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Enabling poor rural people
to overcome poverty

Annual Report on Results and Impact of IFAD Operations Evaluated in 2012

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Contents

Abbreviations and acronyms

AfDB	African Development Bank
ARRI	Annual Report on Results and Impact of IFAD Operations
AsDB	Asian Development Bank
COSOP	country strategic opportunities programme
CPE	country programme evaluation
FCS	fragile and/or conflict-affected state
GNI	gross national income
IDA	International Development Association (World Bank group)
IEE	Independent External Evaluation of IFAD
IFI	international financial institution
IOE	Independent Office of Evaluation of IFAD
LDC	least developed country
MIC	middle-income country
M&E	monitoring and evaluation
PCR	project completion report
PCRV	project completion report validation
PMD	Programme Management Department
PPA	project performance assessment
RIDE	Report on IFAD's Development Effectiveness
RMF	Results Measurement Framework

Acknowledgements

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IOE would like to express deep appreciation to IFAD Management for its overall support and insightful written comments on the draft final report, which have been duly considered in line with the IFAD Evaluation Policy in the preparation of the final report. The comments of the Evaluation Committee and Executive Board on the 2012 ARRI have also been considered in this year's edition.

Executive summary

1. **Background.** This is the eleventh edition of the Annual Report on the Results and Impact of IFAD Operations (ARRI), prepared by the Independent Office of Evaluation of IFAD (IOE). It consolidates and summarizes the results and impact of IFAD-funded operations on the basis of evaluations conducted during 2012 and in previous years.

2. The Fund is one of the very few multilateral and bilateral development organizations that produces an annual report similar to the ARRI. Its production is a reflection of IFAD's overall commitment to promoting accountability, learning and transparency in reporting on performance. While the primary audience for the ARRI is IFAD Management, staff and consultants, and the Fund's Evaluation Committee and Executive Board, the report is also of interest to recipient countries and the wider development community.

3. **Objectives.** The objectives of the ARRI are to: (i) present a synthesis of the performance of IFAD-supported operations based on a common methodology for evaluation; and (ii) highlight key learning issues and development challenges that IFAD and recipient countries need to address to enhance the development effectiveness of these operations.

4. **Methodology.** IOE is able to produce the ARRI because all its evaluations follow a consistent methodology, captured in the Evaluation Manual, which builds on international good practice. In preparing the 2013 ARRI, IOE took serious note of feedback on last year's edition by IFAD Management and the Evaluation Committee and Executive Board, and, accordingly, adjusted the way independent evaluation data have been analysed and reported on in this edition.

5. Two changes have been made. First, the 2013 ARRI has analysed and reported evaluation results based on the year in which projects were completed, rather than the year in which evaluations were undertaken (the past practice). This is consistent with the practice in other international financial institutions and has ensured that the results for each time period are representative of a similar cohort of projects.

6. Second, a new data series has been introduced based only on evaluation data from project completion report validations (PCRVs) and project performance assessments (PPAs). This avoids a possible problem associated with combining results across a diverse mix of evaluation types. The one limitation of the new data series is that IOE only began conducting PCRVs and PPAs in 2010. Thus it is difficult to conduct trend analysis based on these data at this stage, a limitation that will be overcome once data from other years become available. Consequently, the series based on data from all types of evaluations will continue to be presented for the time being in order to report on trends.

7. **Main messages.** The relevance of IFAD-supported projects remains generally high, illustrating the importance of the Fund as a global organization promoting sustainable small-scale agricultural development. The rural poverty impact of IFAD operations has shown improvement since 2005-2007. An upward trend is also visible in project performance and overall project achievement in projects that closed since 2009-2011.

8. There are three further areas of good performance that deserve to be highlighted. First, IFAD's own performance as a partner over 2011-2013 is the best since the ARRI was first issued in 2003. This is noteworthy, and the coherent Change and Reform Agenda introduced in 2009 is likely to have also been a key ingredient in improved performance in this area. Direct supervision and the consolidation of existing, and establishment of new, IFAD country offices are two fundamental changes to IFAD's operating model that are contributing to better results.

9. Second, IFAD operations score high in promoting innovative approaches and in scaling up, which are fundamental to achieving a wider impact on rural poverty. In fact, for a relatively small organization such as IFAD (compared with the World Bank or other regional development banks), the capacity to develop and test innovative solutions in agriculture and rural development is critical, because, if successful, these can eventually be scaled up by governments, donors and other partners. Third, IFAD operations are very good at promoting gender equality and women's empowerment, an area in which the Fund is developing a comparative advantage, a track record and specialization. This, too, is fundamental, given that a significant number of poor rural women in developing countries work in agriculture and derive their livelihoods also from related activities.

10. The performance of IFAD operations is generally on a par with the agriculture-sector operations of the World Bank globally, similar to that of the African Development Bank in Africa and better than the Asian Development Bank in Asia and the Pacific. This is reassuring, given that the contexts in which IFAD works are often more challenging (i.e. remote and marginalized areas with a focus on poor rural people) and the nature of its operations is generally more demanding (i.e. with a focus on participatory approaches, targeting and empowerment).

11. There are areas, however, that deserve added attention moving forward. Notwithstanding the positive picture in general, a large number of projects continue to manifest moderately satisfactory performance and hardly any are highly satisfactory in the evaluation criteria assessed. Thus, there are opportunities for further improvement overall.

12. Moreover, two areas flagged in the past remain problematic: efficiency of operations and sustainability of benefits. These are the two weakest performing evaluation criteria. Government performance as a partner has also not shown much improvement over time. This is particularly important, as projects financed by IFAD are ultimately executed by governments, and their performance is thus critical to successful outcomes.

13. With regard to the performance of country strategies, the ARRI underlines that country programme evaluation ratings for relevance, effectiveness and overall performance, as well as for non-lending activities (partnership-building, policy dialogue and knowledge management), have improved overall since 2006-2008. Lack of resources – human and financial – remains the main limiting factor for non-lending activities.

14. The ARRI also notes that the grants programme is a very important instrument at IFAD's disposal, yet there are opportunities for a more strategic use of grants, including tighter synergies at the country level with investment projects financed by the Fund. There is also room for improvement in grant monitoring, supervision and reporting on outcomes.

15. This edition covers one learning theme: understanding exceptional projects. The review revealed a strong association between factors in all types of countries. Poor designs, poorly managed in difficult contexts, lead to exceptionally unsuccessful project outcomes. Good designs, well managed in supportive contexts, lead to exceptionally successful project outcomes. The few exceptionally successful projects in difficult contexts generally had good designs, high-quality project management, and good support from IFAD and government. IOE will deepen this initial analysis in 2014, when it undertakes the corporate-level evaluation of IFAD's engagement in fragile states and prepares an evaluation synthesis report of the organization's opportunities and challenges in working in middle-income countries.

16. **Conclusion.** IFAD has a unique role to play in the international aid architecture in reducing rural poverty, and its projects and programmes are making important contributions to government efforts to promote sustainable small-scale agriculture development. It is an organization on the move, concerned with making

adjustments to its operating model, with the aim of achieving better results. There are, however, opportunities for improvement to achieve excellence, which will require continued focus on improving internal business processes, supporting governments in improving their capacity, including in the area of monitoring and evaluation (M&E), and greater customization to country contexts.

17. Three specific conclusions are worth highlighting:

    (i) There is good evidence of improvement in some aspects of IFAD's performance. However, there are a number of **persistent challenges**, such as in efficiency, sustainability and M&E. These require a step-change in approach. Business as usual, and incremental improvement efforts, are as unlikely to lead to significant change in the next few years as they have in the past few years.

    (ii) Considerable progress has been made in improving project design and project supervision. A similar focus and effort is now required for **project management**. This is emerging as a very important, but underemphasized, determinant of project performance in all country contexts. A more consistent, more effective approach to ensuring and supporting high-quality project management is required, particularly in the early stages of project implementation.

