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Report on IFAD's Development Effectiveness

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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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Abbreviations and acronyms

ARRI	Annual Report on Results and Impact of IFAD's Operations
CEN	Central and Eastern Europe and the Newly Independent States
CI	cooperating institution
CPM	country programme manager
CPP	country presence programme
EAD	External Affairs Department
ERM	enterprise risk management
FAD	Finance and Administration Department
FAO	Food and Agriculture Organization of the United Nations
G8	Group of Eight
HR	human resources
ICT	information and communications technology
IFIs	international financial institutions
M&E	monitoring and evaluation
NRM	natural resource management
OPV	Office of the President and the Vice-President
PCR	project completion report
PMD	Programme Management Department
PSR	project status report
RB-COSOP	results-based country strategic opportunities programme
RIDE	Report on IFAD's Development Effectiveness
RMF	Results Measurement Framework
WFP	World Food Programme

Executive Summary

1. This is the third annual Report on IFAD's Development Effectiveness (RIDE), and the last report covering the Seventh Replenishment period. During 2007-2009, IFAD has given priority to enhancing its development effectiveness. Its Action Plan has guided its steps towards this objective, while the RIDE has provided an important means of establishing accountability for achievements in terms of project and programme impact.
2. The RIDE is IFAD's most comprehensive report on its own performance: it covers the results of every IFAD-funded project implemented during the year, progress made in strengthening management systems to underpin those results, and the relevance of IFAD's activities to national and global development processes. The RIDE is largely based on self-assessments, and comparison of its results with those reported in the Annual Report on Results and Impact of IFAD's Operations (ARRI) – produced by IFAD's independent Office of Evaluation – provides some basis for gauging the accuracy of the self-assessment process. Over three years, the general congruence of RIDE and ARRI project performance ratings has been striking. This trend continues in 2009, with the ARRI actually being more positive about IFAD's performance than the RIDE in a number of areas. There is only one area of divergence, relating to project performance in environmental issues, a concern that will be addressed in the 2010 edition of the RIDE following an in-depth review.
3. The general relevance of IFAD's mandate to the central issues of global poverty reduction and development has never been clearer than it is today. Never before have issues of food security and smallholder agriculture been closer to centre stage in global politics and economics, even beyond formal development arenas. Equally, never before has IFAD been in such demand for participation in the highest-level forums for addressing global issues. This high degree of global relevance today is not just a matter of mandate: it is also grounded in the excellent performance of IFAD-funded projects and programmes in terms of relevance to both national poverty reduction strategies and the concerns of poor rural people. While experts generally agree that the resources and technical knowledge are available to increase food production by 70 per cent by 2050 – the amount needed to feed a global population expected to grow to 9.1 billion by then – the burning issue is whether the food can be grown in the developing world, where the poor and hungry can actually gain access to it at prices they can afford.
4. The concern today is also whether IFAD, in addition to being relevant to key issues, is also effective in addressing them. The Seventh Replenishment set challenge targets for IFAD to improve its effectiveness by 2010. The large majority have already been reached or surpassed, and in some areas – such as human and institutional development, agricultural development and gender – performance has been very strong.
5. The key question implicit in the Seventh Replenishment has been whether IFAD can make effective use of its resources. It has amply shown that it can. For the Eighth Replenishment (2010-2012), the question broadens: Can IFAD become a leader in performance, and a catalyst for scaling up the investment of resources far beyond its own?
6. The ARRI suggests that, with regard to project impact, IFAD is as effective or more so than comparable international financial institutions. However, much of the improvement in performance today comes from a significant reduction in the percentage of projects that have performed poorly, achievements to which field presence and direct supervision have contributed substantially. In order to play a catalytic role, and to drive a scaling-up process, IFAD needs to increase the

percentage of projects with better than mid-level results: to raise the level of excellence.

7. This pursuit of excellence must be accompanied by greater efficiency, including in the project cycle itself. Project life is being extended often to give time to achieve planned results. This is costly for IFAD and indicative of a sluggish benefit flow – to the detriment of the economic efficiency of the projects involved. In effect, IFAD has improved performance, but it now has two additional tasks: to achieve results faster; and to raise the level of expectation. This may require extra resources beyond the savings that are beginning to be reaped from country presence and direct supervision.
8. Overall, the management system established to support the achievement of IFAD's development results is working, and should be even more effective when embedded in a revised corporate strategic framework and a renewed focus on medium-term planning, reform and performance management. A vital issue is whether IFAD's administrative and management systems can continue to provide the required level and quality of services to project cycle operations under the expanded programme of work of the Eighth Replenishment period. A period of zero and negative real growth in this area has stretched IFAD's human resources. Under the aegis of results-based budgeting within a medium-term planning framework, IFAD will have to shift from a simple sense that the programme area should be strengthened to one where resource allocations are based on a careful and strategic review of necessary service levels and modalities in every aspect of its operations. There are important effectiveness and efficiency benefits to be gained from a well-managed decentralized structure. Paradoxically, however, IFAD may also need to strengthen the corporate dimensions of management to ensure that savings obtained from streamlining processes are not automatically applied back to where they were derived from but to where they will have the most benefit.

Report on IFAD's Development Effectiveness

I. Relevance

Agriculture and crisis

1. The landscape for assistance to developing countries to reduce poverty and hunger and improve economic growth has undergone major transformations. Recent overlapping crises – food, fuel, economic, and climate – have had devastating consequences on developing countries and in particular on the poor, and have threatened to slow down or even reverse important achievements made over the past decade. The setback may not be temporary: agricultural productivity and food production are not keeping pace with demand, in part spurred by population and income growth and biofuels. The challenge of global food security will remain: higher and more volatile food prices, and environmental and climate changes are here to stay.
2. Before the crises, approximately 1.4 billion people, slightly more than 25 per cent of the developing world's population in 2005, lived in extreme poverty – a marked improvement compared with 1990, when these statistics stood at 1.8 billion and 52 per cent respectively.¹ Today's projections suggest that overall poverty rates in the developing world will still fall in 2009, but at a much slower pace, with the number of poor people expected to be from 55 million to 90 million higher than anticipated before the economic downturn.² In sub-Saharan Africa and South Asia, both the number of poor people and the poverty rate are expected to increase in some of the most vulnerable and low-growth economies.³
3. Indicators linked to the first Millennium Development Goal for hunger and child malnutrition are showing the same changes. The declining trend in the rate of undernourishment in developing countries since 1990-1992 was reversed in 2008 – largely due to escalating food prices. An estimated additional 115 million people were pushed into hunger in the last year, raising the number of undernourished people over the one billion mark for the first time in history.⁴ In the developing world, the proportion of children under five years of age who were underweight declined by only five per cent from 1990 to 2007 – from 31 to 26 per cent.⁵ This rate of progress is insufficient to halve underweight prevalence – even without taking into account higher food prices and the economic crisis that has since unfolded.⁶
4. As a result of over 20 years of underinvestment in agriculture, agricultural productivity growth has deteriorated significantly. Cereal yields are today increasing at between 1 and 2 per cent per annum, compared with 3 and 6 per cent in the 1960s-1980s. The connection between underperformance and underinvestment was recognized in 2003, when the member countries of the African Union, meeting in Maputo, Mozambique, pledged to increase spending on agriculture to at least 10 per cent of national budgets. But so far, although eight countries have met or surpassed it, the continent as a whole has not met this target. The investment challenge is exacerbated by the global economic crisis: net financial flows to all developing countries (for example, from trade, official development assistance, foreign direct

¹ *The Developing World Is Poorer than We Thought, but No Less Successful in the Fight against Poverty*, Policy Research Working Paper 4703, World Bank, Washington, D.C., 2008.

² *The Millennium Development Goals Report 2009*, United Nations, New York.

³ *Ibid.*

⁴ *Responding to the food crisis: synthesis of medium-term measures proposed in inter-agency assessments*, Food and Agriculture Organization of the United Nations (FAO), Rome.

⁵ *The Millennium Development Goals Report 2009*, United Nations, New York.

⁶ *Ibid.*

investment, and remittances) could fall by as much as US\$300 billion over 2007-2009, equivalent to a 25 per cent drop.⁷

5. Although much uncertainty remains about the aggregate effects of climate change on agriculture, research by the International Food Policy Research Institute indicates that it will cause further yield declines and additional price increases for the most important crops. Calorie availability in 2050 will decline relative to 2000 levels throughout the developing world.⁸ The strongest negative impact of climate change on agriculture is anticipated in sub-Saharan Africa: the world's poorest and most food-insecure region is expected to suffer the largest contraction of agricultural incomes.
6. The severe droughts in East Africa this year provide stark evidence of the effects of these predicaments on developing countries and the poor. In some areas, crops have totally failed, and livestock are dying on a massive scale, causing famine and increased conflict. The effects are also felt in the cities and on national economies, as dams run out of water, causing shortages of electricity. Heavier than usual rains are predicted in coming months. Mud slides and floods are likely, with streams and rivers carrying off topsoil. Malaria and cholera may increase. Surviving cattle, weakened by drought, may drown or die of cold.⁹
7. This is the ominous backdrop against which the international community faces the challenges of eradicating poverty and hunger, and doubling food production to feed an estimated 9.1 billion people by 2050 – while simultaneously reducing greenhouse gas emissions from agriculture and ensuring adaptability of food production systems to warmer and more extreme and variable weather. These challenges call for a far stronger and sustained response by donors, governments, civil society and the private sector to address the root causes of hunger, poverty and environmental vulnerability in developing countries.

Frameworks for response

8. The crises are global, real and urgent – and the international community now recognizes that national and global poverty and hunger reduction targets will not be met unless increased and more effective aid is provided for smallholder agricultural development – as a vital part of a comprehensive effort to put global agriculture back on a sustainable growth path. The Group of Eight (G8) commitment in July 2009 to invest US\$20 billion in agriculture – the L'Aquila Food Security Initiative – represents a potentially historic breakthrough, underscoring a shift towards long-term investment in farming in the developing world, recognizing the role of smallholders in development and reversing almost three decades of decline in aid to agriculture.
9. Until recently, agriculture has remained a relatively marginal issue in climate change discussions, but the complex linkages between climate change and agriculture as one of the world's most important production and livelihood systems are beginning to receive greater attention. As a result of the initiative of a broad consortium of partners that included IFAD, agriculture has been accorded relevant prominence in negotiations for the Fifteenth Conference of the Parties (COP 15) of the United Nations Climate Change Conference to be held in Copenhagen, Denmark, in December 2009. Furthermore, coinciding with the COP 15 meeting, an "Agriculture and Rural Development Day" will be held with the aim of developing a workplan of strategies and actions to fully incorporate agriculture into the post-Copenhagen agenda.
10. With a view to supporting the articulation of pro-poor development, economic and policy tools to overcome the multiple challenges agriculture faces in the twenty-first

⁷ *The global financial crisis and developing countries: taking stock, taking action*, Briefing Paper 54, Overseas Development Institute, London, September 2009.

⁸ *Climate Change: Impact on agriculture and costs of adaptation*, International Food Policy Research Institute, Washington, D.C., 2009.

⁹ *The Economist*, 26 September 2009, London.

century, the Food and Agriculture Organization of the United Nations (FAO), with the active support of IFAD and the World Food Programme (WFP), has organized two major events: the High-level Expert Forum – How to Feed the World in 2050, and the World Summit on Food Security. Serving in the secretariats responsible for preparing both meetings, IFAD contributed to them extensively.

11. Although agriculture and rural development are back on the global development assistance agenda, continued effort is required to ensure that they remain a priority. The understanding among policy- and decision-makers of the essential role of agriculture in poverty reduction, food security and overall economic development needs to be further reinforced. Even without climate change, significantly greater resources for agriculture and rural development investment programmes and research are required to eradicate poverty and hunger and meet the world's long-term demand for food. Climate change adds to the urgency, complexity and scale of the investment required.

IFAD's role

12. Agriculture is a key element of the development and environmental management situation – in developing countries, but also globally. Particularly within developing countries, smallholder agriculture lies at the heart of the equation, and its evolution will chart the path of poverty and the rural contribution to environmental change. It is imperative that the concerns of smallholders feature strongly in future policy frameworks (at global and national levels) for reducing poverty, increasing agricultural productivity and improving capacity for adapting to and mitigating climate change – and, perhaps for the first time, this has been broadly acknowledged.
13. The issue today is much less about advocating for support to small-scale farmers and poor rural producers, than showing what that support means – in policy, in institution-building, in human capital development and in physical investment. IFAD has been identified as a key supplier of this knowledge – because this is what it has been working on for 30 years in hundreds of projects and programmes across the world. IFAD is the only institution that has focused exclusively on smallholder development, and that focus has embraced working for change in almost every developing country.
14. In response to this active demand for solutions, IFAD is proactive in contributing knowledge, experience and insight arising from IFAD-supported country programmes and projects. It brings the point of view of smallholder farmers and rural entrepreneurs to bear on international policy deliberations, and builds their capacity so that they themselves can engage in and influence relevant policy processes, including through South-South partnerships and knowledge-sharing among countries and regions.
15. To maintain relevance, and to be able to provide increasingly valuable support to the global effort, IFAD itself is changing. Within the framework of its Eighth Replenishment (2010-2012), overall strategic guidance for IFAD's operations will be improved through a new corporate strategic framework. This will in turn be underpinned by a strategy on climate change and by new policies on the environment and natural resource management, on grants (which among other things will permit IFAD to extend grants to private-sector entities), indigenous peoples, middle-income countries, and possibly on gender. These will be accompanied by the expansion of two fundamental ongoing structural changes that bear on both effectiveness and learning: country presence and direct supervision of programmes. Through them, IFAD will be able to respond to client countries' evolving challenges and capture and disseminate knowledge from programmes more effectively.
16. To achieve broad impact and to share IFAD's experience it is imperative that the Fund strengthen partnerships. IFAD is working hard to increase the engagement of

partners, governments and other financiers in scaling up successful approaches and programmes for poverty reduction and expanding smallholder production in rural areas. It is privileging innovation, knowledge-sharing and partnerships within its country operations to achieve this. Building on strong performance against commitments agreed to in Paris and Accra, IFAD is intensifying efforts through its expanding country presence to promote country ownership, leadership and accountability. It is doing so by strengthening national and local capacities and skills (including those of targeted rural communities and rural civil society organizations) for the design and management of agriculture and rural development strategies and programmes – as well as by using country systems. IFAD is also expanding its partnership strategy laterally, by supporting the increased engagement of the private sector in the provision of agricultural production, processing, marketing and financial services to the smallholder farming sector. The proposed revised IFAD Policy for Grant Financing (EB 2009/98/R.9) embraces the private sector as a partner, and a measure to support this priority may be the establishment of a new facility to promote private-sector investment in rural areas.

17. IFAD's ability to meet the global demand for solutions to the challenges of reducing poverty, raising food security and production, and responding to climate change depends on the success of its country operations, and its commitment to the systematic and effective measurement of its own performance, responsiveness to areas needing improvement and openness to learning. Based on the recently approved Results Measurement Framework (RMF) 2010-2012,¹⁰ and drawing on analysis and reporting from its internal results management system, the following two chapters of this report provide a comprehensive account of both IFAD's contribution to agriculture and rural development and the measures it has put in place to enhance its effectiveness.

II. Development effectiveness

A. Project outcomes and impact

18. This section of the Report on IFAD's Development Effectiveness (RIDE) analyses IFAD's development effectiveness based on the criteria of project performance, rural poverty impact, sustainability of benefits, innovation, learning and scaling up, and gender.
19. This report uses mainly the results observed from recently completed projects. A two-year moving average is used to enlarge the cohort and minimize random variations due to smallness of the universe of the completed projects. Altogether, 2006-2007 and 2008-2009 analyses are each based on 52 completed projects. In analysing the strengths or weaknesses of the projects or in seeking explanations for performance, the report has used the projects reviewed in 2008-2009 only. It has complemented the analysis by comparing results of its assessment with those generated by IFAD's independent Office of Evaluation (OE), when these are available and appropriate. Annex I describes the tools used for measuring portfolio performance and project outputs and outcomes.
20. IFAD's self-evaluation instruments use a six-point scale of assessment, as do OE's. A rating of 6 is equal to highly satisfactory; 5, to satisfactory; 4, to moderately satisfactory; 3, to moderately unsatisfactory; 2, to unsatisfactory; and 1, to highly unsatisfactory. A score of 4 or higher reflects an overall positive performance. This forms the basis for most of the analyses and is in line with the performance assessment methodology being used by OE and IFAD's RMFs. In analysing the results, this report also has classified projects on the basis of the ratings of 5 and 6, termed as strong performance; 3 and 4, as average performance; and 1 and 2, as weak performance.

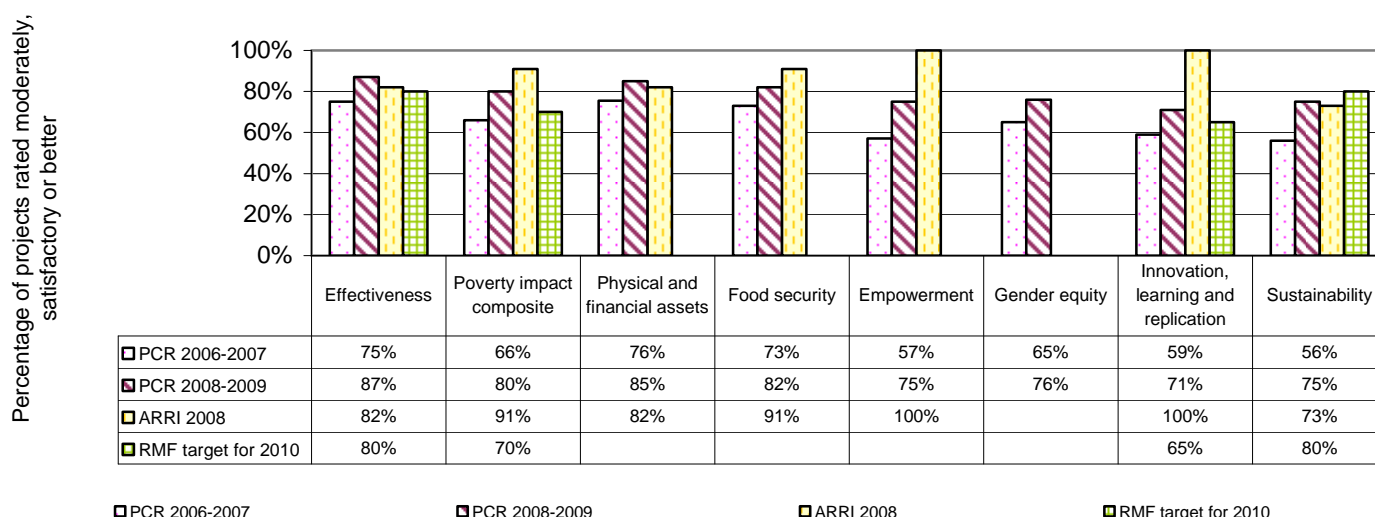
¹⁰ EB 2009/97/R.2, Results Measurement Framework for the Eighth Replenishment period (2010-2012).

21. This chapter is divided into six sections. Section A provides a brief overview of the achievements made against the targets set for 2010 under the RMF 2007-2010. It also summarizes the baselines and the targets set for 2012 under the new RMF agreed for the Eighth Replenishment period (2010-2012). Sections B, C, D and E respectively present the most recent results on outcomes and impacts in terms of project performance, rural poverty impact, overarching factors such as innovation, sustainability, targeting etc., and partners performance, including IFAD's.

B. Overview of achievements against the Seventh Replenishment Results Measurement Framework

22. A snapshot of the current performance of the Fund's country programmes and projects against the targets set in IFAD's RMF 2007-2010 is presented below.

Chart 1
Project outcomes: Targets and achievements



23. The 52 completed projects reviewed during the year showed that IFAD's performance is improving and is higher than the target set for 2010 in all performance measures, except for sustainability – which has, nonetheless, improved.

