogue has so far been limited in such spheres as security of land tenure (although the new PIDRN includes some initial activities), decentralization (the PIDRN and PIDRK are expected to make up for the delay) and the regulation of microfinance institutions. Initiatives have been introduced by the new projects; in particular, the PIDRN plans a unit responsible for dialogue on food security policies. These are improvements that will be easier to assess once this project is under way.
46. Knowledge management has been limited, for lack of resources and specific initiatives¹⁷, and this explains: i) the difficulties in taking on board knowledge and experience already available in Mali, for example in the sphere of rural finance; and ii) the absence of a framework to capitalize on innovative experiences with technical assistance grants. More generally, the weakness of the monitoring and evaluation systems at the project level means that basic information for knowledge management is not available when needed. The new PIDRN proposes relevant

¹⁶ At IFAD, projects are formulated by regional divisions, while grants have traditionally been designed by the Technical Advisory Division. In the field, project executing agencies and grant executing agencies are not the same.

¹⁷ There are indeed activities at regional level for knowledge management, such as FIDAFRIQUE network. However, knowledge management would have required some specific activities in the country, for example related to lessons learned from the TAG implementation or to the experience of other agencies implementing rural finance projects.

activities through a unit dedicated to policy dialogue and the sharing of experience concerning food security, and these should be evaluated during its implementation.

V. The performance of IFAD and its partners

47. **IFAD.** Although the quality of project formulation is generally fairly good, it is regrettable that often little attention is paid to a truly economic approach to poverty (commodity chains, market organization). According to PA and the Ministry of Agriculture of Mali, it might be too ambitious to “adopt economic approaches” in areas where food insecurity is prevalent. The point made by the present evaluation is simply that that economic viability and upstream and downstream market issues (commodity chain approach) should be carefully studied from the beginning as they represent key ingredients to improve food security and an essential pre-requisite for sustainability. As production cannot be increased without costs, the conditions to be able to repay such costs need to be considered.
48. During the implementation phase, projects lack flexibility. Mid-term reviews are of good quality, but are often carried out too late to define any changes in design or methods in time to make a difference: this is a problem of support to the execution and piloting of operations and represents a structural constraint of the traditional IFAD operating model. The projects are very varied, which is obviously due to the varying features of zones and situations, but this raises the question of the consistency of the portfolio as a whole. There is little synergy or dialogue among projects in terms of approaches, implementation procedures and operators, a phenomenon aggravated by the weakness of monitoring and evaluation systems which constrains the self-evaluation capacity of IFAD and the ensuing problems with capitalization. The new RIMS methodology is at present being introduced in the FODESA, while the design of the new PIDRN and PIDRK explicitly integrates the RIMS framework.
49. **Direct supervision.** FODESA was one of the 15 projects included in the IFAD Direct Supervision Pilot Programme (DSPP), which was evaluated by OE in 2005. Consistent with the conclusions of the DSPP evaluation, direct supervision and implementation support has proved to be a more effective instrument for IFAD in Mali, as compared to supervision by co-operating institutions. That is, direct supervision has contributed to better familiarisation of IFAD with issues at the field level. Therefore it represents a promising option, particularly when cooperating institution can not provide expertise in key project areas. Having said that, however, direct supervision and implementation support has required a greater level of effort by the CPM, for whom direct supervision and implementation support was an added responsibility without a concurrent reduction in other tasks. In sum, notwithstanding its clear benefits, the CPM's workload level, skills requirements and financial aspects of direct supervision and implementation support activities need to be carefully considered in the future.
50. **Government.** The Government of Mali's development strategy tends to be concentrated around poverty reduction, and this increases its consistency with IFAD's programmes. Here too, problems do not concern principles or main objectives, but implementation. One of the central problems the Government runs up against (as do IFAD programmes) is that of coordination between local development and decentralization on the one hand, and on the other the development of a competitive agriculture, which implies the adoption of a commodity chain approach and the taking into account of all the conditions of production. Much progress is still needed in this connection at the local, regional and national levels, and here IFAD could play a role, although this would require a revision of its intervention procedures.
51. **PMU and management procedures.** Although the new generation of projects has been marked by improved project management, the rates of implementation were still low during the first years, leading to the need for project extensions and hence,

to increasing management costs. These delays reflect problems with design, but also with the piloting of interventions. We are still a long way from a *culture* of enterprise and results, even in the case of the FODESA, which was set up in a way that attempted to avoid cumbersome administrative supervision.