    (iii) **Fragile and/or conflict-affected states** are an important focus for IFAD in both low- and middle-income countries. Fragility, conflict and poverty increasingly coincide. Thus, IFAD's relatively poorer performance in these situations represents an important challenge. The forthcoming corporate evaluation of performance in fragile situations will provide a critical opportunity for significant rethinking and change.

18. **Recommendations.** The 2013 ARRI makes the following four recommendations: (i) the corporate-level evaluation on fragile states planned for 2014 should be expanded to cover fragile and conflict-affected situations in both low- and middle-income countries; (ii) the 2014 learning theme should examine the role of government, with a particular emphasis on strengthening the performance of project management teams; (iii) IOE should work with IFAD Management to design and implement a corporate-level evaluation on project management, including project-level M&E; and (iv) IFAD Management should pay special attention in next year's Report on IFAD's Development Effectiveness and the Annual Project Portfolio Review to the persistent challenges identified in this and previous ARRIs.

Annual report on results and impact of IFAD operations evaluated in 2012

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Annual report on results and impact of IFAD operations evaluated in 2012

Main report

I. Introduction

1. This is the eleventh version of the Annual Report on Results and Impact of IFAD Operations (ARRI), mandated by the IFAD Evaluation Policy. IFAD is one of the very few multilateral and bilateral development organizations that produces this type of annual report.[1] The report consolidates and summarizes the results and impact of IFAD-funded operations on the basis of independent evaluations conducted in the previous year.[2] Production of the ARRI is a reflection of IFAD's overall commitment to promoting accountability and results and enhancing transparency in reporting on these results.

2. The objective of the ARRI is twofold: (i) to present a synthesis of the performance of IFAD-supported operations based on a common methodology for evaluation;[3] and (ii) to highlight key learning issues and challenges that IFAD and recipient countries must address to enhance the development effectiveness of IFAD-funded operations. While the primary audience for the ARRI is IFAD Management, staff and consultants, and the Fund's Evaluation Committee and Executive Board, the report is also of interest to recipient countries and the wider development community.

3. This year's ARRI is different in two ways. First, in line with the new limits on the length of IFAD governing body documents, the main body of the report is much shorter than in previous editions. Second, for reasons explained in section II, changes have been made in the way time series data are presented. Two new data series are proposed.

4. The report is structured in two parts. The first part (section II) reports on performance trends since 2002, benchmarks the performance of IFAD operations against other international financial institutions (IFIs), and highlights the major issues raised by independent evaluations conducted in 2012.

5. The second part (section III) addresses a single learning theme: understanding exceptional projects with particular reference to fragile contexts and middle-income countries. Exceptional projects are those that have been rated in independent evaluations as either satisfactory/highly satisfactory or moderately unsatisfactory/unsatisfactory. This analysis draws on all the exceptional projects evaluated by IOE since 2002,[4] but with a greater emphasis on recent projects and practice.

II. Performance 2002-2012

A. Project performance

Methodological issues

6. The IFAD Management Response to the 2012 ARRI and feedback from the Board in December 2012 have led to an adjustment in the methodology used for this year's ARRI. The first ARRI, issued in 2003, reported on the ratings from a relatively small number of project evaluations completed in the previous year. Ratings from individual projects evaluated as part of country programme evaluations (CPEs) were then added. This contributed to enhancing the cohort of project evaluations

[1] The independent evaluation functions of the Asian Development Bank (Independent Evaluation Department) and the World Bank (Independent Evaluation Group) also produce annual reports similar to the ARRI.
[2] Some evaluations included in this ARRI were finalized in 2013.
[3] The methodology and processes followed by the Independent Office of Evaluation of IFAD (IOE) are captured in the IFAD Evaluation Manual, www.ifad.org/evaluation/process_methodology/doc/manual.pdf.
[4] In 2002 IOE first introduced and applied a common methodology to all project evaluations undertaken.

available to the preparation of the ARRI. Since 2010, ratings from project performance assessments (PPAs) and project completion report validations (PCRVs) have also been included.[5] Thus the number of project evaluations used as a basis for the ARRI has grown from 10 in the 2003 ARRI to 35 in the 2013 edition. This has contributed to strengthening the robustness of the evidence and analysis contained in the document.

7. There are two main drawbacks to this approach: the different ages of the projects reported (i.e. the different years in which projects were approved and completed), and the different types of evaluation (e.g. PCRVs/PPAs, CPEs, etc.) reported in the document. In the past, the ARRI only reported results by the year in which evaluations were completed by IOE. That is, ratings from all projects evaluated in the previous year are reported, regardless of when the project was approved or completed. The result is a very wide spread of project approval dates and, in some cases, the inclusion of some very old projects in the ARRI. Similarly, the completion dates of projects evaluated by IOE in any given year cover a rather wide time frame. For example, project completion dates for the projects evaluated in 2012 range from 2004 to 2016.

8. Thus the solution to the age issue is to use either the year of project approval or the year of project completion in conducting data analysis and presenting the corresponding results in the ARRI. This ensures that the age composition of each cohort of projects evaluated by IOE is the same. Both give broadly similar results, but on balance, reporting by year of project completion is preferred, as this includes all inputs and changes to a project, not only project design and appraisal. All options are presented in appendix VI for comparison.

9. The second drawback is the mix of different types of evaluations included. Ratings from CPEs, PPAs, PCRVs and project interim/completion evaluations[6] are all included in the ARRI database. Some of the projects rated in CPEs are of a relatively old vintage and generally less intensively evaluated than those covered by PPAs or PCRVs, but have the potential to influence the overall ARRI rating up or down, depending on the characteristics of the countries that happen to be evaluated that year. This should be kept in mind in interpreting IFAD project performance and any corresponding trends over time.

10. The solution to the type issue is to introduce a new data series based on PCRVs/PPAs only. There are a reasonable number of completed projects from 2009 onwards that have undergone a PCRV/PPA. Reporting by year of project completion, rather than by year of evaluation, is also consistent with most other IFIs; it removes the criticism that ARRI data are not based on a true "cohort"; and will allow the database to be updated as and when new PCRVs are completed (e.g. if the project completion report [PCR] is delayed). If the Programme Management Department (PMD) would also report by year of completion rather than year of review, this would allow clear comparability between data contained in the ARRI (PPAs/PCRVs) and the Report on IFAD's Development Effectiveness (RIDE) (PCRs).

11. The only disadvantage of shifting to a PCRV/PPA series is the limited number of data points. As mentioned earlier, this is because IOE only introduced PCRVs and PPAs in 2010, and a sufficient number of PCRV/PPA ratings are only available for projects completing in 2009 onwards. Consequently, ratings based on all independent evaluations will be used for the time being, in order to report on trends in the performance of IFAD-supported operations.

[5] In order to further harmonize its evaluation system with those of other IFIs, following peer review of IFAD's evaluation function in 2010, IOE introduced PCRVs for all completed operations. It also began a selected number of PPAs, which are conducted for projects after their PCRV is completed and build on that PCRV. PPAs include a limited amount of field work for the collection of additional data and evidence.

[6] As agreed with the Board following the peer review of the evaluation function, project interim and completion evaluations were stopped in 2010 and replaced by PCVs and PPAs.

Trends since 2000 – all evaluation data

12. This section reports on any substantive trends in project performance since 2002, with evaluated projects clustered by year of completion. Alternative presentations by year of approval and year of evaluation (as in past ARRIs) are contained in appendix VI. As in previous editions of the document, three-year moving averages are used to smooth the data.

13. **Relevance, effectiveness** and **efficiency** have been broadly flat since 2000-2002, but with an upward trend in effectiveness and efficiency in recent years. **Project performance** – a composite of these three evaluation criteria – has been broadly flat over the decade as a result. If anything, project performance has been slightly lower in projects completing since 2007-2009 compared with earlier projects (figure 1 below), but also displays an upward trend since 2009-2011. With regard to the latter, the recent improvements in effectiveness, efficiency and project performance can also be discerned in IFAD's self-assessment data generated from project completion reports. Two reasons for recent improvements are the introduction of direct supervision and implementation support, and more attention to consolidating existing – and setting up new – IFAD country offices, which are probably the most far-reaching changes to IFAD's operating model since the establishment of the Fund in the 1970s.