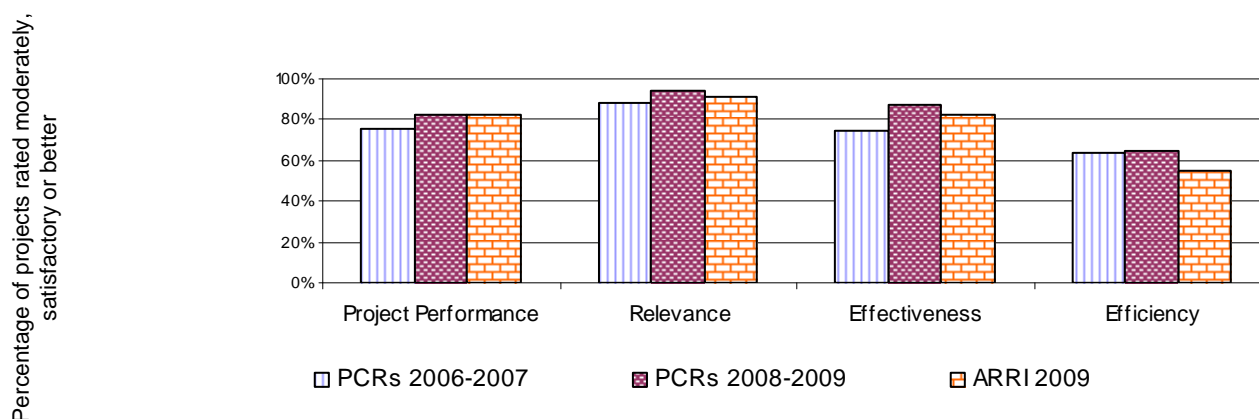
C. Project performance

24. In measuring project performance, and in alignment with the methodology employed by OE, IFAD uses three internationally accepted criteria:
- Relevance – the extent to which project objectives are consistent with the priorities of poor rural people and other stakeholders;
 - Effectiveness – how well projects perform in delivering against their objectives; and
 - Efficiency – how economically resources are converted into results (“value for money”).
25. **Overview.** IFAD projects perform best with regard to relevance, with a very high and increasing share of projects rated 4 or better (94 per cent in 2008-2009). This is in line with past assessments and reflects IFAD's steady and satisfactory performance in addressing the challenges of rural poverty reduction. The most pronounced changes, however, took place in the area of effectiveness where the

share of ratings better than or equal to 4 has increased from 75 per cent in 2006-2007 to 87 per cent in 2008-2009. This seems to indicate that the quality of project design and implementation is gradually improving and positively affecting project achievements. However, the efficiency of the projects reviewed is low compared with the other two indicators, with only 65 per cent of the projects rated 4 or better in 2008-2009.

26. While the Annual Report on Results and Impact of IFAD's Operations (ARRI) and the project completion report (PCR) reviews report identical performance in terms of overall project performance, the ARRI reports slightly lower performance for effectiveness and significantly lower performance for project efficiency for its much smaller 2008 cohort (11 projects). On the basis of a three-year moving average (2006-2008), however, the ARRI find 62 per cent of the projects to be moderately satisfactory or better for efficiency. This figure is much closer to the 65 per cent reported by the 2008 and 2009 cohort of 52 projects reviewed using PCRs.

Chart 2

Project performance: Relevance, effectiveness and efficiency**Relevance**

27. For relevance, the share of positive ratings is very high and has increased slightly since 2006. This seems to indicate that IFAD is continuing to make progress in improving the alignment of its interventions with the poverty reduction strategies of its partner countries and the needs of the rural poor.
28. A total of 18 projects were found to be relevant or highly relevant with respect to their approach, goals, objectives and components (Albania, Argentina, Bangladesh, Burkina Faso, Colombia, Guatemala, Guinea, India, Indonesia, Kyrgyzstan, The former Yugoslav Republic of Macedonia, Malawi, Pakistan, Panama, the Philippines, Sri Lanka, Uganda and the Bolivarian Republic of Venezuela). This demonstrates that, in most cases, the overall concept and design responds to the needs of the rural poor. The present review also shows that projects that are strategically well identified and well focused have greater chances of staying relevant throughout project implementation.
29. In other cases, project relevance was questioned in the course of implementation, due to changing political circumstances, but reaffirmed through appropriate restructuring measures. This was the case in Albania where project design was adapted during implementation to the rapidly changing economic environment of the country – a crucial step that made it possible for the project to reach very positive results at completion.

30. In cases where a project was found less or only moderately relevant, specific components or features were either not targeted at the needs of the rural poor, or not sufficiently so. This points to weaknesses during project design and of the targeting mechanism in particular (Burkina Faso, Cameroon, the Wulin Mountains Minority-Areas Development Project in China [China Wulin] and the Quinling Mountain Area Poverty-Alleviation Project in China [China Qinling]). In Cameroon, for example, the project's focus on microfinance institution (MFI) networks that service the better-off prevented it from reaching its ultimate objective of enabling the rural poor to access financial services.

Effectiveness

31. In 2009, of the 25 completed projects, 21 (or 84 per cent of total) were found to be moderately satisfactory or better for effectiveness, with 12 receiving a positive rating of satisfactory or highly satisfactory. These projects met their most critical objectives, reached or surpassed their physical targets and demonstrated improved household incomes and lower poverty levels.
32. Less effective projects encountered major difficulties in reaching their development objectives due to a combination of implementation factors. These problems led to implementation delays and thus to the non-attainment of the objectives set. The projects in Cameroon and Guyana, which received the lowest ratings, experienced a particularly poor implementation performance, and were further hampered by weak implementation capacities and lack of beneficiary ownership.

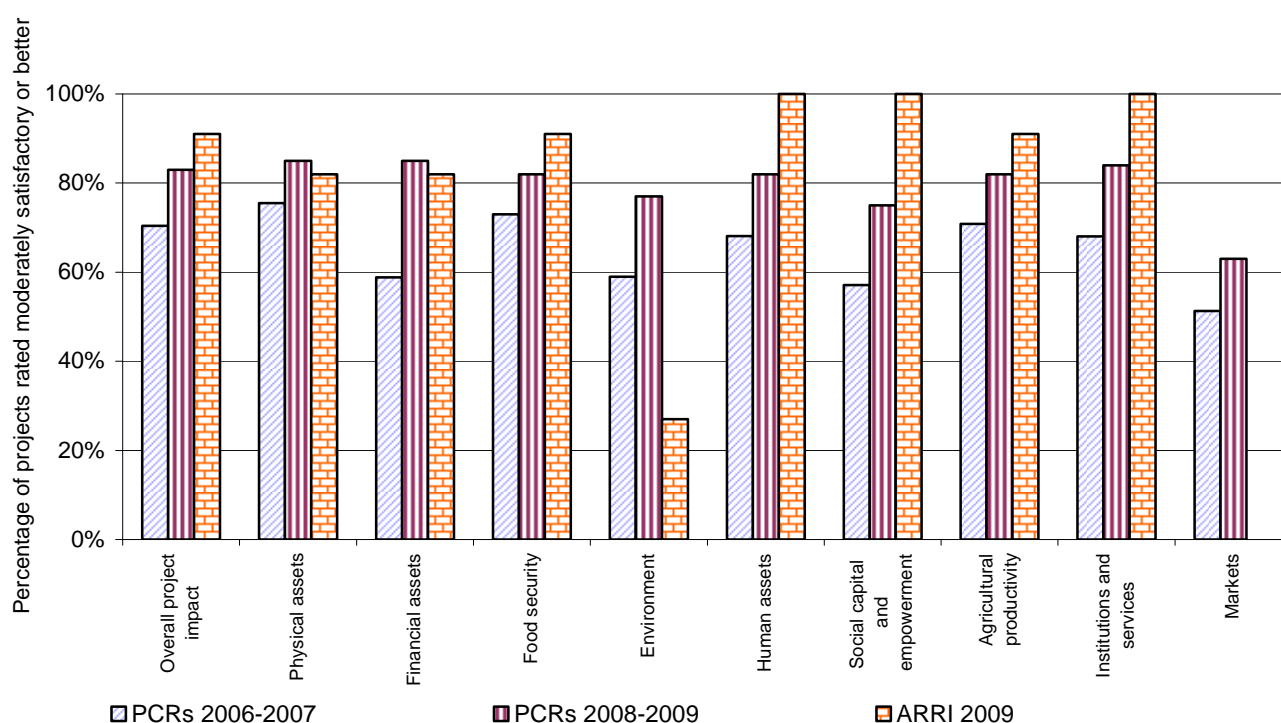
Efficiency

33. In 2009, a higher number of PCRs provided a recalculated economic rate of return at project completion than in previous years, allowing for a more objective assessment of the efficiency of the investment projects supported by IFAD. Several projects also provided cost-benefit ratios for key outputs and compared them with appraisal figures. A better assessment of project efficiency has, however, demonstrated that efficiency of IFAD project interventions is mostly average (rated 3 and 4). The share of average ratings is about 64 per cent in 2008-2009, and the share of highly positive ratings (5 and 6) is about 24 per cent.
34. In 2009, eight PCRs provided clear evidence that the capacity to use loan resources efficiently (rated 5 or 6) led to a higher economic rate of return than anticipated at appraisal (Argentina, China Qinling, Pakistan, the Philippines, Sri Lanka and Uganda) and/or to lower costs per beneficiary (Argentina and Colombia). In the case of The former Yugoslav Republic of Macedonia, the PCR points to a lower-than-expected cost-benefit ratio for selected activities, including the support to individual value chains, the number of loans and the outcomes of the operational support provided by the agricultural credit discount fund.
35. A total of nine projects were rated inefficient or partly inefficient (rated 2, 3), due to a combination of factors, including poor service delivery, implementation delays and high operating costs. The review of PCRs demonstrated that a weak or hurried project design often leads to serious implementation problems. The main design weaknesses were: (i) poorly focused or complex designs; (ii) improper approaches, in particular for targeting; (iii) overestimation of implementation capacities; (iv) complex implementation arrangements; and (v) incorrect assumptions, including underestimation of project costs. In Cameroon and Zambia, for example, weak implementation performance combined with poor financial management led to operating costs of respectively 220 and 293 per cent at completion, compared with appraisal figures. These implementation problems led to implementation delays, which were partially corrected with extensions.
36. Of the 2009 cohort of 25 projects, 21 were extended for an average period of 2.4 years, increasing the average project implementation period from 5.7 to 8.1 years.

D. Rural poverty impact

37. Rural poverty impact is measured against nine key impact indicators defined in the Methodological Framework for Project Evaluation, adopted by IFAD in 2003. These are physical assets, financial assets, food security, environment, human assets, social capital and empowerment, agricultural productivity, institutions and services, and markets. The definition of each of these impact domains is presented prior to the discussion of the results.
38. **Overview.** Overall, the performance has improved for all domains from an average 65 per cent of projects rated 4 and better in 2006-2007 to 80 per cent in 2008-2009 (weighted average across all nine areas). In general, the ARRI 2008 has reported a higher performance than by the self-evaluation system (91 per cent versus 83 per cent) in terms of rural poverty impact.

Chart 3
Rural poverty impact



Note: Beginning in 2008, the ARRI has reduced the number of impact domains. When the PCR uses multiple domains against the ARRI's single domain, the same figures have been used. The ARRI does not report on market performance.

39. The chart above shows that the higher share of projects rated 4 or better is in the areas of human assets and institutions and services with 82 and 84 per cent respectively. Access to markets appears to be the area with the weakest impact as evidenced by a lower share, 63 per cent. When the share of positive (5 and 6), negative (1 and 2) and average (3 and 4) ratings is considered, human assets and institutions and services are again major areas of success. Both areas show a higher share of positive than of average ratings and no negative ratings.
40. The two-year moving averages reflect a positive trend as well. In the case of human assets, the share of positive ratings increased by 12 percentage points from 40 per cent in 2006-2007 to 52 per cent in 2008-2009, and the share of negative ratings dropped from 13 to 2 per cent. In the case of institutions and services, the progress is even more pronounced, with positive ratings increasing from 30 to 57 per cent between 2006-2007 and 2008-2009, or 27 percentage points. This is a very significant increase and demonstrates that the impact of IFAD interventions on

institutions and policies servicing the rural poor and on their human capital has been substantially improved over the past four years.

41. As noted above, by contrast, IFAD projects appear to have a weak impact in the area of markets. Impact on markets and market information is found less than partly satisfactory, and little progress has been made over the years as shown by the two-year moving average, which increased from a low 3.5 in 2006-2007 to 3.8 in 2008-2009. On the positive side, the share of successful ratings has steadily increased from 15 per cent in 2006-2007 to 32 per cent in 2008-2009, while negative ratings decreased from 21 to 16 per cent.
42. In the remaining areas, the impact of IFAD projects is mostly moderately satisfactory or better. These concern physical assets, financial assets, food security, environment, social capital and empowerment and agricultural production.

Physical assets

43. Physical assets measure the extent to which the project facilitated access to the productive resources (such as land, water, livestock, tools and equipment) and technologies needed by the poor to increase their returns from labour and their incomes. As 85 per cent of the projects completed and reviewed in 2008-2009 show moderately satisfactory or better performance, IFAD's performance here is relatively better than in other impact domains. This domain is characterized by a relatively high, and constant, share of positive ratings (5 and 6), ranging from 47 per cent from 2006 to 2007 and 53 per cent from 2008 to 2009, and a sharp decline in negative ratings (1 and 2), while the share of average ratings remained fairly stable.
44. The impact of IFAD projects on physical assets was considered strong when the project provided evidence that improved living conditions were the result of better access to physical assets. In 2009, this was the case for 12 projects (Albania, China Qinling, China Wulin, Guatemala, India, Kyrgyzstan, The former Yugoslav Republic of Macedonia, Malawi, the Philippines, Sri Lanka and Uganda). The type of physical assets varied, depending on the nature of the project. In India, the project increased community access to key social infrastructure such as latrines, schools, roads, water tanks and electricity. This in turn led to a substantial improvement in livelihoods.
45. A modest or low impact on physical assets was found among projects that performed weakly overall (Cameroon, Guyana, Panama and Zambia). In Guyana, weak beneficiary ownership of the project prevented it from contributing to any felt impact on physical assets among the beneficiary populations. In Panama, the project's impact on physical assets was much lower than expected: rural infrastructure works were built and rehabilitated, but fewer than initially foreseen; the loans made for productive activities were often spent on consumption items; and only 3 per cent of the expected number of beneficiaries received land ownership certificates, anticipated as an important project outcome.

Financial assets

46. Financial assets measure the extent to which the project contributed to improving the financial resources available to the rural poor, their access to financial services and the project's contribution to the institutional framework for rural financial services. This impact domain is related to IFAD's strategic objective of providing a broad range of financial services.
47. While the overall rating of 85 per cent of the projects is moderately satisfactory or better, the impact of IFAD projects on the financial resources available to the rural poor could be improved further, particularly by increasing the share of positive ratings, which remained largely unchanged between 2006-2007 and 2008-2009.
48. In 2009, seven projects showed a positive impact on the financial assets of the poor (Albania, Bangladesh, China Wulin, The former Yugoslav Republic of Macedonia,

Pakistan, Uganda and the Bolivarian Republic of Venezuela). With the creation of specialized rural financial services institutions, IFAD project interventions in Albania and The former Yugoslav Republic of Macedonia contributed strongly to facilitating access to rural financial services at a time when these were either non-existent or very limited. The project in The former Yugoslav Republic of Macedonia had a particularly strong impact: from a situation where rural financial services were almost non-existent, it managed to make these services more widely available and introduce systemic changes in the way they were provided.

49. There are other positive examples of increasing the poor's access to financial services. In China Wulin, Bangladesh and the Bolivarian Republic of Venezuela, improved access to rural financial services allowed the population to increase their incomes and hence their assets.
50. In contrast, three projects had an unsatisfactory or only moderately satisfactory impact on financial assets. In the case of Zambia, the rural finance component was not implemented owing to the absence of a qualified financial institution. In the cases of Kenya and Malawi, the expected targets were not reached due to the poor implementation of related activities, which in turn affected the projects' overall implementation performance.

Food security

51. Food security is defined as impact on the availability of food (produced or purchased), household food security and the nutritional status of children. As such, food security is a major concern to IFAD.
52. Like the physical and financial assets domains, food security shows moderately satisfactory ratings for 82 per cent of the projects. Moreover, negative ratings (1 and 2) in this domain fell from 19 to 7 per cent between 2006-2007 and 2008-2009.
53. In 2009, a total of five projects had a positive impact on food security (China Qinling, India, The former Yugoslav Republic of Macedonia, Malawi and Uganda) following implementation of a large variety of activities aimed at increasing the quantity and quality of food and household incomes. In China, grain availability per person in the Hubei region increased by 87 per cent over the 2000-2007 period, from 266 to 500 kilograms. A nutritional survey carried out in the region found that the incidence of both acute and chronic child malnutrition was significantly reduced – by over 50 per cent in the latter case. In India, household food security was substantially improved through regular vegetable intake from vegetable gardens and regular access to meat thanks to higher household incomes. In Uganda, higher household incomes allowed farmers to access improved farm inputs, which in turn has led to increased agricultural production and productivity and hence to better household food security.
54. Project impact on food security was modest or unsatisfactory when overall project impact was weak and impact on agricultural production and incomes lower than expected (Guinea, Guyana, the Bolivarian Republic of Venezuela and Zambia). In the case of Guinea, despite the project's contribution to increased agricultural production, productivity and higher incomes from the sale of produce, household food security could not be improved. Nonetheless, chronic malnutrition among children under five was lower in the project area than elsewhere in the country.

Agricultural productivity

55. Measured in terms of cropping intensity, yields and land productivity, agricultural productivity embraces a project's contribution to production increases in crops, livestock and fish. On this, about 82 per cent of the projects are rated as moderately satisfactory or better. Overall, the share of negative ratings (1 and 2) decreased from 27 per cent in 2006-2007 to 4 per cent in 2008-2009 to the benefit of more average ratings. The share of positive ratings remained largely unchanged, indicating that no substantial improvement has been made in terms of pushing overall performance to a higher level.
56. In 2009 strong impacts (rated 5) were noted for seven projects. Agricultural productivity in these projects was increased through: (i) development and distribution of improved seeds (Kyrgyzstan and Sri Lanka); (ii) introduction of soil conservation measures (Pakistan); (iii) irrigation (China Wulin, Pakistan); (iv) support to the development of extension services (Kyrgyzstan); (v) access to rural financial services (The former Yugoslav Republic of Macedonia); and (vi) the introduction of new production technologies (Sri Lanka). In Pakistan, irrigation had a significant impact on the average yields of all major crops (60 per cent for maize and 76 per cent for wheat) and on cropping patterns. Farmers with access to irrigation decreased groundnut production by at least 20 per cent in favour of other, more remunerative crops such as vegetables, fodder and maize.
57. The expected impact on agricultural production and productivity was not achieved in five cases (Bangladesh, Guyana, Panama, the Bolivarian Republic of Venezuela and Zambia). Overall implementation weaknesses seem to have been the main reason for a poor impact on agricultural production and productivity. This was the case in Panama and Zambia (both rated 3 in terms of overall performance) where production and productivity increases remained well below expectations. In the Bolivarian Republic of Venezuela, low productivity increases were due to the absence of good extension and marketing services and to the fact that loans were primarily used for consumption and not for production purposes. In Guyana, production and productivity targets could not be reached because of a generally underperforming project coordination unit and a weak poverty focus during implementation.

Environment

58. This indicator measures the extent to which project interventions contributed to preserving or rehabilitating the environment – often the main source of livelihoods of the rural poor – or, in the opposite case, to the further depletion of the natural resource base. It relates to the strategic objective of assisting the rural poor in securing access to land and water, and helping them to improve natural resource management (NRM) and conservation practices.
59. With 77 per cent of the projects characterized as moderately satisfactory or better, this impact domain can be considered to have satisfactory outcomes. The share of average ratings (3 and 4), however, is significant at 67 per cent.
60. In 2009, three projects only (China Qinling, India and the Philippines) implemented a variety of activities that contributed to the protection and rehabilitation of the natural resource base. In China, the construction of water reservoirs, check dams and irrigation facilities lessened the impact of floods and droughts. The planting of fuelwood trees on steep slopes also reduced the risk of soil erosion and landslides, while at the same time contributing to reforestation of the area. In India, the project has helped and encouraged NRM groups to conserve and bring under their protection large forest areas.
61. Projects rated negatively either had a potentially negative impact on the environment at completion (Kenya and Uganda) or gave insufficient attention to environmental concerns during implementation (Guyana).