52. The other source of poor functioning arises from what can be called the side effects of the "Do-Do" approach, meaning that PMUs subcontract most of the implementation functions to operators from the private sector, NGOs or parastatals. These concerns are amplified by the institutional project configuration introduced by IFAD which is perceived, even by the staff of the project and of the Ministry of Agriculture, as the source of several problems. The "Do-Do" (*faire faire*) approach has its good points, but also its limitations, linked to many factors, especially the partners' technical skills, their piloting capacities in the broad sense (management, planning, supervision) and their financial standing. In the Malian context, as in others, one cannot confine oneself to "Do-Do" in a formal framework of a purely "contractual" type. There should also be "Do with" (*faire avec*) in supporting, supervising and guiding the great majority of operators, which is not being done, or not enough. Likewise, for "Do-Do", one also has to know how "to do" oneself (*savoir faire*), and this is not always the case.
53. These difficulties, which are structural, are exacerbated by the breaking up of projects into multiple interventions, their geographical dispersion, and the general tendency to subcontract all operations, often without monitoring or any very tight coordination. Training is thus subcontracted, but so too is evaluation of this training – and possibly the evaluation of the evaluation will be subcontracted to another consulting firm. All this leads to a multiplication of contracts and operators, with project structures focusing on drawing up and managing contracts, and work that is bound to be carried out at the cost of strategic piloting of the projects. In future, better awareness of the context and the real workload entailed in the "Do-Do" approach is necessary, by strengthening project monitoring and evaluation structures. The difficulties encountered by rural finance components are typical of the piloting problems encountered by IFAD projects. The lack of rural finance know-how within PMUs is a handicap in the selection of partners, the negotiation and adaptation of the content of interventions, and the supervision of their implementation. Similarly, the succession of different people in supervision and review missions has not helped consistency in decision-making or a long-term view of the issues at stake.
54. The WADB has played two roles in IFAD programmes: cofinancing and supervision. As a cofinancer, it has enabled a number of initiatives to be carried out to open up isolated areas (roads, ferries) with major impact at the local level, especially under the PDR-MS and the PDZL II. As a cooperating institution responsible for supervision, its contribution is harder to assess because of the many interactions with all the partners (including IFAD) in running programmes. One may wonder whether the WADB has contributed real added value in such key areas as credit, approach strategies with regard to poverty or ways of supporting farmers' organizations. Its role was most often confined to monitoring functions (undoubtedly important), but without any significant contribution to the *strategic* piloting of programmes.
55. The partnership between IFAD and the BSF in Mali covers the recent period of the PDZL II, which has just finished, and the PIDRN, which has just started. Activities funded under the PDZL II covered a fairly wide variety of interventions, ranging from the establishment of health centres, schools and latrines to the financing of motorpumps and initial working capital for inputs. All these activities have made major contributions to improving living conditions, incomes and food security in the zone, and the PDZL II has had the clearest impact on poverty of any IFAD project. Nevertheless, even in the opinion of Belgian Cooperation's officers in Mali, the BSF's supervisory capacity (in both Bamako and Brussels) has been poor, although the

Belgian General Directorate of Development Cooperation is apparently making efforts to improve the situation.

