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Independent Office of Evaluation
2003-2013 Accountability and learning for better rural livelihoods

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

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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.

	Less than US\$1.25/day		Less than US\$2/day	
	People(m)	% of world's poor	People(m)	% of world's poor
LMICs	711	58	1,394	59
UMICs	205	17	477	20
MICs	917	75	1,871	79

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.