62. The 2008 cohort of 11 evaluations shows a much lower performance in terms of NRM and environment. This needs to be juxtaposed with three-year moving averages, which until 2008 had shown not only higher performance (at about 65 per cent) but also steady improvement. The 2008 result therefore is somewhat of an exception. It is also worth noting that not all IFAD projects have objectives set for NRM and environment, and assessing projects without such objectives using this criterion would result in a lower performance.
63. This domain, however, needs significant improvement in future as performance is clearly weaker than in other domains. Realizing this, IFAD has recently taken new initiatives. These include: (i) revision of IFAD's environmental and social assessment procedures; (ii) introduction of procedures for strategic environmental assessments at the results-based country strategic opportunities programme (RB-COSOP) stage; and (iii) setting up of an environmental and social assessment help desk. IFAD is also making efforts to strengthen collaboration across a wider range of relevant operational areas through partnerships; participation in selected communities of practice; and learning and sharing on specific themes such as climate change, participatory mapping and ecosystem services, primarily through seminars, training and on-the-job learning. Organizationally, the Global Environment Facility unit has been upgraded and is mandated to deal with climate change-related issues. IFAD also continues to support and benefit from the Global Mechanism of the United Nations Convention to Combat Desertification.

Institutions and services

64. The impact domain assesses a project's effect on institutions, policies and the regulatory framework relevant to the rural poor. This and two other impact domains – social capital and empowerment, and human assets – in part contribute to IFAD's strategic objective related to local and national policy and programming processes. It considers both existing institutions and policies, and the creation of new ones.
65. On this domain, IFAD's interventions are among the strongest. The share of positive ratings has increased from a low base of 30 per cent in 2006-2007 to 56 per cent in 2008-2009. In fact, no negative ratings were given in 2009. This 26 percentage point increase provides clear evidence of IFAD's growing capacity to establish and strengthen institutions and policies servicing the rural poor.
66. IFAD's achievements at national level are noteworthy, particularly in Latin America. Several IFAD projects triggered the creation of new institutions that provide essential services to the rural poor, while others supported the implementation of decentralized decision-making processes directly involving poor and marginalized groups. In Argentina and Colombia, IFAD contributed to the definition of new national policies on participatory rural development and microfinance in rural areas. In the Bolivarian Republic of Venezuela, the IFAD project led to the creation of local councils. IFAD successfully contributed to strengthening existing institutions in the region to meet the standards of a market-based economy. IFAD's impact on institutions and services was less pronounced in Asia, Africa and in the Near East and North Africa region. Good results, however, were reached in terms of local development and support to decentralization processes in Burkina Faso and Guinea. In Pakistan, the community organizations established by the IFAD project were the forerunners for citizen community boards, which later became an integral part of the local government ordinance.

Social capital and empowerment

67. This impact domain assesses the extent to which the project has improved the capacities of the poor to take part in and influence decision-making processes, both as individuals and as a group. The share of average ratings (3 and 4) remained largely unchanged between 2006-2007 and 2008-2009. On the positive side, the share of negative ratings (1 and 2) dropped from 26 to 6 per cent from 2006-2007 to 2008-2009, and the share of positive ratings (5 and 6) increased from 31 to 51 per cent.

68. **Strong impact.** Nine projects evidenced strong impact (rated 5) on social capital and the empowerment of the rural poor. Most of these projects succeeded in establishing, strengthening and consolidating organizations of the rural poor (Colombia, Guinea, Guatemala, Kyrgyzstan, The former Yugoslav Republic of Macedonia, Pakistan, Uganda and the Bolivarian Republic of Venezuela) while at the same time building the capacities of the beneficiaries to manage their own development, negotiate with partners and mobilize resources.
69. A weak impact on social capital and empowerment of the rural poor is usually linked to weak project implementation capacities and an altogether low project performance (Cameroon, Guyana, Kenya and Zambia). In three cases, the reasons were more specific. In Albania, the water users' associations established under the project were largely dysfunctional and underperforming until they eventually collapsed. Weaknesses in the project's approach and methods, underperforming partners and insufficient training of association members are mentioned as the main causes for their breakdown. In Indonesia, the PCR concluded that a large number of the self-help groups established under the project had not been sufficiently strengthened and were still weak at completion. Time and resources seem to have been the main limiting factors. Finally, in China, the project in Wulin simply failed to strengthen the capacities of the village implementation groups adequately, mainly because it had placed the output (village development plans) at the centre of attention rather than the participatory development process.

Human assets

70. This indicator measures the project's contribution to improving the knowledge and skills of the poor, their access to basic education, safe water and health care. IFAD is demonstrating a strong and increasing impact on facilitating the poor's access to health, water and sanitation, and to basic education and technical, organizational and managerial knowledge. Because of the nature of its interventions, IFAD's impact in this area has traditionally been strong. Improvements have therefore been moderately pronounced with a share of positive ratings (5 and 6) that has increased from a high 41 per cent in 2006-2007 to 52 per cent in 2008-2009. Nevertheless, the share of average ratings is substantial.
71. In all regions, IFAD has successfully provided essential training to beneficiaries, groups and service providers in various areas and at different levels. In the Central and Eastern Europe and the Newly Independent States (CEN) region, training efforts were focused on building strong human capital in key economic areas, for instance, specialized technical skills (such as irrigation, agricultural processing and marketing, business) to ensure the competitiveness of agricultural production and essential managerial and advisory skills needed in a market-based economy (training of business advisors, master trainers in integrated pest management, rural finance, etc.).
72. In Asia, Africa and the Near East and North Africa, IFAD was successful in providing basic education (literacy training) and technical training in a large variety of areas, allowing individuals and groups to increase both their farm and non-farm income, which in turn allowed them to send their children to school, access health care and medication, and improve their nutritional status. In many instances, this was translated into higher self-esteem, better decision-making capacities and a gradual shift away from self-sufficiency towards greater engagement in income-generating activities. Women were specifically targeted in various projects. In Guinea, IFAD provided almost 20,000 people access to health care and more than 50,000 people access to safe water in some 200 villages. This helped reduce women's workloads and their exposure to water-borne diseases. Also, successful implementation of farmer field schools has facilitated the adoption of improved technologies in Malawi.
73. In Latin America, training efforts focused not only on the rural poor but also on public and private service providers. One example is Argentina where the IFAD project trained technical staff at provincial level enabling them in turn to train and

form rural producer groups. In Colombia, the project had a good impact on strengthening the capacities of microenterprises and associations of microenterprises.

74. The impact of IFAD projects on human assets was unsatisfactory when the project coordination unit's implementation capacities were weak and prevented the project from providing an adequate and timely response to the needs of the rural populations (Guyana, Kenya and Panama), or when project interventions were not sufficiently targeted to meet the needs of the rural poor. In both projects in China, the training activities offered by the project were not particularly relevant to the specific needs of the rural poor, and of women in particular; while in the sector-based projects in Cameroon and Ethiopia, the training activities were not specific enough to address production and conservation issues affecting smallholders.

Markets

75. This impact domain includes both physical access to markets (roads and means of transportation) and market information. It relates to IFAD's strategic objective of contributing to transparent and competitive markets for agricultural inputs and produce.
76. IFAD's impact is weakest in this domain with a very high share of average ratings (52 per cent) and a relatively low share of positive ratings (32 per cent in 2008-2009). More importantly, the situation has only marginally improved over the years. IFAD proved to be successful in six cases, including two CEN countries (Albania and The former Yugoslav Republic of Macedonia) where specific value chains were developed to reach international standards, based on an inclusive approach involving all partners concerned. In Kyrgyzstan, the Kyrgyz Market Information Service was fully developed and rendered operational and sustainable under the IFAD project. In two other cases (Bangladesh, Uganda), the IFAD project contributed to improving the market infrastructure and the rural road network, thus facilitating farmer's access to inputs and markets, and to developing the rural economy.
77. Projects with a very low impact include interventions in Panama and Guyana, which failed because of their weak implementation capacity. In both cases, precise activities were foreseen at appraisal but were not given sufficient attention by the project implementation unit and therefore not implemented. In some cases, the projects supported isolated activities, such as road construction, as opposed to a more structured and holistic approach to market development. One such example is Malawi where water users' associations were created to manage both the irrigation schemes and the marketing of rice. This worked only in schemes that were well enough organized to have a marketing shed.
78. IFAD's relatively low performance in enhancing access to markets and market information is explained by a number of factors. Markets do not constitute an explicit objective in many projects. Similarly, project design and implementation suffer from inadequate assessment of market potential, rapid expansion in production without due consideration of the market, and inadequate production volumes to reach the export market. IFAD has tried addressing these issues by identifying markets as a constraint, in particular by applying value chain analyses. Consequently, investment on market-related components has been on the increase recently. On enhancing market information, some innovative grants are also being implemented currently.

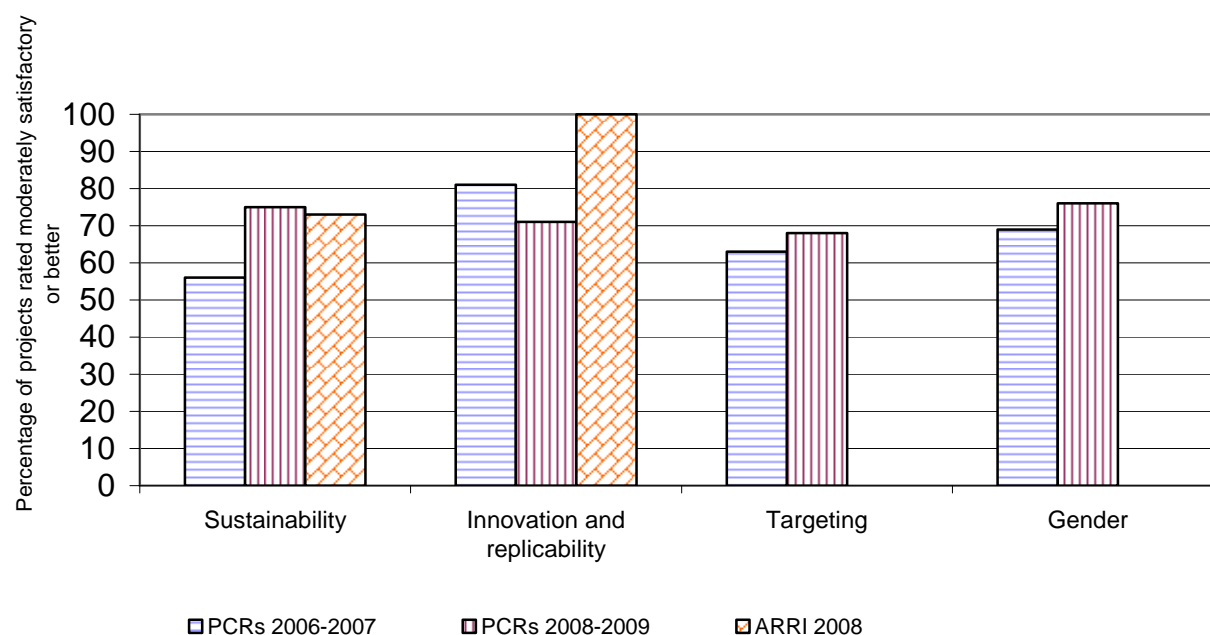
E. Overarching factors

79. At the level of outcomes, and in line with the principles of engagement under its current Strategic Framework, IFAD will also measure results against: sustainability, replicability and scaling up, and gender equality and women's empowerment. Once a project succeeds in reducing poverty, the net benefits that permitted poverty reduction need to be sustained beyond the implementation period. Similarly,

successes need to be scaled up to add value to successful innovations. Project performance on gender mainstreaming will be assessed on whether it has integrated women's as well as men's concerns, so that women and men benefit equally and inequality is not perpetuated – another IFAD strategic objective.

80. PCRs are assessed against five overarching factors:
- (a) **Innovations** – the extent to which innovations were built into project design, which innovations were introduced and how well these were implemented. This may include new approaches, instruments, technical solutions or implementation modalities;
 - (b) **Replicability and scaling up** – the potential for replication of specific activities, components, approaches, etc., and the extent to which this has been discussed with government or if steps have already been undertaken for replication in other projects at national level or in other countries;
 - (c) **Sustainability and ownership of interventions** – the prospects for and constraints to the continuation of project activities after the period of external financing, and the durability of changes and impact brought about by the project;
 - (d) **Targeting** – how well the project analysed the needs of the poorest, whether it developed specific instruments to enhance their participation in project activities, and how successful it was in addressing their needs; and
 - (e) **Gender** – the extent to which gender issues were given attention during project implementation, whether a project was specifically designed to address the needs of women, and whether it contributed to improving the situation of women in general (education, workload, access to credit, land, income-generating activities, employment opportunities, etc.).
81. Of the overarching factors, the ARRI does not report performance on targeting and gender separately. In addition, it combines innovation, replicability and scaling up into one domain. Of these, targeting is particularly important for IFAD given its very specific focus on rural areas and, within those, the poorest groups. The projects within the 2009 cohort of PCRs were all approved and implemented before IFAD's Policy on Targeting was approved in 2006 (EB 2006/88/R.2/Rev.1). They have therefore not benefited from its specific guidance.
82. **Overview.** Improvements have been significant, particularly in the areas of sustainability and ownership where the share of projects rated 4 or better has increased by 21 percentage points from 56 per cent in 2006-2007 to 75 per cent in 2008-2009. Substantial performance increases also took place in the areas of replicability and scaling up and gender. IFAD's performance on targeting improved slightly during the review period. This has, however, been a weakly performing area in recent years. With 76 per cent of the projects rated 4 or better in 2008-2009, IFAD's impact on gender is strongest among all overarching factors. Impact on innovations is also relatively low, with 73 per cent of the projects rated 4 and better. In comparison to the self-evaluation results, the ARRI reports significantly higher performance for innovation, replicability and scaling up, and a similar performance in sustainability.
83. The following chart offers a snapshot of performance for overarching factors.

Chart 4
Sustainability, innovation and replicability, targeting and gender



Note: The ARRI does not report separately on targeting and gender.

Innovation

84. The review of PCRs shows that the share of average ratings (3 and 4) is gradually increasing at the expense of both negative (1 and 2) and positive ratings (5 and 6). Positive ratings have gone down from 43 per cent in 2006-2007 to 31 per cent in 2008-2009. This is an important discrepancy between the results of the PCRs and the ARRI for 2008, with the latter indicating much stronger performance.
85. Projects classified as innovative usually introduced structural changes relevant to the rural poor. They helped create new institutions offering services to the rural poor, implemented new approaches in working with the rural poor and helped establish relevant policies. In Albania, the IFAD project facilitated the creation of two new institutions, one in charge of mountain area development and the other a specialized financial institution providing credit to entrepreneurs in rural areas. The project also established mountain forums and conducted important advocacy work for mountain area development, helping to attract development attention and public/development funds to the region. In Pakistan, government line agencies have learned, through the IFAD project, to work directly with the rural populations through community organizations. In Colombia, a new approach to rural poverty alleviation was introduced, focused on the development of rural microenterprises. Specific mechanisms and processes were developed, which today constitute a proven strategy for rural microenterprise development in the country. Empowering rural microentrepreneurs to identify their own needs and set their own priorities was a strategically important innovation in Colombia, laying the foundation for a participatory rural development process.
86. Projects "on the edge" (rated 4) are those that have introduced less significant changes because: (i) they are follow-up projects; (ii) these changes were not given sufficient attention during design and implementation and need to be further consolidated to have a sustainable impact on the rural poor or local structures; (iii) the proposed innovations were not relevant to the rural poor; or (iv) the

innovations did not lead to any substantial changes. Projects classified as very weak performed below expectations and did not reach their objectives in terms of innovations (Cameroon) or only introduced a few area-specific changes, such as NRM innovative technologies in the Philippines or participatory NRM in India.

Replicability and scaling up

87. One of the objectives of the PCR and the completion process as a whole is to identify those aspects of the projects (activities and approaches) that can be replicated and to recommend ways and means to do so. IFAD's performance in terms of replicability and scaling up has been found to be satisfactory compared with its performance in other overarching areas. Between 2006-2007 and 2008-2009, an increasingly high share of projects were rated positively (5 or 6) while the share of negative ratings (1 and 2) went down from 20 to 9 per cent with no rating of 1. The share of projects rated 4 or better increased from 60 per cent to a relatively high 76 per cent.

Sustainability and ownership

88. On sustainability of impact, while overall performance is steadily improving, it is also to be noted that the share of projects with average ratings (3 and 4) is very high and increasing. By contrast, the share of positive ratings has slightly decreased.
89. In 2009, some projects set good examples by laying a strong foundation for both the sustainability of project achievements and government ownership. These projects have developed, and actively worked on the implementation of, their exit strategy, allowing activities to be mainstreamed into government programmes, and newly created institutions to be incorporated into the public administration. They have also addressed the issue of financial sustainability by making sure that future funding is taken over by government. In some cases, IFAD is already providing further support to ensure full consolidation and long-term sustainability of the achievements. This is the case in Albania, where the Mountain Areas Development Agency is officially recognized by government as the agency responsible for the development of mountain regions and will be further strengthened to become a national agency for regional development under the new IFAD-funded Programme for Sustainable Development in Rural Mountain Areas.
90. On the other hand, some projects appear particularly weak in terms of sustainability and ownership (rated 2 or 3). In these cases, however, the low marks for sustainability are directly linked to an altogether weak implementation performance (Cameroon) and an underperforming project coordination unit, which failed to develop an appropriate exit strategy. Another reason may be that the project design gave insufficient consideration to the financial and institutional capacities of local implementation partners. The vast majority of the projects are, however, rated 4 and the prospects for sustainability of project operations are mixed, with some aspects appearing more sustainable than others and some requiring further support. One such example is Zambia, where maintenance is ensured for some and not for other social infrastructure works financed by the project.
91. The absence of an exit strategy appears to be a major shortcoming when considering the sustainability and ownership of a project's achievements. Sustainability of the project's operations must, however, already be planned for at appraisal, through a careful assessment and choice of implementation partners. Also, government participation from the beginning is critical to foster government ownership and hence government commitment to support politically, institutionally and financially the activities initiated by the project. Good project design and strong government participation at all stages, linked to a good management team, seem to be critical elements to maximize the chances of sustainability of project interventions.

Targeting

92. Following the introduction of a specific policy on targeting in 2006, the PCR also assesses how well the project analysed and succeeded in addressing the needs of the poorest. There has been a marginal improvement of about 5 percentage points during 2008-2009. Sixty-eight per cent of the projects reported moderately satisfactory or better performance, and of this, 25 per cent of the projects received a highly positive rating (5 or 6). If 2009 is taken alone, only 12 per cent of the projects, or three projects, reported a highly positive performance.
93. All three projects with a highly positive rating in 2009 were strongly target-oriented, either geographically and/or by poverty incidence. In all three cases, women's participation was high. In Bangladesh, the project was fully aligned with the country's poverty reduction strategy paper. It was implemented in two of the poorest districts of the country, and a third that has the largest indigenous population of Adivasi. The project in Colombia was directed to the population living below the poverty line. Some 76 per cent of small producers who benefited from microenterprise development and microcredit activities fell into this category.
94. Projects that received a rating of either 2 or 3 have in common the absence or inadequacy of the targeting mechanism. In Cameroon, the project was based on the wrong targeting strategy, providing support to the development of agreed microfinance institutions networks, which, however, did not service the rural poor. In Guyana, project interventions mostly dealt with civil works, which required secure land titles not available to the poorest.
95. The vast majority of the projects were rated 4 and were characterized by a targeting mechanism that addresses either not directly or only partly the needs of the rural poor. The first case concerns mainly projects using a geographic targeting method whereby project interventions are directed at the entire rural population in a given region but not at the poorest. The poorest are expected to benefit along with the rural population at large (Argentina, Guatemala, Kenya, Malawi, Panama, the Bolivarian Republic of Venezuela and Zambia). The second case concerns projects with only few activities targeted at the rural poor (India, Ethiopia, Pakistan) or a targeting mechanism that presents some weaknesses.