VI. Conclusions and recommendations

A. Conclusions

56. We have had occasion to stress that, given the available financial resources, IFAD's strong point cannot lie in the amount of its investments but rather in the quality of its performance and in the promotion of innovation. The present evaluation has considered IFAD's most recent COSOP for Mali and a number of projects that have been integrated into this strategy. The objectives of these projects have generally been in line with public policies and strategies and IFAD's orientations, although weaknesses have been identified in the approaches adopted to achieve these objectives. Interventions have, in general, been effective in increasing irrigated areas and establishing basic infrastructures in isolated areas, but more limited in making production profitable, developing commodity chains and supporting grassroots organizations. Efficiency has been satisfactory with regard to hydro-agricultural components, but poor in rural finance components. In addition, project management costs have far exceeded forecasts.
57. The impact of projects has generally been fairly successful in improving food security, health and hygiene. It has been limited in other areas included in the COSOP's objectives: increasing household incomes and creating sustainable village-level participatory development processes. Sustainability is still weak because of the weakness of grassroots organizations, problems over defining responsibilities for infrastructure upkeep and risks to the financial viability of rural finance institutions.
58. The programme has not, as a whole, been very innovative. The two innovations it did contribute are concentrated on grant activities, where promising techniques and approaches have been developed, but with little follow-up or capitalization, and on the demand-driven approach, which shows major risks of dispersion. The capacity to promote innovation has been limited by the lack of clarity of vision and a specific approach, resulting in poor synergy between grants and projects, and difficulties in dialogue with partners, policy dialogue and knowledge management.
59. Overall, the present evaluation has noted an improvement in performance between projects of an earlier generation (PSARK and PFDVS II) and more recent projects (PDR-MS, PDZL II and FODESA). However, results are still not satisfactory because: i) the most significant impacts have been concentrated in a single project (PDZL II); ii) an important part of the COSOP's objectives have not been successfully achieved; iii) sustainability still appears to be at risk; and iv) the programme has made only a limited contribution to promoting innovation.
60. Table 2 seeks to summarize these findings by presenting the average ratings of the earlier-generation projects (PSARK and PFDVS II) and the post-COSOP projects (PDR-MS, PDZL II and FODESA) reviewed by the evaluation. (The specific ratings of the projects are given in Appendix 1, Table 2.) Although there is an improvement in averages between earlier and more recent projects, there is still considerable room for performance enhancement.

Table 2. Average evaluation ratings

	<i>ReferenceProjects (PSARK, PFDVS II)</i>	<i>COSOP programme (PDR-MS, PDZL II, FODESA, PIDRN, PIDRK)¹⁸</i>	<i>ARRI (2005)¹⁹ averages</i>
I. Performance²⁰	2.7	3.7	4.4
II. Impact²¹	2.6	3.7	4.2
III. Sustainability	1.5	3.0	3.6
IV. Innovation and scaling up	2.5	3.3	4.2
V. Performance of IFAD and partners²²	2.9	3.6	4.0
IFAD	3.0	3.7	3.8
- cooperating institutions (supervision) and other donors		3.7	4.1
- Government and PMUs	3.0	3.7	4.1
- NGOs/service providers/ farmers' organizations		3.3	-
Overall performance	2.4	3.5	4.1

Ratings: 6 = highly successful 5 = successful 4 = moderately successful 3 = moderately unsuccessful 2 = unsuccessful 1 = highly unsuccessful

B. Recommendations

a) Revision of strategic planning

61. The preparation of a new COSOP for Mali is planned and the new COSOP should particularly take into account changes in the country's socio-economic context, new development strategies and IFAD's new action plan, which has implications for various operational tools²³
62. **Periodic adjustment.** Once the major thrusts have been established, an annual adjustment document should be planned²⁴ covering, in particular, the key elements in the country's economic and political situation, an assessment of IFAD's current interventions (projects and grants), new directions and priority opportunities.
63. **Resources.** Since every activity is conditioned by the availability of resources, the new COSOP should also discuss the resources required to implement the strategy. In particular, this means specifying the human resources and expertise needed (at both IFAD staff and project management levels), as well as the budgetary implications.
64. **Refocusing on smaller areas and concentration of sectors.** Realistically, IFAD projects need to refocus on smaller areas, where impacts will be visible. The same comment applies to intervention sectors: it is necessary to concentrate on fewer sectors and commodity chains where support from specialists can be counted on, at both IFAD and project levels.

¹⁸ For the COSOP programme, the averages refer to the PDR-MS, PDZL II and FODESA. Ratings for the PIDRN and PIDRK are confined to relevance of design.