14. Having said that, the efficiency of IFAD operations is still one of the two weakest performing evaluation criteria (the other being sustainability) used by IOE to assess project results. Only some 50 per cent of evaluated projects completed in 2011-2013 were assessed as moderately satisfactory or satisfactory, and none were highly satisfactory. There are several reasons, inter alia, for poor project efficiency: the wide geographical coverage of projects, delays in deployment of project staff, relatively slow disbursement, and inadequate targeting of poor rural people.

15. **Rural poverty impact**[7] has improved significantly since 2005-2007 (figure 2 below), though close to 60 per cent of the projects are assessed as moderately satisfactory. No clear trends are evident in the five impact domains[8] that form the overall rural poverty impact criterion, although all have broadly improved over the same time period (appendix VI). Improvements are visible in the impact domains of: institutions and policies; natural resources, the environment and climate change; and human and social capital and empowerment.

16. A clear upward trend is evident in **IFAD's performance** as a partner. This has improved from 47 per cent moderately satisfactory or better for projects completing in 2004-2006, to 84 per cent for projects completing in 2011-2013 (figure 3 below). In the period 2011-2013, based on independent evaluation data, IFAD's performance as a partner has been the best since the introduction of the ARRI in 2003, even though slightly more than 40 per cent of projects are only moderately satisfactory. This is an important achievement, and may be a reflection of the concerted efforts within the overall Change and Reform Agenda introduced in 2009 (for example, more systematic portfolio management and reviews, a stronger self-evaluation system, and greater attention to human resources management).

17. **Government performance** is fundamental, as it is one of the most important determinants in the success of IFAD-funded operations. This is because governments are ultimately responsible for the execution of IFAD-funded projects. Government performance as a partner in IFAD-funded operations has been variable, but, broadly, has not improved since 2000-2002 (appendix VI). Some

[7] With regard to measuring impact, in 2013 IOE conducted its first "impact evaluation" of an IFAD-funded project (in Sri Lanka) and the corresponding results will also be reported through the ARRI in 2014. Further impact evaluations are planned in 2014 and beyond.

[8] IP – institutions and policies; NRE – natural resources, the environment and climate change; FSAP – food security and agricultural productivity; HIA – household income and assets; and HSCE – human and social capital and empowerment.

40 per cent of projects are moderately satisfactory in terms of government performance in the period 2011-2013. This is an area highlighted in previous ARRIs, and IFAD can continue to strengthen its support to improve government performance in the future. The introduction of the reimbursable technical assistance instrument and a recent grant to FAO's Investment Centre to help capacity-building in partner countries are examples of steps in the right direction.

18. No clear long-term trends are evident in **sustainability, innovation and scaling up** and **gender equality and women's empowerment** (appendix VI). About 80 per cent of the projects are moderately satisfactory or better in terms of innovation and scaling up in the period 2011-2013, which is the best result since the introduction of the ARRI (even if half the projects more or less are only moderately satisfactory).[9]

19. However, the sustainability of projects remains an area of concern. Only some 50 per cent of projects evaluated are moderately satisfactory or better in 2011-2013, and the majority of these are only moderately satisfactory. Several reasons for poor sustainability were discussed in previous ARRIs, for example limited attention to early preparation of exit strategies, complex designs with multiple components, and above all, weak institutional capacities in partner countries.

20. In 2010, IOE introduced **gender** as a dedicated evaluation criterion covered systematically in all project and country programme evaluations. It is one of the very few evaluation offices among multilateral organizations to have gender as a specific criterion in its evaluation methodology. Projects that closed in 2011-2013 show that just over 80 per cent are moderately satisfactory or better in this criterion (even though nearly half are only moderately satisfactory). IFAD's good performance in promoting gender equality and women's empowerment was also captured in a recent assessment, by UN Women, of key actions taken by IFAD to implement the United Nations System-wide Action Plan for implementation of the United Nations System Chief Executives Board for Coordination Policy on gender equality and the empowerment of women. UN Women considers the Fund a leader on gender in the international aid architecture. There is, however, an opportunity to raise the bar, so that a greater proportion of projects independently evaluated in the future may be considered satisfactory under this criterion.

21. **Overall project achievement**[10] has varied over the decade, but has improved from 70 per cent moderately satisfactory or better for projects completing in 2000-2002 to 79 per cent for projects completing in 2011-2013 (figure 4). An upward trend is visible for projects closing from 2009 onwards, even though a large proportion of projects continue to fall in the moderately satisfactory category.

[9] In the future, IOE plans to disentangle "innovation" and "scaling up" into two separate evaluation criteria to allow for a more discernable assessment of project results in these two priority IFAD areas.
[10] "Overall project achievement" provides an overarching assessment of a project, drawing on the analysis made under project performance, rural poverty impact and other performance criteria (gender, sustainability, innovation and scaling up).

Figure 1
Project performance by year of completion (all data)

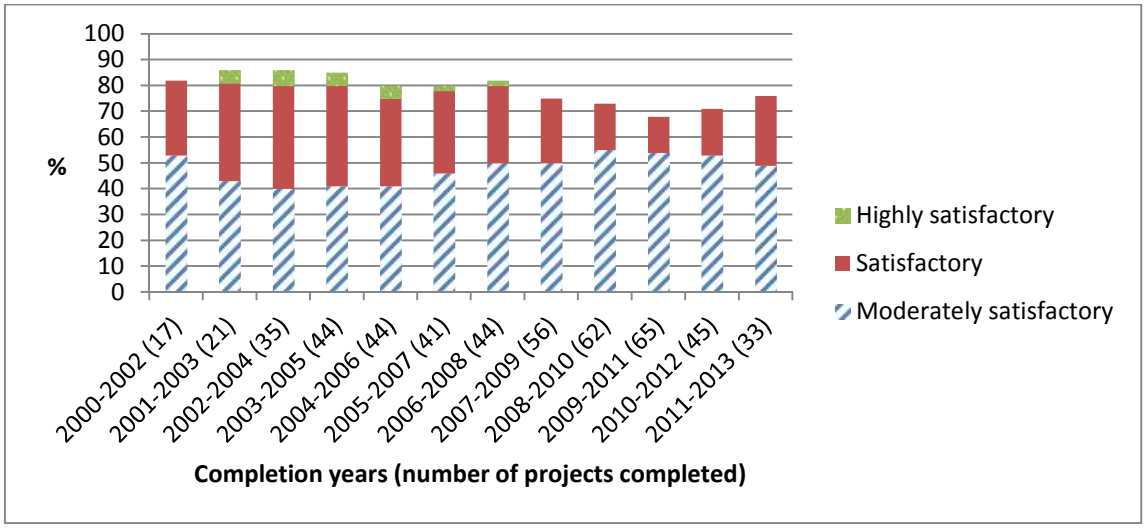


Figure 2
Rural poverty impact by year of completion (all data)