Gender

96. On gender, performance has been improving and some 76 per cent of the projects were reported to be moderately satisfactory or better in 2008-2009.
97. Most projects included in the 2008-2009 cohort were not designed to specifically target women, with the exception of Pakistan, which had a gender-specific objective or component. Nevertheless, several had a good gender focus during implementation (Argentina, China, Colombia, Ethiopia, India, Indonesia, Sri Lanka, Uganda, the Bolivarian Republic of Venezuela and Zambia). The project in Sri Lanka made a commendable effort to address women's needs through awareness-raising activities among project staff and stakeholders, increased participation of women in all training activities, organized job-oriented training and training in microcredit operations, supported the creation of 20 women's community-based organizations, and provided equity capital or grant funds to poor women enabling them to engage in income-generating activities. The provision of seed money to women's groups was a significant step towards strengthening the organizational capacity of these groups.
98. In Guatemala, Guyana and Panama, however, a gender-specific approach was imbedded into project design but poorly implemented because of generally weak project implementation capacities. In Panama, for example, the gender strategy designed at appraisal was never implemented, and the project's efforts in this area were limited to carrying out some training and gender awareness-building activities.
99. In all other cases (projects rated 4), project design was not gender-specific and results in terms of gender focus were mixed (Bangladesh, Burkina Faso, Cameroon,

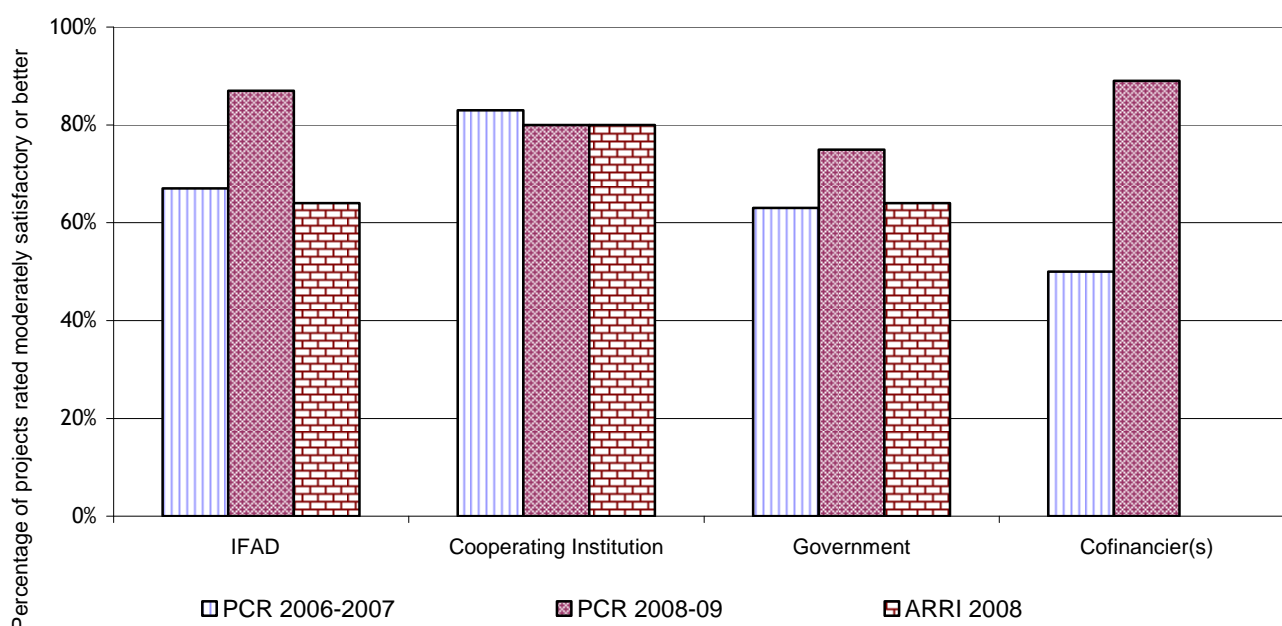
China Wulin, Guinea, Kenya, Kyrgyzstan, The former Yugoslav Republic of Macedonia, Malawi and the Philippines).

F. Partner performance

100. Project implementation performance depends to a large extent on the performance of implementation partners and how they work together. The figure below shows that the performance of government, cofinanciers and to some extent also IFAD has steadily improved over the years while the cooperating institutions (CIs) and NGOs/other partners have not performed as well. The latter is reflected in the decreasing share of projects for which CI performance is rated 4 or better. Cofinanciers have shown the most pronounced improvement (30 percentage points), which may indicate that financial partnerships could be significantly improved. The performance of IFAD and governments has also significantly improved, by respectively 20 and 15 percentage points between 2006-2007 and 2008-2009. The performance of NGOs, in contrast, decreased by as much as 10 percentage points.
101. ARRI data for 2008 show similar performance for CIs, but lower performance for IFAD and governments. The three-year moving average figures, which represent a larger sample, reveal a clear improvement in IFAD's performance. In fact this dataset shows very similar performance between IFAD, governments and CIs. For cofinanciers, comparable data are not available.

Chart 5

Partner performance



Note: The ARRI does not report on the performance of cofinanciers.

IFAD

102. IFAD's performance has been improving steadily and now stands at 87 per cent – moderately satisfactory or better. This means that IFAD country programme managers (CPMs) and regional divisions tend to be more proactive and supportive and generally more present and responsive at critical moments of project implementation. IFAD was also praised for its flexibility in responding to changing circumstances in The former Yugoslav Republic of Macedonia, Malawi and the Philippines. Generally, IFAD's interventions were timely and appropriate.

Furthermore, IFAD improved its communication, which helped establish good partnerships at local level and fostered government ownership of project interventions. In Albania, for example, IFAD played a crucial role in preparing and leading the mid-term review, allowing the project to adapt to a rapidly changing political, social and economic environment.

Cooperating institutions

103. Overall, the performance of CIs remains stable. Performance in some 80 per cent of the projects was reported to be moderately satisfactory or better in 2008-2009. A stronger concentration of ratings is in the average range (3 and 4), 56 per cent in 2008-2009.
104. The CIs are performing their tasks satisfactorily for the most part as shown by the large number of projects rated 5 in 2009 (11 out of 25). This rating concerns in particular their capacity to comply with the general terms of the letter of appointment (inter alia, timeliness and frequency of supervisions, reporting) and to address technical and administrative needs promptly and effectively.
105. Weaknesses were, however, noted with respect to the CIs capacity to gain a full and deep understanding of all relevant implementation issues and thereby to influence the project's strategic orientations. This is reflected in the absence of any highly satisfactory rating (6). Other weak points concern: (i) low frequency of supervision missions; (ii) loss of continuity in project supervision and thereby of institutional memory, linked to a high staff turnover; and (iii) mission composition (lack of appropriate technical expertise). This was the case in several projects where performance of the CI was rated partly satisfactory or unsatisfactory such as Cameroon, China Wulin, Kenya, The former Yugoslav Republic of Macedonia and the Bolivarian Republic of Venezuela. Performance of the CI was found particularly weak in the case of Guyana (Caribbean Development Bank) where, in addition to the above- mentioned issues, slow approval processes led to substantial delays in the delivery of project services to the beneficiaries. A recurrent problem with projects supervised by the World Bank is the lack of communication and therefore of coordination with IFAD.

Government

106. Government commitment is essential to ensure smooth project implementation and sustainability of project interventions. Government performance receives the lowest share of satisfactory rating and the highest share of average ratings among all partners, with a slight tendency towards improvement. In 2009, government performance was rated 4 in most cases (14 out of 25) and the share of average ratings in 2008-2009 amounted to 67 per cent compared with 27 per cent for satisfactory ratings. In general, performance has been improving, and some 75 per cent of the projects were reported to be moderately satisfactory or better in 2008-2009.
107. In a fair number of cases (eight in 2009), governments provided all the necessary support to allow smooth project implementation, including the timely release of counterpart funds, technical input and expertise through the direct involvement of line departments, regular follow-up and monitoring of project activities, implementation of supervision recommendations, regular field visits by government officials and parliamentarians, and a strong commitment to the project's outcomes. In China Qinling, government involvement throughout and strong government commitment led to the absorption of many of the project's activities into local development plans at project completion.
108. In the case of Guinea, the Government was unable to meet counterpart funding requirements and its indebtedness led to the suspension of IFAD's loan disbursements. More commonly, however, weak government performance is the result of limited involvement during project design, an unclear role and poor IFAD support during project implementation. In Cameroon, project design failed to

address conflicts between ministries on responsibility for project implementation, and conflicts between IFAD and the borrower regarding the proposed approach and entry point.

Non-governmental organizations/other partners

109. Performance of NGOs and other implementation partners is project-specific. Two aspects are measured here: quality of the services delivered and quality of the partnerships established. In none of the projects were NGO/other partners rated negatively, which may indicate a clear improvement in assessing partners' capacities and selecting appropriate implementation partners. By contrast, NGO performance is found increasingly average (70 per cent rated 3 or 4 in 2009), which may indicate growing problems in finding the right partners for the implementation of IFAD-funded projects. (It should be noted that only 11 projects of the 2009 cohort worked with NGOs/other non-financial implementation partners.)
110. Partner performance was satisfactory when strong local NGOs were mobilized (Malawi and Pakistan). Weak partner performance seems to be due to the absence of qualified partners (Indonesia). It seems also to be linked to weak project implementation capacities in general and therefore weak guidance provided to implementation partners. This was the case in Cameroon and Guinea. By contrast, partial performance of NGOs selected for the implementation of the microfinance component in Bangladesh was reportedly due to the poor selection process adopted at the beginning of project implementation. A review of the more common cases, however, makes it clear that an insufficient exchange with potential partners during project design may affect their performance during implementation, as in the case of the China Wulin where partnership modalities were not sufficiently discussed and fine-tuned during project design. Another example is Kenya, where capacities of an NGO were overestimated and its research stations were not given the expected support in terms of operational and financial means by the headquarters organization.

Cofinanciers

111. Performance of other donors reflects how effectively and efficiently external contributions could be mobilized. Among all partners, cofinanciers are performing best. The share of negative ratings (1 and 2) was substantially reduced, from 31 to 7 per cent in cent, between 2006-2007 and 2008-2009, and the share of positive ratings increased by more than 25 percentage points from 35 to 61 per cent during the same period.

G. Project outputs

112. In the third level of the hierarchy of results under the RMF, IFAD reports on indicators of outputs – the products, goods and services that result from IFAD-supported projects and that are relevant to the achievement of outcomes. For reporting on these concrete outputs, IFAD uses its results and impact management system (RIMS),¹¹ which allows aggregation of the outputs reported by the projects currently being implemented.¹² In other words, it reports on the performance of the ongoing portfolio of about 210 projects and thus is based on a much larger number of projects than is the report on outcomes, which is based on the year's completed projects.

¹¹ RIMS provides information on three levels of results: (i) the first-level results refer to activities and outputs; (ii) the second-level results reflect changes in beneficiary behaviour, performance and sustainability of groups, institutions and infrastructure; and (iii) third-level results are associated with the impact of IFAD-financed operations on child malnutrition and household living standards.

¹² When RIMS was introduced, projects past mid-term were exempt from the reporting requirement as were project initiated by another institution. As these projects are outside of RIMS, the reported results are based on extrapolation of results from the projects actually reporting to the total number of ongoing portfolio, using the amount invested for each result area. The extrapolation, however, is limited to only about 30 per cent of the investments made and thus the results are considered as reliable.

113. The cumulative outputs of the ongoing projects at end-2008 are summarized below for the results being measured under the RMF 2010-2012 approved for the Eighth Replenishment period.

Table 1
Country programme and project outputs^a

<i>Indicator</i>	<i>Baseline year</i>	<i>Baseline value</i>	<i>2012 target</i>
3.1 People receiving services from IFAD-supported projects (no.)	2007	29.2 million	60 million
Male:female ratio (percentage)	2007	57:43	50:50
<i>Natural resource management</i>			
3.2 Common-property resource (CPR) land under improved management practices (ha)	2008	3.86 million	
3.3 Area under constructed/rehabilitated irrigation schemes (ha)	2008	470,000	
<i>Agricultural technologies</i>			
3.4 People trained in crop production practices/technologies	2008	1.72 million	
Male:female ratio (percentage)		50:50	
3.5 People trained in livestock production practices/technologies	2008	1.07 million	
Male:female ratio (percentage)		35:65	
<i>Rural financial services</i>			
3.6 Active borrowers	2008	4.35 million	
Male:female ratio (percentage)		52:48	
3.7 Voluntary savers	2008	5.44 million	
Male:female ratio (percentage)		51:49	
<i>Marketing</i>			
3.8 Roads constructed/rehabilitated (km)	2008	15,000	
3.9 Marketing groups formed/strengthened	2008	25,000	
<i>Microenterprises</i>			
3.10 People trained in business and entrepreneurship	2008	162,000	
Male:female ratio (percentage)		53:47	
3.11 Enterprises accessing facilitated non-financial services	2008	19,000	
<i>Policies and institutions</i>			
3.12 People trained in community management topics	2008	672,000	
Male:female ratio (percentage)		38:62	
3.13 Village/community action plans prepared	2008	24,000	

^a For ease of reference, indicator numbers are the same as those in the RMF.

114. RIMS results also show some significant outputs under the social development components. These include about 8,800 drinking water systems, 970 health centres and 3,900 school buildings constructed or rehabilitated.
115. Significant outputs have also been noted in areas outside of the indicators chosen for RIMS. For example, some 31,000 NRM groups have been either promoted or strengthened. Of these, over 30 per cent are led by women.
116. Further evidence of IFAD's outreach is demonstrated by data from IFAD-supported microfinance institutions as reported to the Microfinance Information Exchange (MIX) market. The figures supplied to the MIX market cover all financing sources, and are therefore well above the figures reported under the RIMS. During the period under review, these institutions registered about US\$29.6 million active borrowers, of which 83 per cent were women. Average loan size was about US\$200, somewhat higher than the average of US\$177 reported under the RIMS. Voluntary

savers numbered about 14.6 million, with savings deposits above US\$1,858.4 million. This translates to an average of slightly more than US\$125 per saver, somewhat above the RIMS average of about US\$75.

III. Organizational effectiveness and efficiency

117. Current and future development effectiveness “on the ground” is affected by many variables external to IFAD. But how IFAD organizes itself to reach its objectives makes a difference. Accordingly, as part of the Action Plan for the Seventh Replenishment, since 2007 IFAD has operated a corporate system for results management. It focuses on planning, regular monitoring and accountability for improvements in outputs and processes under IFAD’s direct control that underpin and best contribute to the achievement of development results in developing countries.¹³
118. The corporate management results (CMRs) that have provided the point of reference for IFAD’s corporate results system have been modified in the light of experience and of the new RMF 2010-2012 that was approved by the Executive Board in September 2009. CMRs have themselves been organized into clusters (table 2) to better rationalize their outcome orientation, and planning, resource allocation and performance management within IFAD will henceforth be governed by this new CMR cluster framework.

Table 2
CMR cluster outcomes and processes

<i>Cluster</i>	<i>Outcome</i>	<i>Corporate management result</i>	<i>Process</i>
<i>Operational</i>			
1	Effective national policy, harmonization, programming, institutional and investment frameworks for rural poverty reduction	CMR 1 – Better country programme management CMR 2 – Better project design (loans and grants) CMR 3 – Better supervision and implementation support	Country programme development and implementation
2	Supportive global resource mobilization and policy framework for rural poverty reduction	CMR 8 – Better inputs into global policy dialogues for rural poverty reduction CMR 10 – Increased mobilization of resources for rural poverty reduction	High-level policy dialogue, resource mobilization and strategic communication
<i>Institutional support</i>			
3	An effective and efficient management and institutional service platform at headquarters and in-country for achievement of operational results	CMR 4 – Better financial resource management CMR 5 – Better human resource management CMR 6 – Better results and risk management CMR 7 – Better administrative efficiency and an enabling work and information and communications technology (ICT) environment	Corporate management, reform and administration
4	IFAD’s governing bodies function effectively and efficiently	CMR 9 – Effective and efficient platform for Members’ governance of IFAD	Support to Members’ governance activities

119. The first and second results clusters involve development impact at the country level and promotion of an improved global framework for pro-poor policy change and investment. They include the corresponding processes through which IFAD directly and indirectly contributes to rural poverty reduction and smallholder agriculture development, and are the development outcome areas in which IFAD’s

¹³ For a full description of IFAD’s corporate results management system, see *An overview of managing for development results at IFAD*, www.ifad.org/deveffect/mfdr/MfDR_booklet.pdf.

contribution will be tracked under the RMF 2010-2012. The third cluster refers to the provision of an effective and efficient platform for corporate management and administration within IFAD to support its development operations. The fourth cluster refers to the support provided by IFAD to the Members of its governing bodies for the effective and efficient execution of their responsibilities. The functioning of all these clusters is vital to IFAD's success in cost-effectively increasing the volume and quality of its operations, and in fulfilling its commitments and targets for the Eighth Replenishment period.

120. The remainder of this chapter provides an account of IFAD's organizational effectiveness and efficiency, structured according to the new CMR cluster framework.¹⁴ It reports against relevant targets contained in RMF 2007-2010, and most of those in levels 4 and 5 of the new RMF 2010-2012.

CMR Cluster 1: Effective national policy, harmonization, programming, institutional and investment frameworks for rural poverty reduction

121. Cluster 1 CMRs focus on IFAD's collaboration with, and policy and financial support to, client country governments and other in-country partners for strengthening national strategies and programmes for agriculture and rural development. The general terms for engagement with client country stakeholders are articulated in the IFAD Strategic Framework 2007-2010 and relevant underpinning policies and strategies, whereas the allocation of loan and grant resources is governed by the performance-based allocation system (PBAS).

Better country programme management – CMR 1

122. The overriding thrust of this CMR is coherent and synergistic management of the wide range of operations and activities supported by IFAD in any given country, towards a clearly defined and focused set of country-owned results. To this effect, the emphasis is on mobilizing partnerships, resources and knowledge to promote pro-poor policies and strengthen countries' capacities for sustainable poverty reduction. The principal IFAD instrument in delivering on this agenda is the RB-COSOP, which was adopted in 2006.

Results-based COSOPs

123. RB-COSOPs have been prepared and reviewed by the Executive Board for 32 countries to date. All RB-COSOPs prepared in 2009 underwent an at-entry process of quality assurance prior to presentation to the Executive Board, and all were rated moderately satisfactory or better overall, surpassing the RMF target of 90 per cent. The IFAD quality assurance (QA) system adopted in 2008 – which consists of internal and external peer reviews of RB-COSOPs involving IFAD, the World Bank and the FAO Investment Centre – appears to be bringing about qualitative improvements in RB-COSOP design.
124. A review of experience with RB-COSOPs under implementation was carried out, with a view to drawing lessons and improving the quality of their design and management. The review included: (a) some case studies of COSOP processes in selected countries (for Central America by the Regional Unit for Technical Assistance (RUTA) and for Western and Central Africa, by the FAO Investment Centre); and (b) a set of thematic reviews looking at how selected issues (land, water, rural finance, climate change, gender and targeting) are addressed in COSOPs.
125. The review confirmed the value of the RB-COSOP process in fostering country ownership. It also confirmed its potential as a tool for mobilizing partnerships in the context of increasing attention to agriculture – as suggested by the significant increase in IFAD-supported programmes financed jointly with international donors, from 50 per cent in 2006 to 74 per cent by 2009. The review also contains recommendations for improvement, including, inter alia: a more systematic approach to risk assessment and management throughout RB-COSOP design and

¹⁴ All CMRs will be reported on, except for CMR 9, which was adopted in 2009 for the development of workplans in 2010, and will thus be reported on with all other CMRs from 2010 onwards.

implementation; and an increased use of rural-sector assessments not only for the PBAS calculation, but also as a tool for sharpening strategic and institutional objectives and the agenda for policy dialogue with client countries. These and other recommendations for improvement – together with strategic reorientations reflected in recent policy updates on rural finance, land and indigenous peoples – will be incorporated in the revised RB-COSOP guidelines and internalized in other relevant corporate processes.

