



## Environment and Natural Resource Management - Evaluation Synthesis Independent Office of Evaluation (IOE, IFAD)

94<sup>th</sup> session of the Evaluation Committee  
13 October 2016

Independent Office  
of Evaluation



Investing in rural people

# IFAD key policies and processes

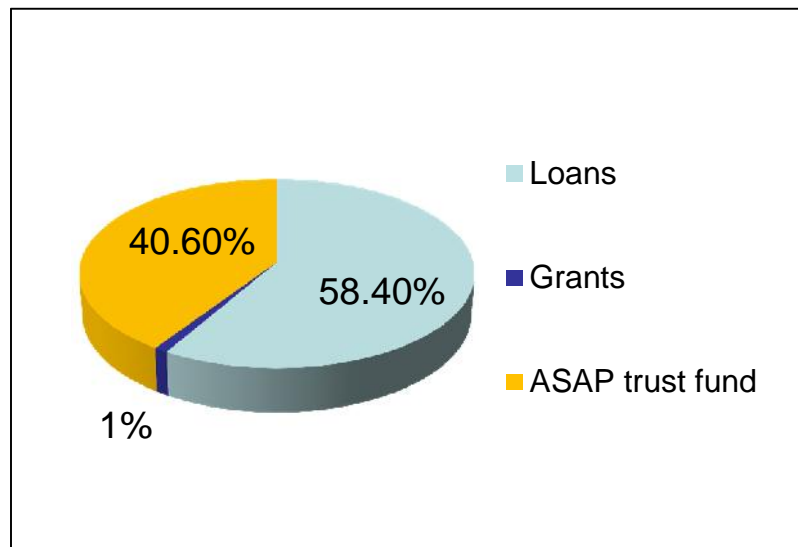
- IFAD definition of ENRM: *‘the use and management of the natural environment, including natural resources defined as raw materials used for socio economic and cultural purposes and ecosystems and biodiversity- together with the goods and services they provide’*
- E.g. managing soil fertility, controlling erosion, water resources, biodiversity, fisheries, forests, renewable energy
- IFAD’s approach to ENRM is grounded in its Strategic Frameworks (since 2002-06); Climate Strategy (2010); and Policy on Environment and Natural Resource Management (2011). High priority in IFAD 9 and 10
- Recent initiatives have resulted in an increased emphasis on ENRM:
  - Establishment of an Environment and Climate Change Division
  - Adaptation for Smallholder Agriculture Programme (ASAP)
  - Social, Environment and Climate Assessment Procedures (SECAP)

# IFAD Funding of ENRM (2010-2015)

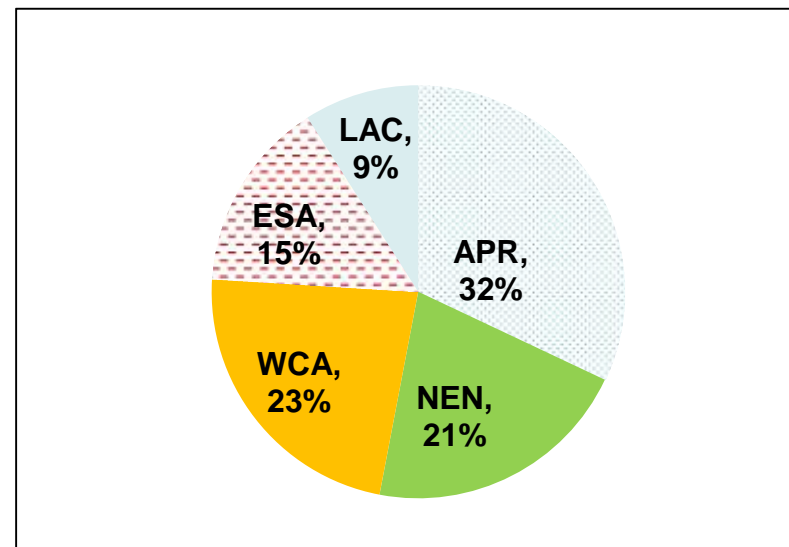
ENRM allocations estimated at US\$ 589 million in 2010-2015: 12 % of total IFAD own financing. In addition GEF funding US\$ 101m

- Most financing through loans (ENRM may be under-reported)
- Regional shares of ENRM funding follow overall loan portfolio shares

Composition of IFAD financing for ENRM



Regional share of ENRM funding



# IFAD Funding of ENRM (2010-2015) / 2

- IFAD Loans focus: resource management/protection (35%), soil and water conservation (18%), rangeland management (17%), climate change adaptation (15%)
- Predominant focus (GEF ): climate change (85%), biodiversity (12%), Multi focal area(3%)
- ASAP solely focused on climate change adaptation

# COSOP Alignment with IFAD's ENRM Strategy and Policy

- New COSOPs contain ENRM focus in line with evolving IFAD strategy
- Some shift of emphasis from conventional ENRM issues to climate change adaptation
- In a small number of cases, new strategic issues such as market focus have displaced ENRM focus
- ENRM in the COSOP not systematically reflected in content of investment portfolio

# Integrating ENRM in project design

ENRM is one of the project components, often ancillary to other objectives (e.g., agricultural diversification, raising incomes)

ENRM is treated well in project design when:

- builds upon community development and participatory approach
- capacity of institutions in charge of ENRM is assessed and partnership are envisaged between gov. and non-gov. actors

Recurrent issues at the design stage:

- Under estimation of social, political and institutional context
- Scale/geographical scope of ENRM not consistent with local context or resources available and with budget and time line

# Managing Environmental risks

- Projects evaluated by IOE so far were designed before 2009 SECAP → adhere to less stringent standards
- Several cases of gaps in environmental risk assessment (variable size and geographic extension of risk). Potential detrimental effects linked to expanded coverage in follow-up phases
- Uganda Vegetable Oil project: potential risk beyond IFAD safeguard requirement at that time. Environmental management plan prepared *ex post* but then followed up rigorously

# Effectiveness of ENRM

- Average ratings of ENRM impact domain are lower than for other criteria. Proportion of projects rated moderately satisfactory or better fluctuated around 70% since 2007
- Higher ENRM impact ratings associated with: governance reforms, strong project management teams, including functional monitoring system
- Lower ENRM impact ratings linked to: overlooking of risks, poor integration with other project components, inadequate incentives for beneficiaries, weak implementation capacity



# Strategic issues

- Growing focus on ‘avoiding harm’ by assessing and managing environmental and social impacts: important but not sufficient
- Fundamental for IFAD is targeting its investments ‘at doing good’
- Efforts to improve integration of ENRM in operations in recent years
- Follow-up to evaluation recommendations in COSOPs
- Risk that attention to climate change resilience may displace focus away from ENRM issues of importance for the rural poor
- ENRM, poverty and livelihood linkages not well captured in past project design and by M&E

# Recommendations

1. Strengthen efforts to foster demand from national partners for greater integration of ENRM at the country level
2. Increase IFAD's and partners' understanding of how ENRM activities can contribute to poverty reduction. This requires engagement in knowledge management
3. Explore options to continue and broaden the use of grant finance to boost the integration of ENRM, not just climate change adaptation
4. Enhance data management and monitoring of ENRM interventions