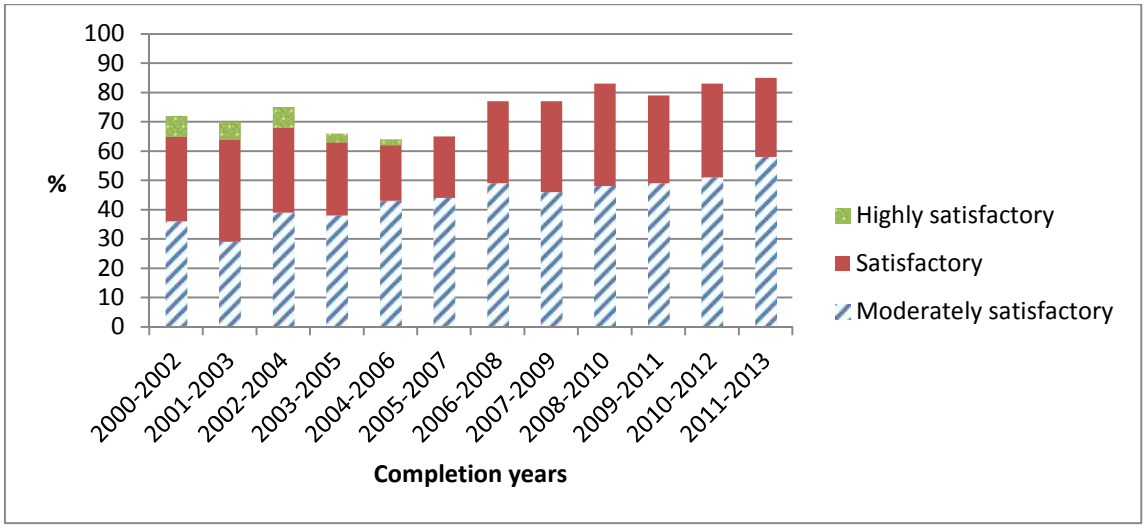


Figure 3
IFAD performance by year of completion (all data)

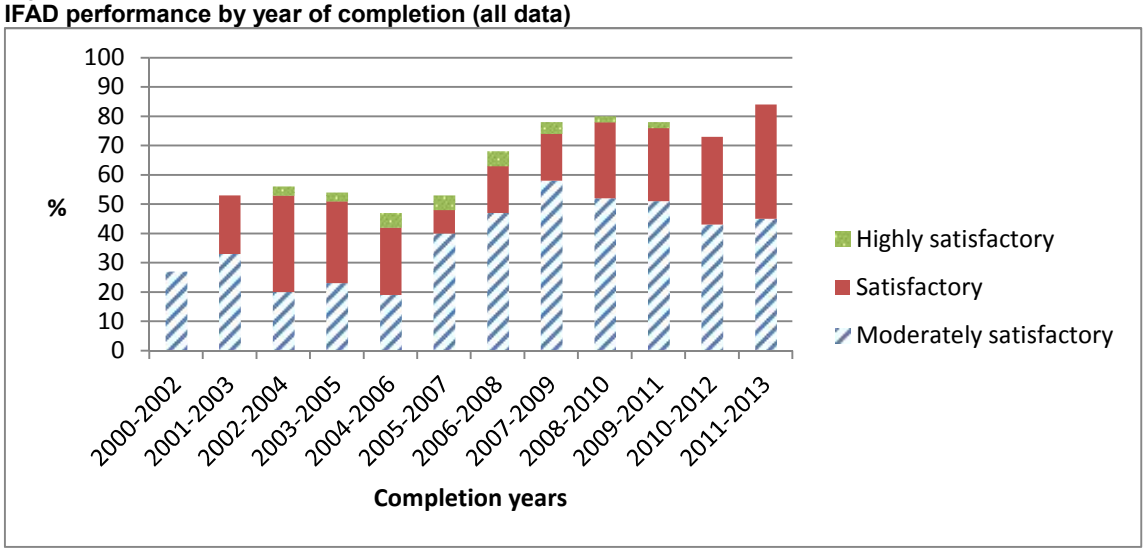
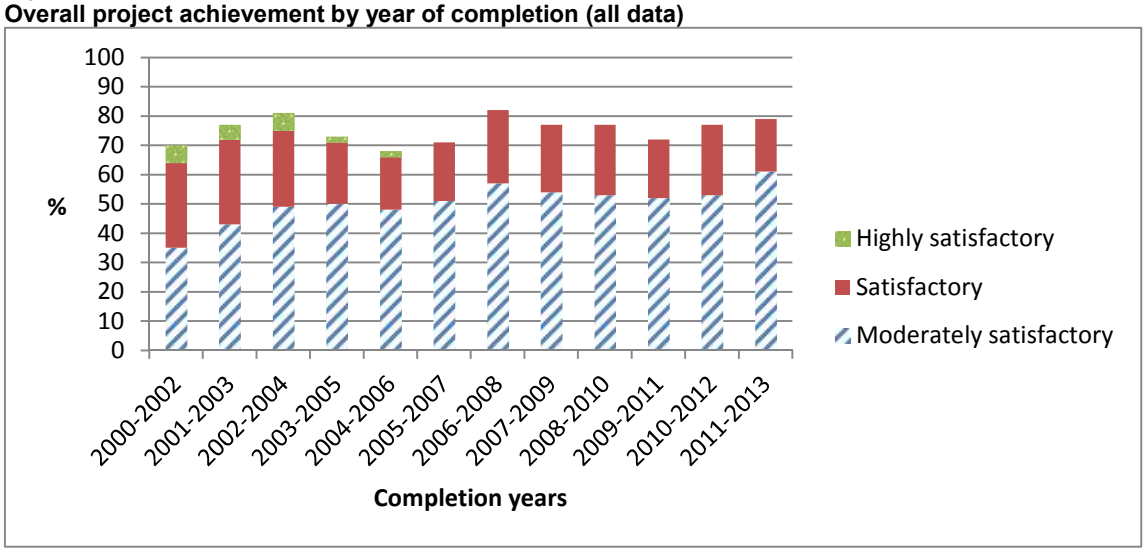


Figure 4
Overall project achievement by year of completion (all data)



22. The above data are based on analysis by year of project completion. Analysis by year of project approval shows an upward trend for project performance and for food security and agricultural productivity for projects approved since 2001-2003 (appendix VI). It should also be noted that, because of the historical nature of the ARRI sample, nearly all projects evaluated were designed before the significant changes in IFAD's operating model introduced from 2007 onwards. Further improvements may thus be expected once IOE evaluates projects that have benefited from these changes, as reported through future ARRIs.

Recent performance – PCRV and PPA data only

23. PCRV/PPA data by IOE presented by year of project completion provide the most consistent measure of project performance (see paragraphs 6-9 above). However, a sufficient number of ratings are only available for projects closed from 2009, because, as mentioned earlier, PCRVs/PPAs were first conducted from 2010 onwards. Table 1 presents summary PCRV and PPA data for the latest available three-year period (2009-2011).[11] Equivalent data from all evaluations for the same period are presented for comparison.

24. There is little difference in performance as measured by these two data sets. If this holds true for more recent projects (i.e. those completing in 2010-2012 and 2011-2013), performance as measured by PCRVs may be expected to show an improvement in line with the results from all evaluation data (see figures 1-4 above). Finally, it is important to note that the "disconnect" in project results reported by IOE on the one hand, and IFAD Management on the other through its self-evaluation system, is very narrow (see appendix IX).

[11] Note that PCRV data are only available for projects completing in 2009-2011. PCRVs for projects closed in 2012 are being conducted in 2013/14 and those data will be presented (depending on the availability of the PCRs) in the 2014 ARRI next year. Other evaluation data (e.g. from CPEs) are available for projects completing in 2010-2012 and 2011-2013.

Table 1
PCRV/PPA only and all evaluation data for projects completing in 2009-2011

	Per cent moderately satisfactory or better	
Evaluation criteria	PCRV/PPA data	All evaluation data
Relevance	95	94
Effectiveness	63	66
Efficiency	49	48
Project performance	65	68
Rural poverty impact	75	79
Sustainability	50	51
Innovation and scaling up	70	73
Gender equality and women's empowerment	74	78
IFAD performance	77	77
Government performance	63	65
Overall project achievement	70	72
Household income and assets	76	77
Human and social capital and empowerment	80	82
Food security and agricultural productivity	74	71
Environment	69	68
Institutions and policy	70	72

25. Two figures stand out in this table as being particularly low: those for sustainability and efficiency. Only half the projects were rated as moderately satisfactory or better for these criteria, and an even lower percentage were satisfactory or better.[12] Sustainability was highlighted as an issue in last year's ARRI and it remains problematic for IFAD. The issue of efficiency is highlighted in subsection E below.