126. Annual RB-COSOP implementation reviews – which are a key to promoting country ownership, accountability and learning – were carried out in eight countries in the first three quarters of 2009, and seven more are planned by year-end. Given that this is a relatively new process, different approaches are being tried and lessons are beginning to be documented and shared across operational units. The availability and assembly of data for assessing country programme performance remains one of the main challenges in the process. This has led to critical reviews of the indicators used in RB-COSOP results frameworks, but also to constructive dialogue with client countries on alignment with and strengthening of national monitoring and statistical systems. It is expected that this issue will become increasingly important as IFAD's focus begins to shift from developing new RB-COSOPs to managing the performance of country strategies and programmes.
127. The shift of attention to annual RB-COSOP implementation reviews is already evident, as demonstrated by the Tanzania COSOP, in which the country programme review in early 2009 was held back-to-back with a team-building exercise for consolidation of the programme of work and budget, with a focus on improving monitoring and evaluation (M&E) and loan disbursements. Similarly, the 2009 Cambodian annual COSOP review – which began with a technical segment, followed by a joint session with senior planners and policy makers – provided an illustration of full country ownership and an opportunity to revisit the RB-COSOP results framework. This in turn facilitated consolidation of the project pipeline in the light of evolving country processes and of IFAD's comparative advantage and scope for new partnerships.
128. In 2008 IFAD adopted the client survey as a means to assess country programme performance. Building on last year's experience with the survey, measures to improve response rates and data quality were introduced, helping to obtain more robust results this year. Performance continued to be rated positively overall in 2009, with a high share of average country ratings being 5 or higher (satisfactory to highly satisfactory). The RMF targets for 2010 for both of the indicators used to assess country programme effectiveness were surpassed: results achieved on the indicator "Contribution to increasing incomes, improving food security, and empowering poor rural women and men" were 100 per cent, and for the indicator "Adherence to aid effectiveness agenda," they were 96 per cent. As in last year's results, the lowest-rated dimension of performance was "harmonization" (with an overall average score of 4.56), most likely due to the fact that IFAD does not engage in budget support, and a minor share of its resources are delivered through programme-based approaches, which are relatively uncommon in the agricultural sector. Year-on-year changes in performance were very marginal on the whole, but with country-specific results exhibiting more accentuated shifts in some cases. More emphasis, however, needs to be placed on making meaningful use of the client survey in dialogue with client countries and other key stakeholders, particularly in the context of the annual RB-COSOP implementation reviews.

Country presence¹⁵

129. **Programme design and implementation support.** Country offices devote most of their time to activities related to programme design and implementation support – in particular their role in direct supervision has been critical. Of the 121 projects in the current portfolio of IFAD country presence programme (CPP) countries, close

¹⁵ For more detailed information on country presence, see EB 2009/98/R.11.

to 85 per cent of them are directly supervised by IFAD. During the period under review, staff of country offices participated in some 90 supervision or implementation support missions, an average of about five per year for each office.¹⁶ Country offices also worked with project managers to follow up on the agreed actions stemming from such missions. They participated in about 20 project design missions and 12 mid-term review missions.

130. Country offices also took part in the preparation of RB-COSOPs, of which six were either finalized or are in the process of design. Early and pre-implementation support is also an important function of country offices. During 2009, nine loans for CPP countries became effective. Country offices worked to resolve bottlenecks so that effectiveness conditions could be met. The average period between Executive Board approval and effectiveness of CPP projects is slightly below the average for all projects effective this year.
131. **Knowledge management.** Knowledge management activities have mainly focused on inter-project exchange of knowledge and experiences. As such, country programme management teams (CPMTs) have been formally established in most country offices. In general, the CPMT is led by the CPM and is composed of project directors, country office staff, government officials, other stakeholders and staff from headquarters. Country offices have organized team-building workshops and annual country programme review workshops. They also have an important role in the evaluation and completion process. Three missions were undertaken to support projects in the preparation of PCRs. Support was also provided for evaluation in China, Ethiopia, India, the Sudan and Yemen.
132. **Innovation.** Country offices have been least effective in the area of innovation. This is largely due to a lack of resources – both human and capital – to devote to innovation. It is often difficult to separate the innovations developed by country offices from those advanced by IFAD-financed projects. Most of the innovations reported in progress reports have been at the project level, and cannot be attributed to the country office. There are, however, some notable exceptions, including the Kenya office's work with the Masai community to adapt the farmer field school approach to the livestock value chain. Known as 'cows to kilowatts', the innovation has the potential for scaling up to other pastoralist communities in Kenya and beyond.
133. **Policy dialogue.** Effective policy dialogue needs to build on proven cases and experiences, providing evidence and persuasive success stories in order to be effective. Country office staff are uniquely placed to fulfil this role. They are routinely requested by Government to participate in government-led working groups and meetings, and most office staff participate in thematic groups on agriculture/rural development and food security. They also participate in the review and drafting of governmental rural and agricultural development strategies.
134. **Partnerships.** The CPP has provided IFAD with an opportunity to meet more regularly with its partners in-country. IFAD is a full member of the United Nations Country Team in most (13) CPP countries. Through its country offices, IFAD participated actively in the United Nations Development Assistance Framework process in 14 countries, in some cases for the first time. Two of the CPP countries are part of the United Nations "Delivering as One" initiative, and the IFAD offices are headed by an outposted CPM. Country office staff also regularly contribute to donor thematic groups of particular importance to the country programme. Country offices hold regular bilateral meetings with other United Nations agencies and donors and with representatives of NGOs, civil society and the private sector. These meetings are largely focused on exploring synergies among programmes in order to better leverage impact.

¹⁶ These results are based on progress reports received from 16 country presence offices, including those headed by the four outposted CPMs, and exclude the Brazil office. Reports from newly opened or converted offices have not been included. These reports covered activities for the period 1 July 2008-30 June 2009.

Corporate knowledge management strategy

135. IFAD has made important strides and taken concrete action in implementing the IFAD Strategy for Knowledge Management (KM). In January 2009 IFAD, FAO, WFP and Bioversity International co-organized a Knowledge Share Fair, aimed at raising awareness of KM and showcasing KM activities. IFAD contributed 40 KM activities from its projects and regional programmes. This event not only strengthened IFAD's partnership in the area of KM with the Rome-based agencies, but also helped raise awareness within the organization.
136. Attitudes in IFAD towards KM, and the appreciation of its value added are changing. This is manifested in an increased number of learning and sharing events (on average from two to four per week) and in demand for training on how and when to use knowledge-sharing tools such as peer assist, after-action review, social reporting and Web 2.0 tools (Wiki, blog, social bookmarking). The level of KM work in country programmes and at the regional level has increased during 2009, and many ongoing projects have a dedicated KM officer, often supported by regional programmes and KM staff in IFAD's operational divisions.
137. A KM self-assessment was conducted to gauge progress in implementing the KM strategy. The methodology used evaluates institutional KM maturity according to a set of competencies that include leadership behaviour, networks and communities, and capturing and reapplying knowledge. The results of the assessment were positive overall, showing improvement in most competencies. While a positive shift in the organizational culture towards KM is noticeable, IFAD needs to become more systematic in capturing and reapplying knowledge in key business processes across the organization.

Better project design (loans and grants) – CMR 2

138. IFAD needs to ensure that its projects are designed to the highest quality, are based on best practices and promote innovative approaches. Seventh Replenishment reforms that underpin this CMR include the new processes for quality enhancement, quality assurance and policy development – and the related new policies on rural finance and indigenous peoples adopted in 2009.
139. **Project approval.** Between 1 July 2008 and 30 June 2009, the Board approved 35 projects, for a total of US\$688 million. Seventeen projects were approved for sub-Saharan Africa (SSA) during the review period, resulting in increased commitments of US\$321 million to SSA, up from US\$178 million during the previous review period (2007-2008). Consequently, SSA's share of new commitments stood at 47 per cent, compared with 34 per cent during the last review period.
140. In 2008-2009, the average size of approved projects stood at US\$19.7 million, thereby continuing the trend of a gradual increase. IFAD's average loan size continues to remain significantly lower than that of the International Development Association (US\$56 million in 2008).
141. **Quality at entry of the investment portfolio.**¹⁷ During the review period, 33 projects were reviewed by IFAD's newly instituted, arms-length QA system. While time series analyses are not feasible owing to the short period for which the system has been in operation, the projects assessed more recently show better performance than those assessed earlier.

¹⁷ As some projects are financed by grants as well as loans, the term 'investment projects' has been used.

Table 3
RMF 2007-2010 indicators for CMR 2

<i>Indicator</i>	<i>2008-2009 (percentage)</i>	<i>2010 target (percentage)</i>
Effectiveness	93	90
Rural poverty impact on the target group (e.g. through physical and financial assets, food security, empowerment)	91	90
Sustainability of benefits	81	90
Innovation, learning and/or scaling up	86	90

142. Overall, sustainability remains an area needing further improvement to achieve the targets set for 2010. Scaling up is another area requiring further improvement. If successfully achieved, replication and scaling up would not only help improve project efficiency, but also that of IFAD.
143. In more recent QA reviews, targeting is an area of concern. The issues relate either to a lack of components relevant to the needs of the poor or to the concreteness of the mechanisms proposed to reach the poor. The value chain as a development approach is being increasingly used and, in some projects, strategies have been very clearly stated. Some others, however, lack coherent strategies. The trade-off between innovation and risk has not been factored into project design. This sometimes introduces components that are too risky for the rural poor. In the latest cohort reviewed, some projects provide an excellent example of donors cofinancing with IFAD in order to make use of pro-poor approaches developed under its project. Not all projects, however, include a clear objective and strategy for scaling up.

Better supervision and implementation support – CMR 3

144. It is during project implementation that the processes for achieving objectives articulated at design are managed. The quality of support provided for project implementation is therefore a key determinant of a project's ability to realize intended results and impact. Effective discharge of the project supervision function and improved support to entities responsible for project implementation have been the prime focus for IFAD under this CMR.
145. The current portfolio of investment projects increased from 224 to 248 during the period. The corresponding IFAD financing for these projects increased from US\$3.7 billion to US\$4.2 billion. Since 38 of the projects in the current portfolio have yet to become effective, the ongoing portfolio stands at 210 projects.
146. **Grant portfolio.** During 2008-2009, IFAD approved 101 grants. While this is higher than the 80 approved in 2007-2008, the current portfolio of grants has decreased slightly, from 404 to 393. Of the grants in the current portfolio, 64 have yet to become effective. Overall, grant disbursements have been steadily increasing, but a disbursement level of US\$37 million, as against the current portfolio of US\$194 million, implies a disbursement cycle of five to six years against the intended period of about three years.
147. **Start-up and early implementation.** From 1 July 2008 to 30 June 2009 28 projects became effective. The average elapsed time from the date of approval to effectiveness for this cohort of projects was 13.7 months. This shows a slight increase in the effectiveness delay and a reversal in the trend of decreasing effectiveness delay observed over the last four years. Similarly, on 1 July 2008, 38 projects had yet to become effective – four more than at the end of April 2009. Since nine of these projects were approved as late as April 2009, the increase in numbers is more of a technical nature. Average time elapsed to effectiveness for these projects is about 12.1 months.
148. While effectiveness delay can be seen in all regions, and concerted action needs to be taken, the average of delays is skewed by a small set of projects with inordinate

delays. During the review period, for example, three projects in El Salvador, Guatemala and Indonesia took close to four years to become effective. If these three projects are excluded from the calculation, average delay decreases to 9.7 months.

149. **Project supervision.** As of 30 June 2009, 210 projects were being supervised. Of these, 170, or 81 per cent, were directly supervised by IFAD. Comparable figures for 2007 and 2008 are 32 and 101 projects. Among IFAD CIs, both the World Bank and the United Nations Office for Project Services (UNOPS) are charged with the supervision of 17 projects. Most projects retained with UNOPS are in the final years of implementation, and once these are closed, IFAD's partnerships for supervision will essentially be limited to international financial institutions (IFIs).
150. During the period under review, 269 supervision missions¹⁸ were undertaken – about 60 per cent by IFAD. For an additional 4 per cent, IFAD participated in joint supervision missions with the CI and other development partners. CI-led supervision missions lasted on average just under 10 days, whereas missions for directly supervised projects lasted more than 13 days. For CIs, about 60 per cent of all supervision missions took place during the last semester of 2008, while for IFAD-supervised projects, the supervision missions were split almost evenly between the two semesters.
151. Direct supervision of projects has facilitated greater engagement and closer cooperation with on-site stakeholders; it is also contributing to better and more-timely project implementation, and has enabled IFAD to pay special attention to issues of prime concern – e.g. gender mainstreaming, targeting, the building of grass-roots institutions, etc. Moreover, direct supervision is providing CPMs with wider opportunities to advance IFAD objectives at the country programme level through policy dialogue and partnership development.
152. With the move to direct supervision, the quality of project-level accounting and financial management and reporting practices and systems is now the subject of more comprehensive reviews. Whereas this has facilitated a better understanding and appreciation of the challenges related to ensuring compliance with high standards for all fiduciary aspects – financial management included – the learning curve has been steep. One positive result has been better understanding by IFAD supervisors of each country's financial and procurement systems and procedures – knowledge that can be fed into the design of future projects.
153. Under direct supervision, it has been possible to identify and begin remedying weaknesses and problems that in some cases had persisted over considerable periods of time. Direct supervision has also facilitated greater in-country understanding of IFAD requirements, which was often lacking, partly because of the multiplicity of CIs adopting different standards and procedures.
154. An analysis of project status report (PSR) data shows that IFAD projects are performing worst in the area of M&E, the only indicator for which the average was below moderately satisfactory (4). Renewed efforts are being pursued, including greater attention to M&E during supervision, as well as project-specific M&E support. Poor planning for the post-project period is evident in the low rating for exit strategies (4.02) and service providers (4.08). These need to be addressed during implementation, but also at the design stage. Preparation of annual work plans and budgets and financial management received the next lowest ratings (4.11). Efforts are already underway to build financial management capacity at the project level.
155. Overall, the ongoing portfolio is performing well in relation to the targets set under the current RMF, as summarized in table 4.

¹⁸ This figure includes 243 supervision missions and 26 mid-term review missions, but excludes implementation support missions.

Table 4
RMF 2007-2010 indicators for CMR 3

<i>Indicator</i>	<i>2008-2009 (percentage)</i>	<i>2010 target (percentage)</i>
Effectiveness	97	85
Rural poverty impact on the target group (e.g. through physical and financial assets, food security, empowerment)	89	80
Sustainability of benefits	85	80
Innovation, learning and/or scaling up	87	80

156. While achievements have been satisfactory against the baseline, as well as against the target, it should be noted that a very high proportion of projects show performance that is only moderately satisfactory (rated 4). If the criterion is changed to include only projects rated satisfactory or highly satisfactory (5 or 6), the ratio of the projects would drop significantly, for example, to 32 per cent for sustainability and poverty impact, 34 per cent for effectiveness, and 40 per cent for innovation and replication.
157. **Portfolio at risk and proactivity.** At the end of the review period, i.e. 30 June 2009, IFAD's ongoing investment portfolio contained 40 projects, or 19 per cent, identified as "actual problem" projects. In addition, six projects, or 2.8 per cent, were identified as "potential problem" projects. This represents a relatively static level of problem projects in the 15-20 per cent range for the entire portfolio.
158. Of the current cohort of actual problem projects, approximately 30 per cent (12 projects) are considered chronically at risk: that is, classified as actual problem projects for three or more consecutive years. In contrast, 17 projects, corresponding to 43 per cent, are transitorily at risk: that is, projects that have been classified as at risk in one out of the last three years. Four of the actual problem projects were at a very early stage of implementation, and 2008-2009 was the first year of actual problem status for seven projects. The fact that there is a lower share of projects only transitorily at risk this year shows some deterioration.¹⁹ This is due to changes in the assessment methodology and availability of information rather than to an actual deterioration in performance.
159. IFAD's proactivity declined during the review period, in part because of the adoption of new and stricter criteria for assessing this measure. Of the 33 projects identified as at risk in the past year, six improved their performance and two were completed. This represents a proactivity rating of 24 per cent.

Table 5
RMF 2010-2012 indicators for CMR 3

<i>Indicator</i>	<i>Baseline year</i>	<i>Baseline value</i>	<i>2009</i>	<i>2012 target</i>
Percentage of actual problem projects in ongoing portfolio	2006-2007	17	19	15
Percentage of problem projects in which major corrective actions are taken (proactivity index)	2008	63	24	75

160. In terms of the overall portfolio, however, risks have been reduced. This indicates the persistence of the problems in the projects identified as actual problem projects last year. In part, it shows some reluctance to close projects that are not performing well and have limited prospects for improvement.

CMR Cluster 2: Supportive global resource mobilization and policy framework for rural poverty reduction

¹⁹ In last year's annual review of portfolio performance, seven projects were reported as chronically at risk, corresponding to 22 per cent of the total number of problem projects.

161. Cluster 2 CMRs relate to IFAD's engagement in global and regional dialogue on agriculture and rural development. This constitutes one of IFAD's three principal instruments (together with country programmes and projects, and global and regional grant-funded programmes) for supporting global efforts to eradicate poverty and hunger.

Better inputs into global policy dialogues for rural poverty reduction – CMR 8

162. The issues of accelerating agricultural development, increasing food security, and climate change adaptation and mitigation are topping the global political agenda at the highest levels. With this shift, there has been both strong demand and opportunity for institutions specialized in the sector, such as IFAD, to provide direction for the development of appropriate international policy and investment frameworks for eradicating poverty and hunger. Accordingly, in 2009 IFAD stepped up efforts to add value to international policy dialogue, in collaboration with a wide range of partners, by contributing knowledge, experience and insight arising from the programmes it supports, and by bringing pro-poor and smallholder farmer perspectives to bear on such deliberations. Many important initiatives were undertaken in 2009; however, given the nature of this report, it is only possible to provide a highly selective account of the most important ones.
163. IFAD actively participated in the process that culminated in the G8 commitment in July 2009 to invest US\$20 billion in food security, the L'Aquila Food Security Initiative. The joint statement by world leaders explicitly recognized the role of IFAD and smallholder agriculture in achieving the global food security agenda, and IFAD has supported post-L'Aquila efforts to translate the principles and the financial commitments undertaken into concrete actions.
164. With a view to supporting the definition of pro-poor development, economic and policy tools for overcoming the multiple challenges that agriculture faces in the twenty-first century, FAO organized two major events: the High-level Expert Forum on How to Feed the World in 2050, and the World Summit on Food Security. IFAD served on the organizing secretariats of both meetings and, among other things, facilitated the participation of representatives of civil society and farmers' organizations in deliberations, including through the Civil Society Forum held in conjunction with the Summit.
165. Until recently, agriculture largely remained a marginal issue in climate change discussions, but through the efforts of a broad consortium of partners, including IFAD, agriculture was accorded prominence in negotiations for the United Nations Climate Change Conference (COP 15) to be held in Copenhagen, Denmark, in December 2009. A further result of these efforts is that, coinciding with the COP 15 meeting, an Agriculture and Rural Development Day will be held, with the aim of developing a workplan of strategies and actions to fully incorporate agriculture into the post-Copenhagen agenda.
166. In collaboration with the African Development Bank, IFAD organized a Global Forum on Remittances, held in Tunisia on 22-23 October 2009. With participation by the major public and private institutions working on remittances, the Forum explored linkages among banking, technology and migrant investments, as well as the role of international cooperation. In conjunction with the Forum, IFAD also released a new study on the remittance market in Africa that explores the potential to expand this market and improve its regulatory framework.
167. The International Expert Consultation on the Gender in Agriculture Sourcebook: from Knowledge to Action, was held in March 2009 to develop a strategic plan of action for gender equality and women's empowerment in agriculture. The event was jointly organized by the World Bank, FAO and IFAD, building on the findings and recommendations of the Sourcebook, co-produced by the three organizations in 2008. A study entitled *Land Grab or Development Opportunity? Agricultural*

Investment and International Land Deals in Africa was issued in 2009 (the study was jointly commissioned by IFAD and FAO and produced by the International Institute for Environment and Development). Presentations on the study were made at various forums, including at the seventeenth session of the United Nations Commission on Sustainable Development and the World Bank with the participation of congressional staff from the United States House of Representatives and Senate.

168. IFAD gave tangible support to implementation of the Comprehensive Framework for Action and the realization of its objectives by acting as host to the principal hub of the High-Level Task Force (HLTF) Coordination Mechanism, and by providing a grant to the HLTF and seconding a staff member to support delivery of its programme of work. Moreover, as a member of the contact group for the reform of the Committee on World Food Security (CFS), IFAD contributed to strengthening the CFS as a central component of the evolving Global Partnership for Agriculture, Food Security and Nutrition. In the Committee's renewed structure, IFAD will be a 'participant' in the CFS, serve on the advisory group to its Bureau and secretariat, and be a member of the ad hoc technical selection committee for the Steering Committee of the High-Level Panel of Experts. IFAD co-chairs the Global Platform for Rural Development.
169. With a view to solidifying their cooperation and contribution to international policy dialogue on agriculture, food security and rural development, IFAD, FAO and WFP agreed on a framework for immediate and medium-term collaboration at global, regional, national and local levels.²⁰ Key expected outcomes of this collaboration include: strengthened national and international policy development, implementation and access to information; more effective participation and advocacy in international forums and the creation of globally recognized frameworks and tools; improved mobilization of resources and overall performance; increased capacity to operate in multidisciplinary contexts; and increased effectiveness and efficiency.