¹⁹ ARRI (2005) is the Annual Report on Results and Impact of IFAD operations evaluated in 2004. This column gives the average ratings of projects evaluated in 2004 as a reference point.

²⁰ The performance rating represents the average of ratings for relevance, effectiveness and efficiency.

²¹ The overall impact rating represents the average of ratings for impacts on: i) material and productive resources; ii) food security; iii) environment and natural resources; iv) human capital; v) social capital and the functioning of associations; and vi) market access.

²² The rating of partners' performance is the average of the performance of IFAD, the cooperating institution, the Government-PMU, NGOs and service providers.

²³ Including the new structure of COSOPs, knowledge management, project supervision and country teams.

²⁴ A proposal to revise the COSOP framework presented to IFAD's Executive Board in September 2006 moves in this direction.

65. **Adoption of more “economic” approaches** especially by supporting joint actions at upstream and downstream market level (organization of commodity chains, post-production problems, competitiveness), linking technical and economic advice more effectively, and integrating better with local and regional development and food security plans and the plans of local communities.

b) Boosting of implementation support and local-level management capacities

66. It is essential to build up the strategic management capacities of projects at the PMU level, especially in order to avoid the side effects of the “Do-Do” approach. The accent must be placed on three linked objectives:

- (i) of *IFAD’s implementation support capacities* through more frequent review and support missions and more active participation in solving implementation problems;
- (ii) boosting of *PMUs’ technical skills*, depending on the actions planned, so that they can steer interventions, and guide and “digest” missions of experts, not just supervise activities and contracts;
- (iii) major boosting of *monitoring and evaluation mechanisms for a results-based approach*; evaluation of the social and economic impact of interventions on households must be undertaken professionally from the outset; these tasks could be entrusted to specialized Malian bodies (such as the National Directorate of Statistics and Informatics), so that they could be incorporated into the national mechanism for poverty monitoring and analysis.

c) Strengthening the coordination with partners

67. In the first place, it would seem necessary for IFAD’s new strategy to specify the *objectives* of the partnership (what one expects from the partnership, what one wants to do with the partners) and the *criteria* for identifying partners, for example in terms of similarity of interventions, technical expertise or presence in the area.
68. With regard to the tools to promote and strengthen partnerships, it seems necessary to strengthen IFAD’s representation in Mali in order to improve its visibility with various major donors (notably the European Union, the World Bank, France and Germany), especially in view of IFAD’s new responsibility as lead agency for the northern regions of Mali where there are major political stakes and serious problems in coordinating the various types of support. In addition, a stronger IFAD representation would contribute to better implementation support and eventually higher effectiveness of the operations.
69. Coordination with partners could be increased on two major fronts: i) on the thematic and sectoral front, where IFAD could take the initiative in organizing roundtable meetings or national workshops in partnership with other donors, while permanent consultation structures could be established; ii) on the geographical front, where frequent meetings between donors operating in the same zone are obviously very useful, but where a sustainable improvement in coordination is impossible unless local management and consultation structures are systematically strengthened.

d) Boosting of innovation promoting capacity

70. IFAD needs a systematic approach to: i) knowledge management, so that it can take on board available promising experiences; ii) partnerships, so that it can forge strategic alliances with innovation creators (technical cooperation agencies, NGOs, research institutions) and funding and executing agencies that will ensure the

dissemination and replication of such innovation (the Government, other donors); and iii) the capacity to intervene in policy dialogue so that it can promote innovations and remove institutional and legal obstacles to their implementation.

71. In terms of project design and execution, a *systematic collaboration* framework between grants and projects must be set up, based on five main thrusts: systematic analysis of needs, the search for available alternatives (inside and outside IFAD operations), implementation of small-scale pilot schemes, capitalization on results, and popularization of advances, including through the media, in order to facilitate scaling up. In this regard, a lead should be taken from the Agreement at Completion Point of IFAD's evaluation of its own capacity as a promoter of replicable innovations, carried out by the Office of Evaluation and Studies in 2001-02.