B. Country programme performance

26. CPEs assess the performance of: (i) the project portfolio; (ii) non-lending activities, including knowledge management, policy dialogue and partnership-building; and (iii) the country strategy (i.e. the country strategic opportunities programme [COSOP]), in terms of its relevance and effectiveness. As the findings of CPEs with respect to portfolio performance are included in the project performance section above, this section will be limited to non-lending activities and COSOP performance. Issues arising from the five CPEs[13] carried out in 2012 are covered in subsection D below.

27. The CPE ratings for non-lending activities have improved since 2006-2008, but show a slight decline in the latest period (2010-2012). However, the relatively small number of CPEs in each period – from 7 to 12 – makes these figures sensitive to the particular CPEs carried out in each period. More data are required for reliable trend identification. Overall non-lending performance was moderately satisfactory or better in 83 per cent of CPEs in the most recent period, but satisfactory or better in only 8 per cent. Thus a large majority of CPEs show that non-lending activity performance is moderately satisfactory. Lack of resources – human and financial – remains the main limiting factor. Improvements may be seen since 2006-2008. These can be attributed largely to IFAD's move to direct supervision, a growing in-country presence and the increased use of grants.

[12] Nineteen per cent of projects completing in 2009-2011 were rated in PCRVs/PPAs as satisfactory or better for efficiency. The equivalent figure for sustainability was 12 per cent.
[13] In Ecuador, Indonesia, Madagascar, Mali and Nepal.

28. CPEs also contain ratings for COSOP relevance, effectiveness and overall performance (the latter being a composite of relevance and effectiveness). Seventy-five per cent of CPEs in the most recent period (2010-2012) were rated as moderately satisfactory or better for COSOP performance. Twenty-five per cent were rated as satisfactory or better. More realistic objectives and better funding for COSOP formulation, management and monitoring will be required in order to improve on this.[14]

C. Benchmarking

External benchmarking

29. Benchmarking the performance of IFAD operations requires comparable data from other agencies: similar projects, similar regional distribution and similar rating methodologies. Table 2 presents a comparison with available data from three other agencies: the Asian Development Bank (AsDB), the World Bank and the African Development Bank (AfDB). Data for the latter are only available for the most recent period (2009-2012). The data are not perfectly comparable and need to be qualified.[15]

30. The performance of IFAD operations is on a par with World Bank agriculture sector operations. At the regional level, operational performance in Africa is similar to that of AfDB. Sixty-five per cent of IFAD-funded projects in Africa completed between 2009-2012 were rated as moderately satisfactory or better for overall project performance, as compared with 64 per cent for AfDB in the same period. The performance of IFAD-funded operations in Asia and the Pacific is better than that of AsDB. Eighty-three per cent of IFAD-funded projects in Asia completed between 2009-2012 were rated as moderately satisfactory or better for overall project performance, as compared with 78 per cent for AsDB. Such comparison with other IFIs must take into account the more challenging nature and context of IFAD projects.[16] It is not possible to compare the performance of IFAD operations in Latin America and the Caribbean with the Inter-American Development Bank, as the latter's independent Office of Evaluation and Oversight does not produce data that can be used for benchmarking purposes.

Table 2
Project performance – percentage of agricultural and rural development projects completing in 2000-2012 rated moderately satisfactory or better

Time period	*IFAD*	*AsDB*	*World Bank*	*AfDB**
2000-2012	77	61	77	64
Number of projects rated	173	142	550	100

* AfDB data are only available for 2009-2012.

Internal benchmarking

31. Table 1 in appendix VIII benchmarks performance against the results reported in the 2005 Independent External Evaluation of IFAD (IEE) and the 2012 and 2015 Results Measurement Frameworks (RMFs). It uses PCRV/PPA data for projects completing in 2009-2011. While performance has improved since the IEE in all areas except relevance, 2012 RMF targets have only been met for relevance. There are significant shortfalls in effectiveness, efficiency, rural poverty impact, sustainability and innovation.

[14] Results-based country strategic opportunities programmes, evaluation synthesis, June 2013.
[15] For IFAD, the rating used is project performance, which is an average of relevance, effectiveness and efficiency. For AsDB, it is the overall rating, which is a composite of relevance, effectiveness, efficiency and sustainability. For the World Bank, it is the IEG outcome rating, and for AfDB, it is the overall rating.
[16] IFAD works with poorer groups in more marginal areas. It also has a greater focus on post-conflict states than either the AsDB or the International Development Association (IDA). Birdsall, N., and Kharas, H., *Quality of Official Development Assistance Assessment* (Washington, D.C.: Brookings Institution and the Center for Global Development, 2010). Appendix table 8.

32. Table 2 in appendix VIII compares overall project achievement across the five geographical regions in which IFAD operates. Comparing the performance of operations across regions is not tantamount to comparing the performance of the PMD regional divisions as organizational units, given that performance of the latter is determined by many other factors: for example, staff skills, internal management and oversight arrangements, and budget allocation and utilization. More importantly, while IFAD has and needs to play a role, project performance, to a large extent, depends on the context and capacity of the government and other national institutions. As in previous years, projects in Asia and the Pacific are the most successful, and those in West and Central Africa are the least successful. The latter region has a higher percentage of projects in least developed countries (LDCs) and fragile and/or conflict-affected states (FCS).

D. Issues raised by the 2012 evaluations

33. All of the 26 IOE evaluation reports (see appendix IV) completed in 2012 contain detailed findings, conclusions and lessons. The aim of this subsection is to highlight one or more major issues raised by a number of evaluations.

34. **Efficiency**[17] – broadly defined as the relationship between resources and results – was a common theme in a number of evaluations. Most prominently, a major corporate-level evaluation of IFAD's efficiency was completed in 2012. This recognized both the measures already taken by IFAD Management since 2005 and the scope for further improvement. The core conclusion of the corporate-level evaluation was that IFAD needed to raise the bar for its own performance and for that of the programmes it supports. Given its relatively small size, it is only by attracting resources to scale up demonstrably successful programmes that IFAD will enhance its overall institutional efficiency. Cost containment is not enough. Judicious investments in technology, systematic redeployment of administrative resources towards high-return areas, an enhanced skills mix, increased selectivity in operations, substantive delegation of responsibility and, above all, cultural change focused on excellence and strategic partnerships hold the key to improved IFAD efficiency.

35. Efficiency requires an appropriate balance between the scope and ambition of the project or programme and the available resources (financial and institutional). A number of the 2012 evaluations suggest that IFAD is not always getting this balance right. All IFAD-supported programmes have to match the limited resources available with the magnitude of small farmer needs and potential. According to four of the five CPEs, and two of the project evaluations,[18] IFAD's response has been to spread itself too broadly and thinly. Increased selectivity and focus, geographically and/or thematically, merits serious consideration. Finally, IOE will continue to make greater efforts to better assess project efficiency, and the development of the second edition of the Evaluation Manual in 2014 will provide an opportunity to refine the indicators and methods used.

36. **Overambition in terms of objectives** is a common and related criticism. More often than not, it is not the scale of the ambition as such that proves to be problematic. It is the combination of an ambitious, and frequently complex, project with weak institutional capacity and/or implementation arrangements that is the key flaw. Given the weak institutional context of many IFAD operations, project designs need to be kept simple. As the Mozambique PCRV points out,[19] the more complex the design, the greater the demands on the implementing structure. Two of this year's CPEs (Mali and Nepal) and six of the PCRVs covered post-emergency

[17] It is important to note that IFAD's institutional efficiency is different from project/programme efficiency, though the two are closely interrelated. For example, the efficiency of IFAD-financed projects is affected by both IFAD's institutional efficiency and the efficiency of government processes.
[18] Indonesia, Madagascar, Mali and Nepal CPEs; Bolivia PPA; and Benin PCRV.
[19] Sofala Bank Artisanal Fisheries Project, Mozambique.

situations or FCSs. Some particular issues raised by these situations are covered in section III.