Increased mobilization of resources for rural poverty reduction – CMR 10

170. As part of its efforts to reduce poverty and hunger, IFAD seeks to mobilize resources for agriculture and rural development programmes in developing countries. In the context of renewed global support for smallholder agriculture and in response to the poverty and hunger crisis, in February 2009 IFAD's Governing Council agreed on a significantly expanded programme of work of US\$3.0 billion for the Eighth Replenishment period from 2010 to 2012. Combined with cofinancing, the programme is expected to result in total investments in agricultural development, poverty reduction and improved food security of US\$7.5 billion and to create economic opportunities for approximately 60 million poor rural men and women. The target level for Member State contributions was set at US\$1.2 billion, representing an unprecedented 67 per cent increase over the last replenishment and making this the largest replenishment in the Fund's history. Ensuring the prompt fulfilment of these pledges has been a key priority in 2009.

Table 6
RMF 2010-2012 indicators for CMR 10

<i>Indicator</i>	<i>Baseline year</i>	<i>Baseline value</i>	<i>2009^a</i>	<i>2012 target</i>
Percentage achieved of Seventh Replenishment pledges	2008	93	97	100
Percentage achieved of Eighth Replenishment pledges	n.a.	n.a.	33	100

^a As at third quarter 2009.
n.a. = not applicable

²⁰ For further information, see EB 2009/97/R.39, Directions for collaboration among the Rome-based agencies, presented to the Executive Board in September 2009.

171. Reflecting international concern with food security, a significant share of supplementary funds mobilized in 2009 addressed this theme. As at end October 2009, IFAD signed agreements with the European Commission and the Netherlands for EUR 36.5 million and US\$9.5 million respectively to enhance food security in IFAD-supported programmes in Burundi, Eritrea, Madagascar, Mozambique, the Philippines and the Sudan. A further agreement signed with the European Commission provides approximately EUR 5.4 million to strengthen the capacity of small farmers' organizations in Africa to influence policies and programmes for agriculture, rural development and food security. Agreements were also signed with Finland and Norway to strengthen performance in the areas of environment and natural resource management and gender equality.
172. Overall, in the first three quarters of 2009 IFAD received US\$40.75 million in supplementary funds, including US\$22 million under the European Commission's Food Facility, representing a significant increase over the full-year result in 2008 of US\$26.7 million. This includes US\$3 million for the Financing Facility for Remittances, which has attracted considerable interest since its establishment and enjoys the support of several donors, including the European Commission, the Consultative Group to Assist the Poor, the Grand Duchy of Luxembourg, the Spanish Ministry of Foreign Affairs and Cooperation, and the United Nations Capital Development Fund.
173. Foundations and the private sector represent a relatively new source of funding that holds interesting prospects for the future. Thus far, IFAD has mobilized resources from the United Nations, Copernic, Syngenta and Bill and Melinda Gates Foundations. Paving the way for broader engagement, IFAD is liaising with the United States Council of Foundations, and recently became an associate member of the European Foundations Centre in Brussels. With respect to the private sector, IFAD is exploring partnership opportunities with Nokia and Ericsson in the area of remittances and other financial services through the use of mobile phones.
174. In the context of the long-term financial resource strategy that IFAD is preparing – and given the difficulties experienced by all IFIs in managing small and fragmented funds on a cost-effective basis – the approach to supplementary funding will be reviewed, including options for the organization of funds such as the multi-donor trust fund approach adopted by the World Bank. In addition, IFAD will continue to explore and develop innovative financing instruments to raise funds in support of IFAD activities from outside the realm of traditional donors, for example from foundations and the private sector.

CMR Cluster 3: An effective and efficient management and institutional service platform at headquarters and in-country for achievement of operational results

175. The primary focus of Cluster 3 CMRs is to ensure systematic focus on cost-effectively matching financial and human resources with results, and on active performance and risk management to deliver them successfully.

Better financial resource management – CMR 4

176. IFAD's primary goal under this CMR is to maximize financial commitments and disbursements to client countries from the resources it mobilizes, in line with policies agreed with the Executive Board, and with country-specific conditions and requirements. Continued turbulence in global financial markets loomed large on operations in this area requiring that the special measures adopted in 2008 to strengthen investment portfolio performance monitoring be maintained throughout 2009. After an investment return of 5.41 per cent in 2008, the projected investment return for 2009 is still above the current investment policy target rate of return of 3.5 per cent, representing a very positive result under the current volatile market conditions. In line with the Fund's enhanced risk management activities, a tactical review of the investment portfolio was performed in July 2009. A strategic, long-term review of IFAD's investment policy was started in conjunction with a

review of the Fund's mid-term liquidity requirements and the related policy. Both exercises are expected to be finalized in 2010. In addition, work began on a comprehensive, long-term financial resource strategy and projection of the Fund's future financial resources, taking into account, inter alia, the impact of the financial crisis and recession on anticipated investment returns, rising liquidity requirements to service loan and grant disbursements, and limits to the expansion of IFAD's advance commitment authority. In the context of resource mobilization, a preliminary review of the Fund's lending terms and conditions was conducted to evaluate the financial impact on IFAD resources.

177. Revisions to the General Conditions for Agricultural Development Financing were approved in April 2009 with a view to: simplifying and standardizing the model financing agreement and the procedures used for administering the Fund's financing; accommodating the new direct supervision modality; harmonizing IFAD's legal instruments and procedures with those of other IFIs; and increasing the level of ownership by Member States of IFAD-funded projects and programmes, encouraging, whenever possible, the use of country systems. The changes will significantly reduce the time needed to prepare, negotiate and implement agreements, which in turn means that more of IFAD's resources, and more of the resources of the recipients of its financing, will go to the projects and programmes themselves.
178. Further alignment with the practices of other IFIs was achieved through modification of the procedure for updating the rate of interest to be applied to loans on intermediate and ordinary terms. Prior to the change, IFAD updated its interest rates annually, using as a reference the rate in force six months prior to the start of the applicable year, which caused IFAD interest rates to lag behind the market. Now it will be able to do so biannually, using as a reference the rate in force at the start of the applicable semester, bringing IFAD rates closer to those offered by the market and by other IFIs. The possibility of introducing more flexibility in IFAD's lending terms will be actively pursued in 2010 with the planned revision of the IFAD Lending Policies and Criteria
179. The second major dimension of this CMR relates to the management of IFAD's administrative resources. In accordance with instructions given by the Governing Council in February 2009, IFAD's administrative budget was restructured. From 2010 it will combine expenditures previously budgeted under two mechanisms, the administrative budget and the Programme Development Financing Facility, which will be managed, integrated and reported on within one results-based budget. Elements of results-based budgeting had been introduced in the programme of work and budget for 2009, as the first step towards making results the basis of resource allocation and accountability. Nonetheless, the budget continued to be presented by department – rather than according to the corporate and interdepartmental organization of functions – and by funding source, with consequent limitations on demonstrating the purposes for which IFAD allocates its budget. Thus the 2010 administrative budget shows alignment between resources and results in a more transparent and direct manner. This ensures that accountability for resource use relates to achievement of results rather than conforming to detailed ex ante determinations of how resources are to be spent. Moreover, it permits more flexibility in resource use in response to opportunities and the best combination of activities and outputs to achieve the planned results.

Better human resource management – CMR 5²¹

180. The vision for this CMR is a well-managed IFAD workforce with the necessary skills and experience in the right place and at the right time. Its realization is vital to enhancing IFAD's development effectiveness, and is in turn predicated on successful achievement of the following concrete objectives: a greater share of the workforce

²¹ For more detailed information, see EB 2009/98/R.18, Progress report on human resources reform – a people strategy for IFAD.

focused on country operations and deployed in-country; increased accountability of managers and supervisors for excellence in people management; a greater level of gender and geographical diversity; a more responsive and strategic human resources (HR) function; and less time spent on transactional activity.

181. Over the 2007-2009 period, against the background of average annual programme of work increases of approximately 10 per cent per year, IFAD's budgeted staffing level increased at an average of less than 1 per cent per year. This very small overall increase obscures important internal staff realignment to reflect the emphasis on strengthening country programme and project operations and to achieve efficiencies in other areas. Thus, over this period, the Programme Management Department (PMD) staffing level rose by over 13 per cent, while those of the Finance and Administration Department (FAD), the External Affairs Department (EAD) and the Office of the President and the Vice-President (OPV) fell. In 2010, the overall staffing level is planned to increase by 3.2 per cent, with the increase almost exclusively in PMD and at the country level. These improvements have been made possible partly by freeing up positions through the first tranche of the Voluntary Separation Programme and the reform of HR processes to cater fully to the outposting of CPMs and direct hiring of the workforce in-country. While further realignment will be needed over the next three years to reach the 2012 target of 65 per cent of the workforce in operations, achievement of this target will be underpinned by implementation of the corporate strategic workforce plan, which will be completed in 2009.
182. Improved tools and methods to marshal the appropriate workforce (i.e. to reskill, redeploy and recruit) are a critical element in achieving objectives under this CMR. In this respect, efforts to develop leadership skills and strengthen capacities to manage the workforce included: training of 300 staff in the new approach to performance management; continuation of the innovative talent management programme for staff in the Professionals category, and its extension in 2009 to staff in the General Service category; and training targeted at the assessed areas for development in the extended 360-degree appraisal and the staff survey. In spite of this, the staff engagement index, a proxy for staff performance and motivation, regressed from 70 per cent to 65 per cent over the last year. While this is not unexpected during periods of major human resource management reform, it indicates the need for continued and close attention in 2010. A much clearer picture of performance in this area will emerge next year through the results of the global staff survey.²²
183. In light of the high priority accorded to capacity-building in the programme area, a multi-year training curriculum for PMD is being rolled out. It focuses on managerial and technical competencies and includes certified training in, for example, procurement. By the end of 2009 all staff in PMD and relevant staff in other departments will have received training in direct supervision, loan administration and procurement.
184. Effective recruitment is also a key to success in realigning the workforce with the delivery of results. Thus further measures were taken in 2009 to simultaneously enhance the rigour and the timeliness of the process. For the first three quarters of 2009, the indicator for the average time to fill professional positions stood at 119 days, compared with 140 days for 2008 – but this result should be interpreted with caution, given the low number of positions filled to date in 2009. In order to expedite future recruitment, the authority to decide on lower-level recruitments will be delegated from the President to Assistant Presidents and Directors. Although data on gender and geographical diversity remain virtually static, new measures to

²² The global staff survey provides a more comprehensive assessment of HR management performance and is carried out biannually in even years. The staff engagement index, which includes a very limited subset of questions from the global staff survey, is run yearly.

extend outreach and search activities to broaden the candidate base for open positions are being implemented.

185. Advances were made with the “e-enablement” of HR processes in 2009. The first phase of the Administer Consultants project was completed, permitting discontinuation of manual and paper-based workflow, and leading to faster processing of consultant contracts both in the HR division and in recruiting divisions. The e-performance system was rolled out house-wide following a thorough assessment of experience with the pilot phase in 2008.

Table 7
RMF 2010-2012 indicators for CMR 5

<i>Indicator</i>	<i>Baseline year</i>	<i>Baseline value</i>	<i>2009</i>	<i>2012 target</i>
Staff engagement index	2008	70	65	75
Percentage of workforce in programmes	2008	56	61 ^a	65
Percentage of workforce from Lists B and C Member States	2008	31.5	32.5 ^b	Tracked
Percentage of women in P5 posts and above	2008	30	30 ^b	35
Average time to fill professional vacancies (days)	2007	141	119 ^b	100
Cost per payslip (US\$)	2008	90	– ^c	Tracked

^a Budgeted for 2010.

^b As at third quarter 2009.

^c To be determined.

Better results and risk management – CMR 6

186. IFAD has operated a results-based system for corporate planning, performance and risk management since 2007. This system has been one of the foundations of IFAD’s achievement of its volume and quality targets for the Seventh Replenishment period. The overriding objective set for this CMR in 2009 was to strengthen and consolidate the system: on the one hand, by further integrating and mainstreaming it into the Fund’s culture and its management and decision-making processes, and by deepening the implementation of enterprise risk management (ERM); and on the other, by adapting it to take into account key new developments such as the RMF 2010-2012, medium-term plan 2010-2012, and reform of the administrative budget. Further areas requiring attention regarded: the RIDE itself, in order to address Executive Board feedback that it should contain more analysis of the causal factors underlying performance trends; and the elevated number of outstanding high-priority internal audit recommendations identified in the 2008 RIDE as a major area of concern, requiring immediate remedial action.
187. The approved RMF 2010-2012, medium-term plan 2010-2012 and budget reform have promoted a comprehensive, coherent alignment of corporate medium-term results and targets with the resources available for the Eighth Replenishment period. The CMR framework, key performance indicators, and mechanisms to link them to the administrative budget have been strengthened, principally through better definition and monitoring of output delivery and the introduction of strategic workforce planning. Two new information technology (IT) systems for monitoring project performance were rolled out, enabling faster identification and resolution of implementation issues. Compared with last year, the quality and timeliness of department management plans improved considerably. The value added of the quarterly performance conversations is widely recognized; nevertheless, some doubters remain, and ideas to win them over were elicited from a survey aimed at improving the system. Means for escalating performance issues and risks have been strengthened in collaboration with the Enterprise Risk Management Committee.
188. Risk management awareness-raising and capacity-building were supported through training and communication activities and the development of IFAD’s corporate risk profile. Besides providing real-life, hands-on experience in risk management, the

main objective of the latter exercise is the identification and assessment of corporate-level risks to the achievement of IFAD's key results for the 2010-2012 period, and the prioritization of mitigating actions. Given the close relationship between the medium-term plan and the corporate risk profile, particular care was taken to coordinate these initiatives in a complementary and mutually reinforcing manner, ultimately to ensure that the medium-term plan takes all high risks identified into account and adequately provides for their effective management.

189. Several other ERM initiatives planned for 2009 were completed during the year; among these: an ERM framework; a financial disclosure programme; an internal control framework for financial reporting, including a management assertion letter to be produced in connection with the audit of the annual financial statements, starting with the financial year ending 31 December 2009. The latter two initiatives, in particular, bring IFAD's internal controls in these key areas in line with best practices of other IFIs and United Nations organizations.
190. Considerable progress was made in addressing the outstanding high priority internal audit recommendations. Although the share of high priority recommendations in overdue status remains unvaried compared with last year, it conceals the tremendous achievement of implementing almost 70 per cent of the outstanding recommendations. A series of important recommendations to improve management effectiveness and efficiency, and to better manage risk in the discharge of one of IFAD's most critical functions, i.e. direct supervision, are expected to be issued in an internal audit report on disbursement and procurement in projects directly supervised by IFAD, to be completed by end 2009.

Table 8
RMF 2010-2012 indicators for CMR 6

<i>Indicator</i>	<i>Baseline year</i>	<i>Baseline value</i>	<i>2009</i>	<i>2012 target</i>
Percentage of actions overdue on high priority internal audit recommendations	2008	76	75 ^a	65

^a As at third quarter 2009.

191. As this edition of the RIDE hopefully attests, increased space has been given to the so-called "why factor", i.e. the reasons or causal factors underlying observed trends in the performance of IFAD-supported programmes. The attempt to meet the Executive Board's need for such analysis contributes to wider sharing of experience, successes and lessons learned – with respect to agriculture and rural development sector programmes – both within IFAD and with its partners, thus enriching the RIDE's value. In this connection, an important new feature of the internal portfolio review process this year was a meeting to present the findings, lessons and results emerging from the review at a meeting open to all IFAD staff and chaired by the President. Through its participation in the Multilateral Development Bank (MDB) Working Group on Managing for Development Results (MfDR), and by reporting its performance for the first time this year in the Common Performance Assessment System (COMPAS) report, IFAD had a similarly valuable opportunity to share lessons and experiences with other MDBs, as well as with the COMPAS readership.

Better administrative efficiency and an enabling work and information and communications technology (ICT) environment – CMR 7

192. In the context of the Rome-based United Nations agencies cooperation initiatives, in 2009 a joint tender for global custodian services was finalized with FAO and WFP. The global custodian provides fund management assistance and safekeeping services for securities. Additionally, IFAD continued to act as focal point for the United Nations initiative to harmonize financial administrative functions and operations.
193. Increasing administrative efficiency has always been a key policy governing the management of IFAD's budget. However, in recent years its pursuit has become

more intricate due to simultaneous efforts to introduce extensive and profound reforms of IFAD's operating model (e.g. the quality enhancement (QE) and QA systems, direct supervision, country presence), as well as in other areas (e.g. human resources), and to significantly raise the volume and quality of operations. Overall, there are reasonable indications that IFAD is increasing its efficiency while delivering an increased programme of work and stronger operational results. Nevertheless, additional improvement is required, especially given a further significant rise in the programme of work and more stringent performance targets. As indicated in the approved RMF 2010-2012, the Fund is committed to achieving important progress in the coming years. Of fundamental importance will be implementation of the corporate medium-term plan (2010-2012) and the related strategic workforce plan, both of which will contribute to tighter resources-to-results alignment, leading, among other things, to reduced process redundancy and replication.

194. On the cost side, since 2007, overall real budget growth in the administrative budget has been negative – during a period in which the programme of work has risen by an average of 10 per cent per annum. The real administrative cost per dollar of loans and grants committed has fallen consistently. With regard to staff, overall budgeted staffing levels increased at an average of less than 1 per cent per year in 2007-2009. This very small overall increase obscures an important internal staff realignment to reflect the emphasis on strengthening country programme and project operations and to achieve efficiencies in other areas. Thus, from 2007 to 2009, the PMD staffing level rose by over 13 per cent, while in FAD, EAD and OPV the level fell. Finally, as the RIDE and ARRI have consistently shown over the last few years, results have been improving. IFAD is close to or has already surpassed most of the targets set in the RMF 2007-2010; its performance compares favourably with the agriculture and rural development operations of other IFIs, as well as with all multilateral organizations in terms of the indicators of the Paris Declaration on Aid Effectiveness – according to the 2008 Organisation for Co-operation and Development/Development Assistance Committee (OECD/DAC) Survey Monitoring Progress Towards the Paris Declaration.

Table 9
RMF 2010-2012 indicators for CMR 7

<i>Indicator</i>	<i>Baseline year</i>	<i>Baseline value</i>	<i>2009</i>	<i>2012 target</i>
Percentage of budgeted expenses per US\$1 of loan and grant commitments	2008	16.3	15.5 ^a	13.5

^aBudgeted for 2010.

195. In the context of business process reviews, the collaboration of the three Rome-based agencies has brought efficiency gains in various areas of cooperation, particularly in the area of procurement of goods and services. Over the past years the agencies have been successfully conducting joint tender activities that have led not only to cost reductions, efficiency savings and streamlined processes but also to knowledge sharing and expertise. Currently, the three agencies have common suppliers for energy, gas, travel, banking, courier, training and custodian services with reduced prices due to economies of scale and better leverage in negotiating terms and conditions. In 2010, a significant step will be taken by implementing a pilot common procurement unit starting on 1 January 2010. This common unit will harmonize procedures and tools, including contracting modalities that are still applied independently by each agency. The establishment of this pilot unit is expected to benefit the three Rome-based agencies by bringing further savings through leverage and economies of scale; rationalizing planning and resources; harmonizing - in line with best practices - policies, procedures, general terms and conditions, tools and resources; simplifying operations and processes; and unifying the interface with the business community.

