Evaluation Synthesis on IFAD’s Engagement in Middle-Income Countries

Independent Office of Evaluation
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Objectives

Two Main Objectives:

1. Generate lessons and insights; and

2. Identify themes and concepts.
Context

• No agreed upon universally valid definition for MICs.

• GNI per capita is widely used as a basis for engagement.

• MICs are a highly diverse group of countries (GNI/capita: 1,036-12,615). In 2013, 103 countries classified as MICs (48 LMICs and 55 UMICs).

• MICs ‘status’ is not permanent.
Context Con’t

• MICs are particularly characterized by deep income inequality.

• Most of the poor people live in MICs.

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<th>Less than US$1.25/day</th>
<th>Less than US$2/day</th>
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<tr>
<td></td>
<td>People(m)</td>
<td>% of world’s poor</td>
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<td>LMICs</td>
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<td>711</td>
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IFAD’s engagement with MICs

- Significant number of IFAD recipients are classified as MICs, 45 are LMIC.
- IFAD introduced its first MIC strategy in 2011.
- The strategy emphasized the need for customization to country context.
- Reflows from MICs are important (US$183m in 2012), as are core contributions (around US$180m in IFAD9) & co-financing.
Findings from IFAD evaluations

• IFAD’s mandate and operations are highly relevant in MICs and demand is high.

• Performance of IFAD operations is not much better in MICs than in LICs (project achievement: 76% in MICs; and 74% in LICs).

• Non-lending activities have been weak, but improving since 2011 (80% moderately satisfactory or better).
Findings from IFAD evaluations Con’t

• Positive examples of partnerships with private sector and multilateral/bilateral, but more can be achieved.

• Sustainability remains a challenge, though not specific to MICs.

• Promoting innovative solutions and ‘demonstrations’ effects are particularly important.
IFAD’s strategy in MICs: some insights Cont’

• COSOP’s show considerable country-specific variation, though more can be achieved.

• MICs financing needs are varied in type/amount.

• Additional resource mobilization is key, but IFAD will need to understand more thoroughly the need of MICs.
IFAD’s strategy in MICs: some insights

• MICs could provide higher share of counterpart funding.

• South-South and triangular cooperation can be further developed.
Conclusions

• IFAD is a key partner for MICs in rural poverty reduction and promoting inclusive growth.

• Priorities, approaches and business model will have to be tailored to MICs.

• IFAD’s engagement in MICs is an integral part of the Fund’s financial model.