37. The need for a **better balance between ambition and resources** was also highlighted in the evaluation synthesis of results-based COSOPs. As in previous ARRIs, this evaluation synthesis, three of the CPEs (Ecuador, Madagascar and Nepal), and a PCRV (Mexico) point out that COSOP objectives in relation to policy dialogue need to be matched with resources if they are to be achieved. Only in the case of the Madagascar CPE has IFAD done this. The workshop in October 2013 on Mainstreaming Policy Dialogue: From Vision to Action is a reflection of increased efforts by IFAD to promote greater engagement in country-level policy dialogue.

38. The evaluation synthesis makes a similar point in relation to the resources made available for the formulation, management and monitoring of results-based COSOPs. Rising management expectations of the quality of analysis, enhanced non-lending performance, and more effective results reporting are not being matched by budgets. More realistic COSOP objectives, simplified COSOP guidelines, and COSOPs tailored more to diverse country contexts will be required if a better match is to be achieved.

39. **Poverty focus.** The pursuit of efficiency can have implications for the extent to which IFAD-supported programmes reach all categories of poor people. The most efficient approach to lifting large numbers of rural people out of poverty is to focus on poor people with the resources and capacity to improve their enterprises, and on areas with the greatest density of poor people and greatest potential for economic development. These will generally not be the poorest and most-vulnerable groups, nor the more remote and disadvantaged regions. Both are more difficult and expensive to reach. This tension between efficiency and reaching the poorest people was recognized in the Nepal CPE and the Bolivia PPA. In both cases, the suggested solution was to balance a value chain/rural enterprise focus with other instruments and approaches specifically targeted at the poorest and most socially excluded people.

40. Evaluations find that the **grants** programme is a critical instrument at the disposal of IFAD to achieve its broader mandate of rural poverty reduction. The CPEs reviewed point towards the need for a more strategic and systematic use of grant resources, tighter linkages with investment operations and better monitoring, supervision, assessment and reporting on the results and lessons from grant-funded activities.

41. Most CPEs find that there are opportunities for IFAD to develop **wider integration across all activities at the country level** in order to achieve deeper impact on rural poverty. That is, while individual projects are generally achieving good results, evaluations note that there is a need for more synergy within and across investment projects, and between projects and non-lending activities and grants (especially regional and global grants). This will ensure that IFAD moves towards supporting integrated "country programmes", in which the sum of the individual parts (i.e. projects, grants, non-lending activities) is greater than the total of their individual contributions.

42. There are two other interesting points emerging from CPEs (e.g. Ecuador and Indonesia): (i) a need for efforts to promote **greater visibility of IFAD** and its work at the country level, which can help build the organization's profile and contribute to mobilizing support and cofinancing, especially from the private sector and other donors for scaling up; and (ii) the importance of **thorough institutional analysis** to ensure partnership with the right government agencies, which take ownership and are committed to furthering the priorities and activities financed by IFAD. This is essential to success on the ground, given the central role of governments in the execution of IFAD-financed projects.

43. Finally, low efficiency is linked to **persistent weakness in monitoring and evaluation** (M&E) at both country programme and project levels. This was identified in four of the five CPEs, the evaluation synthesis on results-based COSOPs, and a number of PRCVs and PPAs. It has also been identified as one of the top 10 design aspects with scope for improvement in recent quality assurance reviews.[20] While efforts to support and improve M&E are in progress and should continue, a focus on the importance of project and programme **management**, of which M&E is a critical part, needs to accompany these efforts. The issue of management is returned to in the next section.

III. Learning theme – understanding exceptional projects

A. Introduction

44. The 2012 ARRI recommended that one of the learning themes for this year's edition should be an examination of particularly successful and unsuccessful projects in diverse country categories, with a special emphasis on fragile states and middle-income countries.

45. Since 2002, half the projects evaluated (52 per cent) have been rated as moderately satisfactory. A much smaller proportion (23 and 25 per cent respectively) have been rated as satisfactory/highly satisfactory (good) or moderately unsatisfactory/unsatisfactory (poor). The occurrence of good and poor projects, and the ratio between them, has not changed significantly over time.

46. In fragile states, a much smaller percentage of projects are satisfactory/highly satisfactory (9 per cent) and a much larger percentage are moderately unsatisfactory/unsatisfactory (48 per cent). In middle-income countries, a smaller, but still significant, percentage of projects are rated as moderately unsatisfactory/ unsatisfactory (19 per cent).[21]

47. The objective of this year's learning theme is to advance IFAD's understanding of exceptional projects. What factors, in addition to country context, explain these projects? In particular, what factors explain good projects in fragile states and poor projects in middle-income countries? IOE will deepen this analysis in 2014, when it undertakes the corporate-level evaluation of IFAD's engagement in fragile states and prepares an evaluation synthesis report on the Fund's work in middle-income countries. This section presents some initial findings and conclusions based on: an analysis of 94 exceptional projects in the IOE database; a more detailed review of a selected sample of 54 projects; and a learning workshop held in September 2013. The methodology is outlined in appendix X.

B. Findings

48. This section presents the main findings organized into the three main explanatory categories: the context of the project (where?), the design (what?), and the management (who?). Projects are complex social and economic interventions. Explanations for exceptional performance are usually multi-causal and interrelated. Nevertheless, some strong patterns emerge from an analysis of the evaluation reports.

Context

49. The effect of the context on project performance was first examined by looking at the distribution of the 94 exceptional projects by type of country: classification by gross national income (GNI),[22] LDC,[23] FCS,[24] and the World Bank Country Performance Rating (CPR).[25] The main findings are:

[20] Annual Report on Quality Assurance in IFAD's Projects and Programmes, November 2012.
[21] ARRI 2012, table 1
[22] http://data.worldbank.org/about/country-classifications
[23] www.un.org/esa/policy/devplan/profile/ldc_list.pdf

- No great differences between GNI country groups;
- A much higher occurrence of poor projects than good projects in FCSs and in countries with CPRs of less than 3;
- An approximately equal number of good and poor projects in middle-income countries (MICs) and non-IDA eligible countries.

50. While country-level GNI and LDC classifications explain little, less-favourable policy, institutional and governance contexts – as found in FCSs and countries with low CPR ratings – are associated with many more poor projects, and many fewer good projects, than those countries with more favourable contexts. Countries with higher CPR ratings (3.5 and over) have more good projects and fewer poor projects.

51. Analysis of the projects in FCSs and/or LDCs with difficult contexts is summarized in appendix tables XII.10 and XII.11. This shows a high correlation between factors. For example, good projects in FCSs/LDCs will tend to have good designs, good management and more instances of a good context. Almost all poor projects in FCSs/LDCs had poor designs, poor management and difficult contexts. The main design criticism was a poor fit with the context (overambitious, overly complex, overextensive, etc.). Of the three good projects with poor designs, all three had good support from IFAD and two had high-quality project management teams.

52. The most-interesting subgroup is the eight good projects in difficult contexts. Table 3 identifies some of the characteristics of this subgroup. Of the three projects with poor designs, two had good project management teams and good support from IFAD and/or government. Box 2 below provides an example of one such project.

Table 3
Characteristics of good projects in difficult contexts (number of projects)

	Good projects	*Poor projects*
Quality of project management team	5	1
Overall performance of government as a partner	5	2
Overall performance of IFAD as a partner	6	1
Quality of IFAD support	5	1
Overall design quality	4	3

53. The existence of so many poor projects in MICs, including upper-middle-income countries, is counter-intuitive, given the stronger capacity and the (assumed) more supportive contexts. In fact, however, the national or subnational context was difficult (droughts, earthquakes, insecurity and political changes) in 10 of the 28 projects in MICs. Appendix table XII.12 summarizes the results of the analysis. As in FCSs/LDCs, there is a strong association among factors in MICs: poor designs, poorly managed in difficult contexts lead to poor project outcomes. All of the six poor projects in upper-MICs had poor designs (three with a poor fit with the context), and five were poorly managed. Box 1 provides one example. Both of the two good projects in difficult MIC contexts had high-quality project management teams.