196. The most relevant recent initiative to improve IFAD's efficiency and effectiveness was the introduction of the capital budget in 2008 – principally a vehicle for increased investment in improved ICT systems. The strategy for use of the ICT component of the capital budget consists of five multi-year initiatives, each including one or more projects.²³ Projects completed and deployed in 2009 include: PSR reports and the Results and Impact Management System (RIMS), both designed to strengthen management and reporting of country programme and project performance; and the first phase of the Administer Consultants project, permitting discontinuation of manual and paper-based workflow, and leading to faster processing of consultant contracts, both in the HR Division and in recruiting divisions. For the Loans and Grants System replacement project, one of IFAD's most sensitive IT and process reform initiatives, an intense review of approaches and options, engaging broad stakeholder participation, was carried out prior to the formal tender process. The request-for-proposal process and a final decision on the approach and vendor are expected by year-end 2009. One of the major lessons learned to date on the capital budget is that investment in IT solutions should follow or be part of business process reform. It should not precede reform, and it should not substitute for it. Consequently, rather than increasing capital budget commitments in 2010, IFAD will contain the level of new commitments pending the outcome of planned business process reviews, particularly those bearing on administrative efficiency.
197. Active involvement and results have been achieved in developing knowledge-sharing and a common approach among United Nations treasuries. IFAD is leading a United Nations-wide effort to increase the administrative efficiency of treasury services through knowledge exchange and a joint approach across all agencies. As co-chair of the Finance and Budget Network Working Group for Common Treasury Services of the High-level Committee on Management, IFAD has designed and launched a dedicated United Nations treasuries knowledge-sharing website. A feasibility study is currently being undertaken to identify specific focus areas where a common approach would bring economies of scale.
198. Effective management of the significant expansion of IFAD's country presence from 17 countries in 2008 to a planned 27 by end 2009, and the ensuring of adequate in-country legal, security, ICT and physical conditions for decentralized staff, constituted one of the most critical priorities for IFAD in 2009. To this end, a revamped Country Presence Coordination Group, co-chaired by the Assistant Presidents, PMD and FAD, was established to strengthen internal coordination and underpin delivery. Progress was made on several fronts: the revision of the Framework Agreement with the United Nations Development Programme, which, inter alia, will allow direct hiring of local staff by IFAD; and the issuance of revised administrative procedures and a handbook for IFAD country offices, providing comprehensive guidance to staff regarding the set-up and operation of such offices. New procedures are also being introduced to provide access to local banking facilities. Negotiations were conducted with corporate partners to ensure that best terms and conditions are provided for country office payment operations through local country office bank accounts (related guidelines are provided in the handbook). This, in turn, will offer improved procedures for the financial management of country office expenses, based on the findings of a review by the Office of Audit and Oversight.
199. As is natural for an initiative of this complexity, several remaining challenges and issues require attention: integration of country presence operations into IFAD's corporate management systems to make them organic to IFAD; and expediting the processes for finalizing host country and agency agreements – as at 31 October

²³ These are: better loan and grant administration (addressed through the Loans and Grants System replacement project); better reporting and management for country programme development and implementation (through the "Delivering as One" initiative); better human resource management and administration; greater institutional efficiency; and a more robust ICT infrastructure.

2009 such agreements were in place in only four and nine countries respectively. Given the deteriorating security situation in several countries in which IFAD operates, additional measures to safeguard IFAD's workforce have been taken or are under consideration. Among these is an innovative training programme developed by IFAD on security awareness for women travelling to the field. The Inter-Agency Security Management Network of the United Nations has proposed that it be launched across the entire United Nations system.

IV. Conclusions

200. The 2009 edition of the RIDE is the last of the Seventh Replenishment period. At the heart of the Seventh Replenishment was the concern to ensure that IFAD would raise the quality of its development work and the extent of its development impact – and revalidate its role as a key and trusted development mechanism for its membership and the development community as a whole. The instrument established to pursue this was the Action Plan, and the RIDE is one of the offspring of the Action Plan – through the system of results-based management that was seen as essential, both in focusing IFAD's efforts on improvement and in raising the Fund's transparency and accountability to its Members.
201. The need for such a trusted development mechanism, directly addressing rural poverty, food insecurity and agriculture among the smallholders who play such an important role in the global food and agricultural system, has been dramatically highlighted in the last two years. What is also evident is that IFAD has risen to the challenge of higher quality and impact. Both the ARRI, produced by IFAD's independent OE, and the RIDE demonstrate that there has been a significant improvement in IFAD's development effectiveness, with the ARRI arguing that it has surpassed the quality and performance levels of many of its comparators – and stands in the shadow of none. This was already becoming clear in the 2008 edition of the RIDE, and IFAD's very successful Eighth Replenishment reflected the recognition that IFAD had responded to the Seventh Replenishment challenge – and should play a bigger role in responding to the much greater challenge of food security and rural poverty, made starkly visible in the food and food price crisis that has unfolded in the last two years.
202. This 2009 edition of the RIDE shows that IFAD has continued to make progress, and the ARRI confirms this. There are, perhaps, four key front-line elements underpinning this improvement: a greater emphasis on country programming and partnership; a much more rigorous approach to project design and quality assessment at the entry stage; the rapid shift from a third-party regime of project supervision to supervision by IFAD itself; and the implementation of country presence – as part of the management and implementation of the project cycle.
203. This edition of the RIDE does not focus on performance in the country partnership and harmonization arena. This was reported on positively in the 2008 edition, drawing on an independent and comparative analysis produced by OECD/DAC. No new information of this sort is available for the 2009 edition, although partner reviews of IFAD's performance at the country level have been positive (see paragraph 128). The inclusion of more countries in the partner review survey, and the systematic extension of annual country programme reviews, should allow IFAD to use the OECD/DAC review more as a control study (like the ARRI), rather than as a primary source of information in a critical area of IFAD's partnership strategy.
204. In terms of the improvement in results recorded in the RIDE, and largely confirmed by the ARRI, the main contributors have undoubtedly been IFAD's direct supervision and country presence, both of which have allowed a much stronger engagement with the implementation of projects and the local institutions that have direct and indirect responsibility for project success. The impact of stronger focus on quality at entry will only begin to show three or four years from now – as projects designed under the new regime are subject to completion reports.

205. However, the performance of IFAD-supported projects is clearly not determined only by what IFAD does. Country institutional and policy conditions are vital determinants. These are not, however, entirely independent factors. IFAD has focused a great deal on institutional and human development in its country project operations. This is one of the areas in which its performance has been assessed as exceptional, and it is arguable that focus on success here has been one of the foundations for improved performance against a wider range of criteria.
206. It may be that precisely this focus on human and institutional development lies behind lack of clarity about the efficiency (or value-for-money) of completed projects. As recognized in the ARRI, the economic analysis of projects is notoriously difficult, especially where benefits are not traded goods – and this is very much the case in the areas of human and institutional development. The planned corporate-level evaluation of the efficiency of IFAD projects by OE should cast light on ways of valuing project benefits, on reasonable targets for returns on investment in some of the world's most marginal agricultural areas, and on strategies for including the poorest in activities geared towards maximum economic return.
207. While the relationship between an emphasis on, and documented success in, institutional and human development (including gender), on the one hand, and economic efficiency, on the other, remains unclear, what is abundantly clear is that institutional and human development are key to the sustainability of project benefits. In this regard, strong performance on the human and institutional side is driving very tangible improvements in project sustainability, and augurs well, especially when combined with good performance in the area of access to physical assets, for the future breadth and duration of IFAD's impact.
208. There is a clear trend of continuing improvement in all areas, but important issues remain to be clarified for more effective management of country programme development and implementation. There is, for example, a clear discrepancy between the ARRI assessment of the performance of IFAD's projects in the environmental area – and IFAD's self-assessments in the PCR reports. Indeed, this is the only area in which self-assessments are markedly more positive than the ARRI assessments.
209. The timing of both the ARRI and RIDE (relative to the underlying project portfolio review) do not permit comprehensive analysis of this difference in rating of environmental results in the 2009 RIDE, but it will be included in the RIDE analysis for 2010, along with a description of the measures being taken to address it. As noted above, IFAD is clearly very much concerned with environmental management issues affecting smallholders: it hosts the Global Mechanism of the United Nations Convention to Combat Desertification and is an executing agency of the Global Environment Facility (GEF). However, an important issue is the effective mainstreaming of environmental issues – and adequate orientation of staff to the key contemporary issues in environmental management. Ongoing responses to the integration issue include the reorientation of the Global Environment and Climate Change Unit to serve IFAD's main portfolio, and not exclusively GEF-financed activities, and much greater emphasis on synergies between the Global Mechanism and the development of IFAD's portfolio of environment-related operations.
210. By 2010 IFAD will have a comprehensive strategy for approaching the relationship between smallholder livelihoods and environmental management, as well as a policy on climate change. The results of this will not be immediate, although direct supervision allows for a much more immediate connection between policy and action than was possible under the regime of third-party supervision.
211. Another thematic area of substantive concern is markets. Project performance has improved. On the other hand, the suspicion remains that it has not improved enough, considering the weight of market-based mechanisms in many visions of long-term sustainable responses to rural poverty and global food supply issues. Perception of the relevance of market access for smallholders has increased

enormously in the last few years, including in IFAD, where the issue of market access has risen dramatically in prominence in both the loan and grant programmes. Older projects were much more oriented towards the equation between local and household food requirements and local and household production, and that orientation is reflected in disappointing performance as old projects are assessed in the light of contemporary concerns about broader market integration.

212. Performance under this heading is likely to improve significantly as the newer generation of projects reach completion. Nonetheless, a corporate-level evaluation in this area to be undertaken by OE in 2010 should provide a platform for strengthening the design of new projects and implementation support to the portfolio of ongoing projects. Moreover, the proposed Revised IFAD Policy for Grant Financing (EB 2009/98/R.9) to permit grants to the private sector in smallholder-oriented research and capacity-building should provide a better platform for joint exploration of issues, of which IFAD has already some outstanding examples, most notably the development of the oil palm in Uganda.
213. A more cross-cutting issue is innovation. The ARRI sample rates project performance higher than does IFAD's self-assessment (which also, however, shows real improvement). Greater clarity is needed in this vital area, and a corporate-level evaluation is expected to be available to help performance management by the first quarter of 2010. Arguably, IFAD's approach to innovation needs to be strongly informed by implementation of its KM strategy. The issues that poor people confront will become subject to accelerated change as new forms of market integration create new opportunities, but also rapidly spread and amplify crises in a new way.
214. The performance of IFAD's portfolio has largely met and even surpassed the levels laid out in the Seventh Replenishment – and not just in the social and institutional dimensions of smallholder agriculture (performance in improving agricultural productivity has also improved immensely). This is a real achievement, and the result of a great deal of effort to map out and implement change. At the same time, a great deal of the improvement – but not all – has resulted from a major shift of project results from “quite poor” performance to “average” performance, with a much smaller shift upwards from “average” to “good”. In effect, the larger part of the performance gain has been a major reduction in the number of projects showing poor performance. The achievement of excellence has been more elusive – although it is there in the institutional, social, human and gender development areas. Real improvement in the Eighth Replenishment period will have to focus more on going beyond moderate success to performance that can provide undisputed models for the scaling up that will be a central part of the global rural development effort.
215. Beyond the question of raising the level of aspirations for performance is the issue of the time taken to reach performance objectives. The number of projects whose duration is extended has been at high levels in IFAD, and project life is usually longer than expected. While this clearly reflects a commitment to reach what projects were designed to achieve, it means that disbursements are slow and the total cost of project supervision and support becomes high. Neither of these are positive developments: financial assistance has no impact until it is disbursed, and the consensus today is that disbursement should be fast. Drawn out implementation support raises costs and conflicts with both the need to husband resources to support expansion into new activities and the achievement of overall corporate efficiency goals. To some extent, the total-project cost can be sustained if efficiencies are achieved in other areas, for example, as a result of country presence and better organization of supervision. But the argument for faster disbursing assistance is irrefutable, and is reflected in IFAD's own management “tracker”: the key performance indicator that measures the time between project approval and project effectiveness. “Better” and “faster” are expressions that will

have to become even more prevalent in IFAD's planning and performance management.

216. The Action Plan laid the foundation for reaching higher levels of development effectiveness, not only through introducing important changes in IFAD's project cycle (notably, strengthened quality control, expanded country presence and direct supervision), but also through the comprehensive management of all dimensions of IFAD to support the achievement of its development effectiveness targets.
217. The reporting of IFAD's corporate management results in chapter III is generally positive. In the context of the global crises, IFAD has been quite successful in contributing to a better global framework for country-level rural development and smallholder agricultural development. Moreover, resource mobilization for IFAD's own efforts has borne very positive results – both in direct contributions and cofinancing of IFAD-initiated projects. The transition from the effort to mobilize global attention and resources to the effective use of those resources will require a parallel effort in IFAD to raise the value-adding technical dimensions of its input into the policy and investment framework for sustained agricultural growth among smallholders. IFAD has begun a scaling up initiative – and the success of this initiative will be linked to the availability of outstanding models of project success for replication. In the context of greater commitment of resources for agricultural development and the search for effective and efficient delivery mechanisms, IFAD has been raising the level of cofinancing of its operations at the country level and has been forging new partnerships, for example with the European Commission and with Sweden. The management of these partnerships and their implications for IFAD's strategy and resources should be addressed comprehensively, especially in the light of the important organizational challenges posed by the high level of off-programme funding in other United Nations organizations and IFIs.
218. The transition from the Seventh Replenishment to the Eighth will involve a step change in the level of operations, requiring a commensurate tightening of management to reach ambitious targets while also achieving greater efficiency. The groundwork has been laid: a new RMF has been approved; the results-based management system has been restructured to clarify key objectives and processes (including as a basis for better internal coordination and cooperation); and results-based budgeting will allow a more transparent and manageable relation between priority ends and means. Recognizing that creating the institutional platform for greater effectiveness and efficiency is not a short-term process, IFAD is preparing, for the first time, a highly focused medium-term plan that will be the apex of the results management system.
219. In general, the corporate management area has provided an adequate and responsive platform for IFAD's development operations and the achievement of Seventh Replenishment objectives. The husbanding of IFAD's financial resources has been demonstrably of a high level: IFAD weathered the global financial crisis with positive rates of return in 2008, and the same is expected for 2009. Administrative services have supported the continuing growth in the programme of work and the intensification of IFAD-managed development activities without real growth in budgets over the entire Seventh Replenishment period. Indeed, the purely administrative staff has declined, while the staff engaged in direct development operations has increased.²⁴ Indicators of corporate efficiency would be more positive if they were tracked in real rather than nominal United States dollar terms, given the impact of the weakening of IFAD's budgeting currency on its nominal budget level. Nonetheless, there are indications that IFAD is approaching the limits of what can be achieved in terms of providing more services on the basis of existing internal systems and resources – and that the continuing assumption of further responsibilities without important reform and rationalization could jeopardize the quality of service.

²⁴ Progress in the reform of human resource management is reported separately in EB 2009/98/R.18.

220. The results reported in the ARRI and RIDE and in the internal quarter-to-quarter results and resource tracking systems show that IFAD has responded well to the targets set for the Seventh Replenishment period. The improvement in development effectiveness has been solid and, though the management focus has largely been on that area, the corporate management system has also coped well in providing an enabling framework for more effective country-level operations. The Eighth Replenishment represents yet another step change. For country programme development and implementation, it means more operations, but also operations that are providing more projects whose excellence satisfies what is needed to comfortably embark on the comprehensive scaling up and replication that the scale of global food security and rural poverty problems demands. It also means meeting the challenge of achieving more in a shorter period of time: time is a luxury that neither poor smallholders nor IFAD can afford. For management and administration, the challenge is not only realizing that doing business as usual, but faster, is not a sustainable answer to the anticipated expansion of the workload, but of implementing important changes in processes. And the feasibility of these processes will be conditioned by IFAD's ability and will to effectively manage and mobilize its workforce, taking its development mandate as the first and imperative point of reference. IFAD's medium-term plan for 2010-2012 and the supportive strategic workforce plan will be key instruments in meeting these very substantial challenges. Part of the 2010 edition of the RIDE will be devoted to the substance of plans and the real traction they are gaining on the road to a greater and sustainable contribution to what is now seen by all as the imperative to put the response to the global food and food security issue on the footing it demands.

Tools for measuring portfolio performance and project outputs

A. Project status report

1. The PSR report was streamlined for last year's reporting period, focusing on rating implementation performance, identifying key risks and defining agreed follow-up actions. This format caters better to the needs of direct supervision. The PSR report is an integral part of the documentation for direct supervision, and provides managers with a snapshot of project implementation performance. It also provides the basis for much of the analysis of regional and IFAD-wide portfolios. PSR indicators are grouped into four quadrants: fiduciary aspects, implementation progress, outputs and outcomes, and sustainability. In line with the CMR, the PSR report also includes ratings for project progress in increasing physical/financial assets, improving food security, and in innovation and learning. PSR reports were completed for 211 projects.
2. A web-based system (PSR online) was developed for the recording and storage of the reports. PSR online can be accessed from IFAD headquarters and any Internet-connected computer. The system draws the latest data on key project attributes (including key dates, financing and disbursement figures) from IFAD's Project and Portfolio Management System (PPMS) and Loans and Grants System. It also provides a user-friendly interface for completing the other sections of the PSR report, as well as functionality to output PSR ratings and selected other data.

B. Results and Impact Management System

3. Implementation of the Results and Impact Management System (RIMS) began following its approval by the Executive Board in December 2003 (EB 2003/80/R.6/Rev.1). The first results were reported to the Executive Board in 2005. A rating-based approach to reporting second-level results was introduced in 2007 and reported on in 2008. It is recommended that second-level reports be reported after mid-term or after the third year of project implementation. The RIMS second-level results look at the extent to which project activities were successful in reaching their expected results – assessment of effectiveness – and at the extent to which the benefits of project initiatives are likely to be sustainable after the end of project support – assessment of sustainability. IFAD encourages projects to honestly assess second-level results taking into consideration all available information. Negative results should be used to identify corrective actions and therefore increase the likelihood that development objectives will be achieved.
4. Projects choose the most suitable method for measuring second-level results based on local context and characteristics, including that of existing monitoring and evaluation systems and secondary data sources. The rating-based approach also better aligns RIMS reporting with self-assessment and evaluation processes.
5. For the year 2008, a total of 141 projects provided RIMS data on first-level indicators and 59 projects provided assessments of second-level results. This represents about a 10 per cent increase over last year. Some 85 per cent of reports due were received (166), about the same percentage as last year. The projects reporting first-level indicators cover about two thirds of the ongoing portfolio, while 59 projects (about 40 per cent) reported on second-level indicators.

Table 1
RIMS reporting compliance

Region	Due	Received	Not reported	Of which	
				Effective < 1.5 years	Problem projects
PA	39	30	9	3	2
PF	39	33	6	2	-
PI	37	31	6	1	4
PL	23	20	3	1	2
PN	28	27	1	-	-
Total	166	141	25	6	8

6. More than half the projects that did not report were either effective for less than 1.5 years or classified as problem projects under the PBAS system. In this light and given that RIMS is "retrofitted" to projects already under implementation, compliance with RIMS reporting requirements remains highly satisfactory.
7. Efforts to collect or establish baseline data have also improved. Baseline data was reported by about two thirds of projects effective since 1 January 2005. The data is drawn from RIMS benchmark surveys, secondary surveys (e.g. UNICEF's Multiple Indicator Cluster Survey, World Bank Demographic and Health Surveys, government sources) or from larger baseline surveys. It is anticipated that the availability of baseline data will contribute to better project management and also provide evaluations with essential information on which to judge impact. To date, about 45 RIMS impact surveys have been undertaken; the vast majority are benchmark surveys. As these projects are completed, data on impact from the RIMS surveys and other sources of impact data will provide a quantitative basis for judging impact. It is important to note, however, that the surveys alone are not enough to make an informed judgement on impact, but need to be triangulated with other sources of impact information.
8. The software developed in conjunction with IFAD's RIMS surveys was also upgraded this year to a more stable and user-friendly environment. The upgrade incorporates the latest WHO growth standards (for assessing child malnutrition), as well as functionality to compare surveys conducted at different points in time.
9. As RIMS data is dependent on project M&E systems – indeed most should be drawn directly from such systems – improvements to project M&E systems is a necessary condition for better reporting under RIMS. IFAD project designs and early implementation support need to focus on establishing functioning M&E systems, which will allow project managements to submit timely and accurate reports in compliance with RIMS requirements.
10. The results contained in this paper are based on those reported under the RIMS system for 2008. These results were submitted by two thirds of the projects in the ongoing portfolio (as at 31 December 2008), and can therefore be considered representative of the portfolio as a whole. On that basis, the performance reported by the 141 projects that had reported performance under RIMS was extrapolated to achieve the performance on a portfolio-wide basis. The extrapolation factor was obtained by calculating the ratio between the amounts of financing of the reporting projects against the total portfolio.
11. A web-based system was also developed to support RIMS reporting – RIMS online. This, too, can be accessed from headquarters or any Internet-connected computer. First- and second-level results are classified under approximately 50 results categories (e.g. animal production, irrigation infrastructure, technology transfer) that have been assigned to one of the Strategic Framework objectives. For each first-level indicator, RIMS online allows the recording of targets (annual work

programme and budget and appraisal) and actual results achieved; the system then calculates achievement percentages. Ratings for second-level results are also recorded against the appropriate results category, and additional information in the form of text can be inserted. Functionality is also included for exporting the results data in a comma-separated values format for further analysis.