Table 1 : IFAD-financed projects in Mali

<i>Projects</i>	<i>IFAD loan (USD 000)</i>	<i>Date of EB Approval</i>	<i>Date of loan effectiveness</i>	<i>Closing date</i>	<i>Cofinanciers</i>	<i>Cooperating Institution</i>
1. Village Development Fund Project	8 730	14 /09/ 82	01 /03/ 83	30 /09/ 92	-	UNOPS
2. Mali Sud II Rural Development Project	12 585	13 /09/ 83	09 /08/ 84	31 /03/ 90	CCCE, IDA, FAC, AFD, the Netherlands	BM - IDA
3. Zone Lacustre Agricultural Development Project	6 700	03 /12/ 86	23 /12/ 87	30 /09/ 96	WADB, OPEP	WADB
4. Kidal Food and Income Security Project	8 699	30 /11/ 88	05 /07/ 90	30 /06/ 99	WFP, UNICEF, BiSD	WADB
5. Village Development Fund Project – Phase II	13 080	13 /12/ 90	06 /08/ 92	30 /06/ 99	-	UNOPS
6. Income Diversification Project in the Mali Sud Area	15 000	05 /12/ 94	25 /07/ 96	30 /06/ 05	WADB, OPEP	WADB
7. Zone Lacustre Agricultural Development Project - Phase II	12 692	17 /04/ 96	12 /06/ 97	30 /06/ 06	WADB, FSB	WADB
8. Sahelian Areas Development Fund Programme	21 949	02 /12/ 98	14 /10/ 99	30 /09/ 09	GEF	IFAD (direct supervision)
9. Northern Regions Investment and Rural Development Programme	15 424	19 /04/ 05	05/06	-	WADB, FSB	WADB
10. Kidal Region Integrated Rural Development Programme	<i>Appraisal phase</i>					

Source: IFAD PPMS

Table 2: Ratings for the different projects

	Reference situation before COSOP			PDR -MS	PDZL II	COSOP Programme 1997			Average COSOP projects	Average ARRI 2005 ²⁵
	PFDVS II	PSARK	Average			FODESA	PIDRN	PIDRK		
I. Performance (Average of relevance effectiveness, efficiency)	3.0	2.3	2.7	3.0	4.7	3.3			3.7	4.4
- Relevance	4.0	3.0	3.5	3.0	5.0	4.0	5	5	4.4	5.1
- Effectiveness	3.0	2.0	2.5	3.0	5.0	3.0			3.7	4.2
- Efficiency	2.0	2.0	2.0	3.0	4.0	3.0			3.3	3.9
II. Impact (Average of impact domains reported below)	3.0	2.3	2.6	3.5	4.6	3.0			3.7	4.16
Physical and productive assets	3.0	2.0	2.5	3.0	5.0	3.0			3.7	4.4
Food Security	3.0	2.0	2.5	4.0	6.0	3.0			4.3	4.1
Environment and common resource base				4.0						3.9
Human assets	3.0			4.0	4.0	4.0			4.0	4.4
Social capital and empowerment	3.0	2.0	2.5	2.0	4.0	3.0			3.0	4.0
Access to markets		3.0		4.0	4.0	2.0			3.3	
III. Sustainability	2.0	1.0	1.5	2.0	4.0	3.0			3.0	3.6
IV. Innovation, replicability and scaling up	3.0	2.0	2.5	4.0	3.0	3.0			3.3	4.2
V. Performance of Partners (averages)	3.0	3.0	3.0	3.0	4.0	3.6			3.6	4.0
- IFAD	3.0	3.0	3.0	3.0	4.0	4.0			3.7	3.84
		3.0		3.0	4.0	4.0			3.7	4.12
- Cooperating Institutions and other donors										
- Government and PMUs	3.0	3.0	3.0	3.0	4.0	4.0			3.7	4.06
- NGOs / Service Providers		2.0		3.0	4.0	3.0			3.3	
Global project performance	2.8	1.9	2.4	3.1	4.1	3.2			3.5	4.1

Ratings 6= highly successful 5 = successful 4 = moderately successful 3 = moderately unsuccessful 2 = unsuccessful 1 = highly unsuccessful

²⁵ This column presents the average ratings in the 2005 Annual Report on the Results and Impact of IFAD Operations (ARRI).