[24] There are many definitions of fragile states. This analysis uses the 2003-2006 list contained in Annex B of an IEG Review of World Bank Support to Low-Income Countries Under Stress (World Bank 2006). The current list of FCSs are defined by the World Bank as consisting of (a) IDA-eligible countries with a harmonized average country rating under the Bank's Country Policy and Institutional Assessment (CPIA) of 3.2 or less (or no CPIA), or (b) the presence of a United Nations and/or regional peacekeeping or peace-building mission during the past three years. This list includes non-member or inactive territories/countries. It excludes IBRD-only countries for which CPIA scores are not currently disclosed.

[25] IDA's resources are allocated on the basis of CPR ratings. These consist of linear combinations of clusters A-C of the CPIA rating (with a weight of 24 per cent), cluster D (public-sector management and Institutions) of the CPIA rating (with a weight of 68 per cent) and the portfolio performance rating (with a weight of 8 per cent).

Box 1
Poor design and political interference in a middle-income country

The Sustainable Rural Development Project in the Republic of Panama was implemented from 2003 to 2012. It was targeted at minority indigenous communities with high levels of poverty, but, historically, little attention from the Government. The project design was relevant but complex, over-optimistic, and overloaded the implementation capacity of the project management unit in a rural region with weak state institutions. The combination of high staff turnover, weak leadership, political interference, administrative complexities, bureaucratic procedures, a poorly functioning steering committee, and a weak monitoring and evaluation system resulted in moderately unsatisfactory performance overall.

Design

54. Appendix XII contains design findings based on an analysis of 54 projects (appendix table XII.13). Ninety-three per cent of poor projects had poor designs, compared with 21 per cent of good projects. Of all the projects with poor designs, over half were criticized for their poor fit with the context (institutional, social, physical, etc.). This also applied to most post-conflict and post-disaster projects, which were too similar to standard IFAD projects.

55. Forty-two per cent of the projects with poor designs were criticized for being overly complex; 55 per cent for being overambitious; and 27 per cent for being spread over too large a geographical area. The most interesting subgroup is the small number of projects (six) that ended up being good despite poor quality designs. Three of these were also in difficult contexts. In five of the six, the quality of management – including support from IFAD and government – was good. In three cases, the quality of the implementing institution/project management team was good.

Management

56. Appendix XII contains detailed management findings (appendix tables XII.14 and XII.15). Ninety per cent of poor projects had poor management. Sixty-nine per cent of good projects had good management, compared with just 14 per cent of poor projects. In other words, the quality of IFAD and government support was strongly associated with good projects. In contrast, the lack of IFAD support early enough in the project (i.e. before the midterm review) was cited in 24 per cent of poor projects. Poor implementation partners were mentioned in 28 per cent of these projects.

57. The quality of the project management team and/or director was identified in interviews as a key factor in project performance. This is borne out by the analysis (table 5.3). Forty-five per cent of good projects had good quality project managers (and only 7 per cent poor quality ones). Conversely, 48 per cent of poor projects had poor quality project managers (and only 3 per cent good quality ones). Seventeen per cent of poor projects had management teams located in the wrong place. Almost half of all projects had staffing problems: slow recruitment, high turnover of project directors and/or management staff, unqualified staff and unfilled positions.

Box 2
Good project management in a fragile situation

The Rural Recovery and Development Programme was implemented in Burundi from 1999 to 2010. While the project was highly relevant to the needs of poor and vulnerable households in the post-crisis situation, the design was complex and did not fully take into account the difficult country context. The project management team – competitively recruited on the open market – was creative, flexible, and established excellent relations with implementation partners. However, a full monitoring and evaluation system was developed relatively late. A number of delays led to an extended implementation period, but, overall, programme performance was satisfactory despite the difficult context.

C. Learning theme conclusions

58. This review of exceptional projects reveals a strong association between factors in all types of countries. Poor designs, poorly managed in difficult contexts, lead to exceptionally unsuccessful project outcomes. Good designs, well managed in supportive contexts, lead to exceptionally successful project outcomes. The few exceptionally successful projects in difficult contexts generally had good designs, high quality project management, and good support from IFAD and government.

59. That exceptionally unsuccessful projects are more common in FCSs than exceptionally good projects is not unexpected. However, poor design and poor management were consistent features of the exceptionally poor projects in difficult contexts. Both can and should be improved in view of the increasing importance of FCSs, as well as the increasing coincidence of fragility with poverty and middle-income status. IFAD is already committed to achieving better results in these situations.[26]

60. Evaluation reports, interviews with country programme managers and annual portfolio performance reviews confirm that the quality of project management and of the implementing institutions are hugely important factors. The beneficial impact of the shift to direct supervision and implementation support is also recognized. Adequate support at the start of the project – rather than after the midterm review – is key. However, ensuring high-quality project management in weak institutional contexts, and achieving this while complying with the principles of effective development cooperation, is not necessarily straightforward.

61. The picture with respect to project design is also challenging. Poor project design is a consistent feature of exceptionally unsuccessful projects: a weak fit with the context, weak institutional design, overly complex, overambitious and implemented over too large a geographical area. However, while the quality of project design has improved as a result of the quality enhancement/quality assurance process, many of the same flaws are still being identified in new project designs, that is, many of the design criticisms are persistent. In some cases, this may be because, for example, simple designs are simply not feasible or appropriate to the context. There is also some concern about the effect of corporate policies and targets on types of designs, and about the balance between the resources for design and implementation support. IFAD Management is well aware of these issues, and further analysis will be carried out as part of the forthcoming corporate-level evaluation of fragile states and the evaluation synthesis on middle-income countries.

IV. Conclusions and recommendations

A. Conclusions

62. The ARRI has, until this year, reported on performance data from all IOE evaluations completed in the previous year. In response to comments on last year's

[26] Report of the Consultation on the Ninth Replenishment of IFAD's Resources.

ARRI, this year sees the introduction of a new data series based on PCRV and PPA data only, and the presentation of data by year of project completion rather than by year of evaluation.

63. This new mode of presentation is considered to be an improvement, and reveals a slightly different performance picture from that of last year. Trends in most evaluation criteria have been broadly flat since 2000-2002, or display no clear trend either way. However, rural poverty impact and IFAD's performance as a partner show clear improvement over the decade, and an upward trend is discernible since 2009-2011 in a number of criteria, including project performance and overall project achievement.

64. The performance of IFAD as a partner is the best ever in the period 2011-2013, based on independent evaluation data available since 2002. This is noteworthy, and may be partly attributable to the comprehensive Change and Reform Agenda introduced in 2009. The relevance of IFAD-supported projects is high and the Fund's performance in promoting gender equality and women's empowerment merits underlining. Benchmarking with peers reveals that the performance of IFAD operations is generally on a par with the agriculture-sector operations of the World Bank globally, similar to AfDB in Africa, and better than AsDB in Asia and the Pacific.

65. In terms of the most recent data – projects completing in 2009-2011 – there is little difference in performance as measured by PCRV/PPA data only or by all evaluation data. Project efficiency and sustainability are noticeably weak under both measures, and remain the weakest of all evaluation criteria used by IOE to assess project results. These two areas will require added attention in the future. There is also room for improvement in project effectiveness and government performance as a partner.

66. Another conclusion is that while the performance of a large number of projects across most evaluation criteria is in the satisfactory zone,[27] moderately satisfactory performance is the norm and very few projects are highly satisfactory in any evaluation criteria. Improvements may become evident as the significant changes in IFAD's operating model since 2007 feed through to the ARRI data, and it is also fair to note that nearly all projects evaluated were designed before the major changes introduced into IFAD's operating model.