C. Country programme issues sheet

12. Over the last few years, the format for the country programme issues sheet has been revised to reflect essential elements of the country programme. Because a critical mass of RB-COSOPs has now been approved, a section summarizing the country programme's progress with respect to achieving targets and risks and mitigation strategies is included. The issues sheet also includes a section for rating the country programme with respect to four key indicators measured under the RMF: increased incomes, improved food security, empowerment and aid effectiveness.

D. Project completion reports

13. The 25 PCR reports reviewed in 2009 to assess portfolio performance cover the universe of projects completed during the review period (appendix I). These were approved by the Executive Board from 1993 to 2000, and closing dates fall between 30 June 2006 and 30 June 2008. More than 50 per cent of the projects became effective from 1999 to 2002. Regional representation of the PCR reports is mostly consistent with the current portfolio: about one third of the projects are from countries in Asia or sub-Saharan Africa; but with 24 per cent of the reports from the Latin America and Caribbean region, this region is somewhat overrepresented; and with 8 per cent, the Near East and North Africa region is underrepresented. The cohort covers a range of subsectors, but is fairly representative of the ongoing portfolio – about 70 per cent of the projects in both the PCR cohort and the ongoing portfolio are classified as agricultural or rural development. The total net IFAD disbursements of US\$355 million²⁵ represent about 94 per cent of the United States dollar approved amount.
14. The use of PCRs in assessing IFAD's corporate performance began with the review years 2005-2006, thus information is available for completed projects reviewed from 2006 to 2009. The comparative analyses used three two-year moving averages: 2006-2007, 2007-2008 and 2008-2009 with 52, 54 and 52 projects respectively. The results of the 2009 review of 25 projects have also been presented. While a two-year average offers a robust measure of performance, the 2008-2009 figure provides the latest indicative trend. The assessment template used to assess the performance of the completed projects is presented in appendix II.

²⁵ Disbursements in historic United States dollars. Due to fluctuations in the SDR:US\$ exchange rate, the historic United States dollars disbursement was higher than the approved amount. SDR disbursements are equivalent to SDR 247.5 million, which represents a 91 per cent disbursement rate.

List of completed projects reviewed in 2009

	<i>Region</i>	<i>Country</i>	<i>Project Id</i>	<i>Project Name</i>	<i>Project type</i>	<i>Board approval</i>	<i>Effective date</i>	<i>Completion date</i>	<i>IFAD approved financing</i>
1	PA	Burkina Faso	1132	PNGT II (Land Management)	RURAL	04-May-00	17-May-02	30-Jun-07	11 440 000
2	PA	Cameroon	1126	PPMF	CREDI	09-Dec-99	23-Apr-01	30-Jun-07	11 052 000
3	PA	Guinea	1003	PRAADEL	RURAL	04-Dec-96	28-Jan-98	30-Jun-08	10 014 000
4	PF	Ethiopia	1082	Agric & Research Training	RSRCH	10-Sep-98	30-Jun-99	30-Jun-07	18 158 000
5	PF	Kenya	467	Eastern Prov Horticulture	AGRIC	02-Dec-93	14-Jul-94	30-Jun-07	10 970 000
6	PF	Malawi	1047	Smallholder Flood Plains	AGRIC	23-Apr-98	27-Nov-98	30-Jun-06	12 459 000
7	PF	Uganda	1122	AAMP	RURAL	08-Dec-99	20-May-02	30-Jun-08	13 220 000
8	PF	Zambia	1039	Forest Resource Mngmt	AGRIC	09-Dec-99	26-Jun-02	30-Jun-07	12 633 000
9	PI	Bangladesh	1076	Smallholder Improvement	RURAL	29-Apr-99	17-Mar-00	30-Jun-07	18 622 000
10	PI	China	1083	Wulin Mountains MADP	AGRIC	10-Sep-98	21-Apr-99	30-Jun-07	28 014 000
11	PI	China	1123	Qinling MAPA	AGRIC	08-Dec-99	14-Aug-01	30-Sep-07	28 990 000
12	PI	India	1040	NE Region Community	AGRIC	29-Apr-97	23-Feb-99	31-Mar-08	22 900 000
13	PI	Indonesia	1024	P4K- Phase III	CREDI	04-Dec-97	09-Jul-98	31-Dec-06	24 901 000
14	PI	Kyrgyzstan	1065	Agric. Support Services	RSRCH	23-Apr-98	18-Sep-98	30-Jun-07	7 920 000
15	PI	Pakistan	1077	Barani Village	AGRIC	03-Dec-98	01-Sep-99	30-Jun-07	15 258 000
16	PI	Philippines	1066	Western Mindanao	RURAL	23-Apr-98	25-Mar-99	30-Jun-07	15 540 000
17	PI	Sri Lanka	1113	Matale REAP	AGRIC	03-Dec-98	15-Dec-99	30-Jun-07	11 707 000
18	PL	Argentina	506	PRODERNEA	RURAL	18-Apr-96	15-Oct-98	30-Jun-07	16 515 000
19	PL	Colombia	520	Rural Micro-enterprise	CREDI	11-Sep-96	30-Jun-97	31-Dec-06	16 000 000
20	PL	Guatemala	1008	PRODERQUI	RSRCH	04-Dec-96	18-Dec-98	30-Jun-07	15 000 000
21	PL	Guyana	1009	Poor Rural Communities	RSRCH	04-Dec-96	04-Mar-99	30-Jun-07	10 500 000
22	PL	Panama Venezuela (Bolivarian Republic of)	1049	Cocle, Colon & Panama W.	RURAL	04-Dec-97	30-Oct-98	30-Jun-07	12 248 000
23	PL		521	PRODECOP	RURAL	11-Sep-96	25-Jun-98	31-Dec-07	11 987 000
24	PN	Albania The former Yugoslav Republic of Macedonia	1129	Mountain Areas Develop.	AGRIC	09-Dec-99	20-Jul-01	30-Sep-07	13 667 000
25	PN		1162	Agricultural Fin Services	CREDI	14-Sep-00	28-May-02	31-Dec-07	8 044 000

PCR assessment guidelines

Criterion	Guiding Performance Questions
Project Performance	
Design	<p><u>Quality</u></p> <ul style="list-style-type: none"> • Was design consistent with the best practice approaches embodied in the pillars of IFAD's Strategic Framework? (KSF 3.1) • Did design adequately reflect lessons learnt from relevant, past rural development programmes and operations by IFAD and/or others? (KSF 3.2) • Were design assumptions and analytical works realistic and comprehensive? (KSF 3.3) • Was the logical framework adequate? Were the outcome, impact and input/output indicators appropriate? (KSF 3.4) • Was the project design and objectives realistic and logical? Were planned outputs meaningful to achieving project objectives and goals? Were human, physical and financial resources sufficient and well targeted to achieve the expected outcomes? • Did design features and underlying hypotheses affect project performance or impact? • Were IFAD policy concerns (targeting, innovation, etc.) adequately incorporated into design? <p><u>Process</u></p> <ul style="list-style-type: none"> • Did design take into account stakeholders analysis and consultation to understand the livelihoods of potential target groups, analyse their asset bases and the development opportunities open to them? (KSF 2.1) • To what extent was the Government involved in project design steps? Has cooperation with key potential implementation staff being maximised? (KSF 1.2) • During project preparation, were alternative approaches considered and evaluated?
Implementation	<p><u>Management</u></p> <ul style="list-style-type: none"> • Were project management arrangements put in place as planned? How well did they function? Were activities programmed, coordinated and implemented in an appropriate manner? • Were the roles of the implementing agencies appropriate considering institutional mindsets and past performance? Were steps undertaken to sensitise them to pro-poor needs and overcome weaknesses? Were their capacities for execution adequate? (KSF 4.2) • Were arrangements for annual work planning and budgeting, progress monitoring and impact evaluation adequate? Were the M&E systems in place and operational? Were stakeholders and beneficiaries consultations included as routine M&E activities? (KSF 4.5) <p><u>Proactivity and Risk-Management</u></p> <ul style="list-style-type: none"> • Did project manage in a successful manner the risks affecting start up and implementation? Was the project affected by delays in loan effectiveness and implementation? What were the causes? Could any of the problems have been anticipated? Can any of the problems be identified as systemic to the country, to IFAD or to its Cooperating Institution? (KSF 5.1) • Did project manage in a successful manner the risks associated with (a) Country capacity? (b) Effectiveness of the organisations and partners chosen to manage and implement the project? (c) Capacity for financial management, especially during start-up? (d) Procurement capacity? (e) Exposure of smallholders to climatic uncertainty (including climate change)? (KSF 5.2) • Were risk mitigating measures effective particularly regarding responsiveness to (a) the findings of environmental screening and scoping exercises and (b) social risks, such as the exclusion of key beneficiaries groups or lack of socio-political support by authorities or communities? (KSF 5.3) • Were inappropriate design assumptions promptly identified? Was the project changed or restructured accordingly? Was the logical framework updated to reflect changes during implementation?
Relevance	<p><u>Relevance at design</u></p> <ul style="list-style-type: none"> • Were project objectives consistent with country and sector strategies? Were financing proposals fully relevant to national development plans, PRSPs and sectoral priorities? • Was project design focusing on the priorities and the needs of the rural poor? (KSF 1.1) • Did project goal and objectives reflect IFAD's strategy in the country? <p><u>Relevance at completion</u></p> <ul style="list-style-type: none"> • Was the project relevant to the current national development and poverty reduction strategies? • To what extent project objectives were consistent with the rural poor's perception of their needs and potential at the time of completion? Did time overtake the project in ways that render it irrelevant?
Effectiveness	<ul style="list-style-type: none"> • To what extent the project achieved the expected targets? Compare the results (at the level of outputs, outcomes and impact) established in the design and approved by IFAD to the achievement at completion. Include problems that may have arisen from poor design or implementation. • Were outputs produced as planned? If there were shortfalls, what caused them? Was it realistic to expect the number/type of outputs, given budget and other constraints? • Did the project provide the expected benefits to the target population?
Efficiency	<ul style="list-style-type: none"> • How efficiently was the project implemented? How does project performance compare with that of others in terms of costs, time required, etc.?

Criterion	Guiding Performance Questions
	<ul style="list-style-type: none"> For the resources spent, are the number/quality of outputs an efficient and appropriate investment? Could the project have produced more with the same resources or the same with less money? Where available, how does IRR compare to with EIRR (estimated during design)? Were timetables adequately met? Were there any cost overruns? Also note if any cost-/time-saving measures were/could have been taken.
Partner Performance	
IFAD	<ul style="list-style-type: none"> How did IFAD perform with respect to the roles defined in the project? Preparatory and design works? Mid-Term Review? Implementation assistance? Supervision? How did IFAD perform in terms of capacity of dealing with changes in project environment, including amendments to the loan agreement? Were any measures taken to adjust the project in response to inadequacies in the original design or changes in the implementation environment? Has IFAD sought to influence poverty policies? Has IFAD been active in creating an effective partnership for implementation? Relationship between IFAD and other partners? Did IFAD support the CI by taking prompt action whenever required? Did IFAD help to enforce CI recommendations?
Cooperating Institution	<ul style="list-style-type: none"> How did the CI perform with respect to the roles defined in the project? Has the supervision programme been well arranged (frequency, composition, continuity)? Did supervision mission provide adequate services and support? Was there an adequate balance between fiduciary supervision and implementation support? Has implementation problems been highlighted and appropriate remedies suggested? Were CI reports from supervision missions adequate? Were reports filed in a timely manner?
Government	<ul style="list-style-type: none"> Has the Government correctly assumed ownership and responsibility for the project? Did government follow up on the recommendations of donors and support missions? By its actions and policies, has Government been fully supporting of project goals? Did government policies support rural poverty reduction? Did government comply with loan covenants, and if foreseen/required, allocated adequate funds for continued operations and maintenance after project completion? Was counterpart funding provided as agreed?
NGO/Other	<ul style="list-style-type: none"> How did NGOs perform with respect to the roles defined in the project? This may be based on timeliness and quality of service delivery, adherence to schedules and contracts, etc. Where available, use findings of client-satisfaction and beneficiaries surveys.
Cofinancier(s)	<ul style="list-style-type: none"> Were the committed funds provided in full and as agreed? Were there any issues regarding harmonization: reporting structures, special requirements, support missions? Were the co-financiers flexible and responsive where necessary? How was the relationship between co-financier and other partners?
Combined Partner Performance	<ul style="list-style-type: none"> As a whole, how did they perform? How well did they work together?
Rural Poverty Impact¹	
Physical Assets	<ul style="list-style-type: none"> Did households' ownership and access to land, water, livestock, tools, equipment, infrastructure and technology change? Did the project improve entitlement security of land, productive resources and technologies? Where available, apply RIMS third-level indicators²
Financial Assets	<ul style="list-style-type: none"> Did the project affect the financial resources of rural poor households and individuals? Did the project improve the availability of financial services for investment and consumption to the rural poor? Did the project improve institutional framework for rural financial services?
Food Security	<ul style="list-style-type: none"> Did the project affected food availability, whether produced or purchased, to ensure a minimum necessary intake by all members? Did the project improve children nutritional status and household food security? Where available, compare baseline and completion values of third-level RIMS indicators³.
Environment ⁴	<ul style="list-style-type: none"> Did the project contribute to the protection or rehabilitation of natural and common property resources (land, water, forests and pastures)? Were environmental concerns taken into consideration during project implementation? I.e., was environmental impact discussed in agricultural expansion/intensification, infrastructure development, natural resources management activities, etc.?

¹ Rate each domain. Refer to both intended and unintended impact. Other factors that positively or negatively contributed to impact should be mentioned. If information is not provided, not relevant, or not assessable, say so. Rating should take into consideration the sustainability of benefits.

² Project impact on physical assets can be analysed on the basis of the number of households with increased assets ownership index (compulsory RIMS third-level indicator).

³ The following RIMS third-level indicators can be used for assessing project impact on household food security: number and percentage of chronic malnourished, acutely malnourished and underweight children (sex disaggregated); number of households experiencing hungry seasons; month duration of hungry seasons.

⁴ Positive changes are high numbers (4-6); negative changes are low numbers (1-3). No impact would not be rated.

Criterion	Guiding Performance Questions
Human Assets	<ul style="list-style-type: none"> Did the project affect knowledge and skills of the rural poor? Did the project improve access of the rural poor to safe water sources? Did the project promote disease prevention and health care opportunities for the rural poor? Did the project improve learning opportunities in rural areas (note gender differences)? Where available, compare baseline and completion values of RIMS third-level indicators⁵.
Social Capital and Empowerment	<ul style="list-style-type: none"> Did the project affect the capacity of rural poor to influence decision making either on individual or collective basis? Did the project improve the collective capacity of rural poor to grasp potential economic opportunities and to develop stronger links with markets and external partners? Did the project impact on social capital, social cohesion and self-help capacity of rural communities? Did the project strengthen rural poor organisations and promote gender equality?
Agricultural Productivity	<ul style="list-style-type: none"> Did the project contribute to increase agricultural, livestock and fish productivity measured in terms of cropping intensity, yields and land productivity?
Institutions and Services	<ul style="list-style-type: none"> Did the project affect institutions, policies or regulatory frameworks? Did the project improve the capacity of local public institutions in servicing the rural poor and reorienting institutions' existing policies in favour of the poor? Did the project affected sector and/or national policies relevant for the rural poor?
Markets	<ul style="list-style-type: none"> Did the project improve rural people's access to markets through better transport routs and means of transportation? Did the project affect the participation of poor rural producers in competitive agribusiness value chain on equitable or favourable conditions?
Rural Poverty Impact	<ul style="list-style-type: none"> Provide a weighted average which gives a general view of project impact. This should not be the arithmetic average of impact domain ratings. Intended project objectives should be considered.
Overarching Factors	
Innovation	<ul style="list-style-type: none"> How innovative was the project? Was innovation discussed with the Government? (KSF 6.3) Did the project introduce innovative ideas into the project area? What was the experience with introducing innovative ideas and concepts, or setting up processes for innovation? Was the innovative part of the project implemented as planned? Was the project designed to lead to innovation, for instance, by pilot testing new concepts or technologies, evaluating, up-scaling them? Innovations can be completely new, new to the country, new to the region, or new to the target population
Replicability and Scaling up	<ul style="list-style-type: none"> What potential exists replicating the project, or some of its activities/components at national level or in other countries? Can the project be expanded beyond the target area/population? To what extent have prospects for future up-scaling been discussed with the Government and external development partners? (KSF 6.4)
Innovation, Replicability and Scaling up	<ul style="list-style-type: none"> This will be an overall/combined rating of "innovation" and "replicability and scaling-up". This rating will be used for the overall evaluation.
Sustainability and Ownership	<ul style="list-style-type: none"> Are project impacts sustainable beyond project interventions? Can they continue without external financing/support? How vulnerable is project continuity to political/economic change? Are there any institutional or capacity issues that could/should have been addressed to ensure sustainability? Were project measures to ensure sustainability effective particularly concerning (a) more rational use of natural resources, (b) durability of institutional reforms, (c) continuing means to promote pro-poor mindsets and build pro-poor capacities and (d) financial sustainability of the organisations either implementing the project or supported/created by it? (KSF 5.4) Did the project include a strategy for transferring ownership and responsibilities for managing project facilities after project completion to local stakeholders? If so, how well designed and effective was this strategy?
Targeting	<ul style="list-style-type: none"> Did the project include instruments and/or criteria for enhancing participation of vulnerable socio-economic categories in planning, prioritisation and implementation of project initiatives? If yes, were they effective? Was the targeting approach appropriate to the country context? Did the project provide benefits to the poorest socio-economic categories, including women, youth and indigenous people? Were efforts to identify poverty characteristics and locations comprehensive, especially concerning women, youth and other disadvantaged people? (KSF 2.2) Did the project analyse the needs of the rural poor and determine specific strategies to address their needs? Were different groups of poor identified and different strategies defined for each group? What measures were included in the project to ensure service and goods produced by the project were relevant and accessible to the poor, or to ensure the poor were not excluded from accessing project benefits? Did the project meet priority needs of the poor?
Gender	<ul style="list-style-type: none"> Were gender issues given enough attention during project implementation? (KSF 2.3) Was the project designed to specifically target the needs of women? Did women's situation (workloads, access to credit, healthcare, primary education, literacy) change? Did the project contribute to increase social capital, income earning and employment opportunities for women?

⁵ The following RIMS third-level indicators can be used for assessing project impact on human assets: female/male household members that can read; men/women between 15 and 24 that can read; ratio of women to men between 15 and 24 that can read; number of households with access to improved water sources, number of households with access to improved sanitation.

Criterion	Guiding Performance Questions
Overall Performance	<ul style="list-style-type: none"> • Provide a rating of project overall performance based on key performance indicators, assessment of impact and overarching factors, rate the project as a whole.
Estimated number of beneficiaries	<ul style="list-style-type: none"> • Specify whether it refers to individuals, households, communities, etc.

PCR Quality	
Scope	<ul style="list-style-type: none"> • Does the PCR cover all or nearly all of the elements outlined in Chapter VI of the 2006 guidelines? Note major omissions.
Quality	<ul style="list-style-type: none"> • Are the description, analysis and conclusions convincing or flawed? • Are data well chosen, well analysed and well presented? Quantitative or qualitative. Is there a re-estimated ERR? • Ease of assessment. How easy was it to find all the relevant information for this assessment?
Lessons	<ul style="list-style-type: none"> • Are the lessons clearly drawn? Are these relevant?