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Investing in rural people

Project performance assessment of IFAD of the Programme for Sustainable Development in Rural Mountain Areas – Management response

Note to Evaluation Committee members

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Evaluation Committee — Ninetieth Session
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For: Review

Project performance assessment of IFAD of the Programme for Sustainable Development in Rural Mountain Areas – Management response

1. Management notes that the project performance assessment (PPA) was undertaken in accordance with its terms of reference, as agreed at the outset of the evaluation process. Management welcomes the PPA, which provides useful insights and analysis that help in understanding the achievements and challenges of the Programme for Sustainable Development in Rural Mountain Areas (SDRMA) from an independent perspective.
2. In particular, Management endorses the PPA's rating of moderately satisfactory (4) for overall SDRMA achievements, and concurs with the main findings contained in the PPA report. Management is committed to carefully reviewing the PPA findings, and to internalizing the main lessons, as and where appropriate, to further enhance the performance of IFAD operations in general. In this regard, Management also appreciates the efforts by the Near East, North Africa and Europe Division (NEN) in engaging in an exhaustive review of the findings of the PPA prior to the document's finalization.
3. As IFAD is likely to discontinue lending to further investment projects in Albania – given that the country has not confirmed its interest in borrowing from IFAD under the next lending cycle (2016-2018) – the findings of the PPA are not immediately applicable in Albania, also because the last ongoing project in Albania just reached completion. However, Management will emphasize the findings and recommendations of the PPA to the Government of Albania, so they may be considered in similar operations funded by the Government or other development partners in the country. In particular, the following recommendations would merit attention in the future:
 - (a) It will be critical to build more effective partnerships with communes, so as to facilitate monitoring and evaluation (M&E) and allow for consolidation and linkages between and across development programme activities. IFAD's experience in Albania has demonstrated that the commitment of the communes goes beyond meeting the required financial contribution to infrastructure and civil works, and that their capacity should be built to monitor development programmes/activities.
 - (b) About targeting in the value chain approach: In the context of the European Union pre-accession process and to ensure that the poorest productive households are effectively taken into account in development programmes, it will be critical to condition support to intermediaries/processors on measurable and monitored indirect benefits (especially in terms of employment generation) to the primary target groups (grass-roots producers).
 - (c) It will be important to capitalize on the experience of the Mountain Area Development Agency (MADA) in the formulation and implementation of mountain area programmes. In December 2014, MADA and the Ministry for Agriculture, Rural Development and Water Administration jointly held a workshop on rural development in mountain areas – also attended by development partners and showcasing MADA's achievements. The Minister for Agriculture acknowledged MADA's expertise and role as a vehicle for rural development, and confirmed that the Government would invest further in MADA. This commitment should be honoured.
 - (d) Finally, preparation of the impact survey and completion report for the recently completed Mountain to Market Programme will provide updated information on the socio-economic context of mountain areas. This

information will be helpful to the Government and its development partners in designing new development programmes in the northern part of the country.

4. Two recommendations of the PPA were specifically addressed to IFAD. The first related to the importance of social targeting versus geographical targeting, and the second related to early establishment of an effective, efficient M&E system.
 - (a) Management agrees to give social targeting greater attention in NEN operations, especially in upper-middle-income countries, and not only in Albania, to ensure that IFAD support has a pro-poor focus.
 - (b) With regard to the recommendation on M&E, Management notes that M&E is a challenge in many recipient countries and not just in Albania. It thus agrees that stronger efforts are needed to ensure that a working M&E system is established early in the project cycle. Management believes that including a plan to establish such systems as part of the project design document, wherever they do not exist, could help achieve this result.