67. CPE ratings for COSOP relevance, effectiveness and performance, and for non-lending activities, have improved overall since 2006-2008. Lack of resources – human and financial – remains the main limiting factor for non-lending performance (knowledge management, partnership-building and policy dialogue). It is critical that the Fund improve its non-lending performance, including a more strategic use of grants, in particular to ensure that it is able to effectively scale up successful innovative approaches promoted through IFAD-financed operations. More realistic country programme objectives and increased human and financial resources for COSOP formulation, management and monitoring are also required.

68. The issues raised by the 2012 evaluations reiterate and reinforce those of previous years. The need and scope for improving IFAD's institutional and project efficiency was a common theme. A major corporate-level evaluation of efficiency concluded that a focus on excellence – not just moderately satisfactory – and more effective strategic partnerships were required if demonstrably successful programmes were to be delivered and then substantially scaled up. The need for a better balance between the scope and ambition of the project or country programme and the human and financial resources available was also highlighted in a number of other evaluations, as was the potential tension between efficiency and reaching the poorest people.

[27] Moderately satisfactory, satisfactory or highly satisfactory.

69. Persistent weaknesses in M&E and the wider importance of project management were again identified. This year's learning theme explored the factors that explain the pattern of exceptionally poor (moderately unsatisfactory or worse) and exceptionally good (satisfactory or better) projects in diverse country contexts. Poor design and poor management were consistent features of exceptionally poor projects in difficult contexts, notably FCSs. The few exceptionally good projects in difficult contexts generally had good designs, high-quality project management and good support from IFAD and government.

70. Three conclusions are worth highlighting based on the findings of this ARRI:

(i) There is good evidence of improvement in some aspects of IFAD's performance. However, there are a number of **persistent challenges**, such as in efficiency, sustainability, M&E and some aspects of design. The solution to these will require a step-change in approach. Business as usual, and incremental improvement efforts, are as unlikely to lead to significant change in the next few years as they have in the past few years.

(ii) Considerable progress has been made in improving project design, project supervision, portfolio management and reviews, and country offices. Similar focus and effort are now required for **project management.** This is emerging as a very important, but underemphasized, determinant of project performance in all country contexts. A more consistent, more effective approach to ensuring and supporting high quality project management is required, particularly in the early stages of project implementation.

(iii) **Fragile and conflict-affected situations** are an important focus for IFAD in both low- and middle-income countries. Fragility, conflict and poverty increasingly coincide. Thus IFAD's relatively poorer performance in these situations represents an important challenge. The forthcoming corporate evaluation of IFAD's performance in fragile states will provide a critical opportunity for significant rethinking and change.

71. Two learning themes were proposed in the 2012 ARRI: an examination of particularly successful and unsuccessful projects, and a deeper analysis of the role of borrower governments. In view of the size of these two topics, it was decided to cover the first of these as a single learning theme in 2013, and the second in the 2014 ARRI. This year's ARRI has highlighted the importance of management – and particularly the importance of the project management team appointed by the government – in determining project performance. This issue will be the focus of next year's learning theme.

B. Recommendations

72. The 2013 ARRI makes the following four recommendations:

(i) The corporate-level evaluation on fragile states planned for 2014 should be expanded to cover FCSs in both low- and middle-income countries.[28] At the outset of the evaluation, IOE will ensure that a common understanding is developed regarding the classification of countries between FCSs and MICs, while taking into account that these categories are not mutually exclusive and that nearly half of the FCSs are also MICs.

(ii) The 2014 learning theme should examine the role of government with a particular emphasis on strengthening the performance of project management teams.

[28] IOE will prepare a separate evaluation synthesis report on IFAD's role in MICs in the first part of 2014.

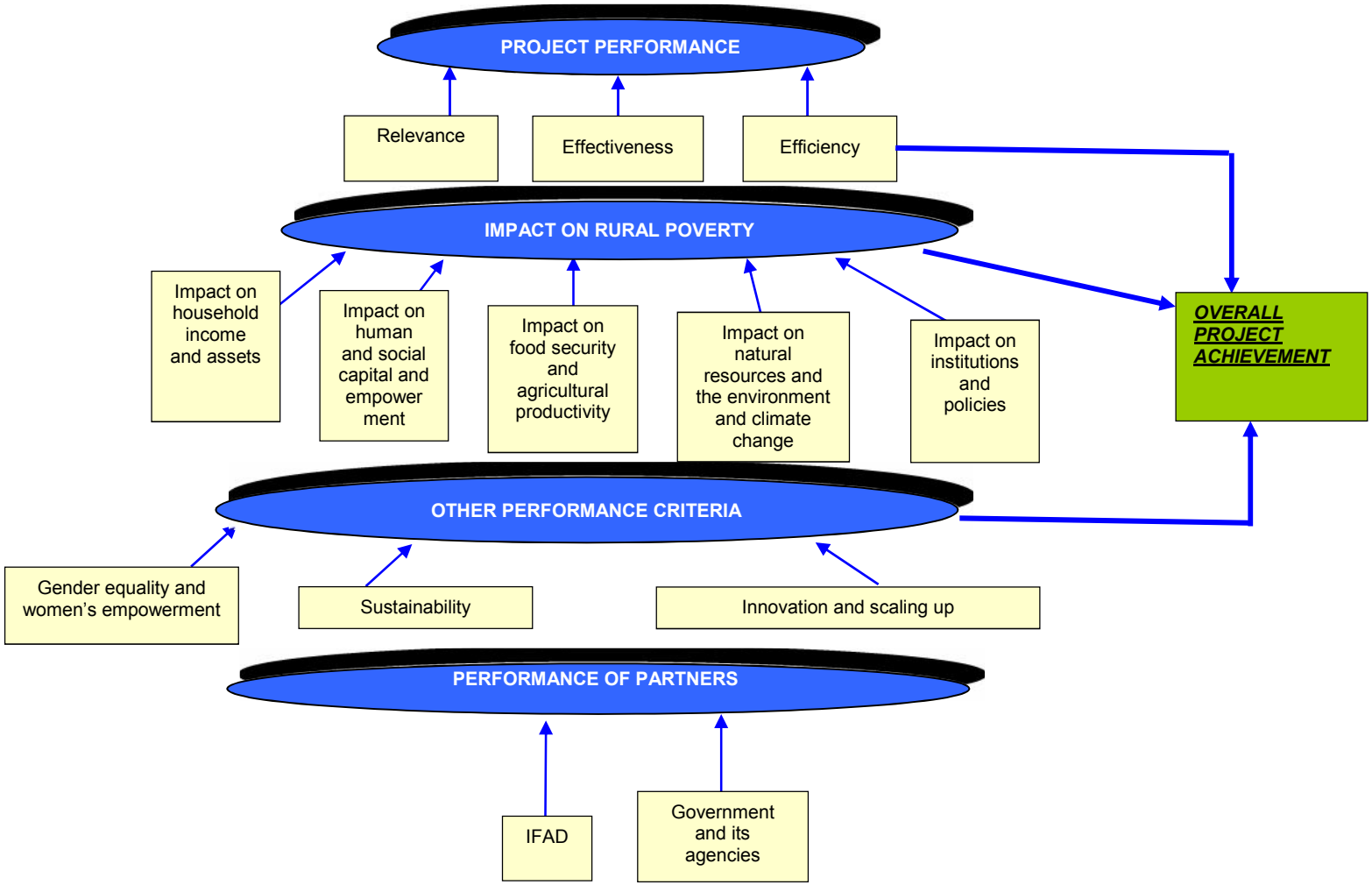
(iii) IOE should work with IFAD Management to design and implement a corporate-level evaluation of project management.[29] This should include project-level M&E.

(iv) IFAD Management should pay special attention in next year's RIDE and Annual Project Portfolio Review to the persistent challenges identified in this and previous ARRIs.

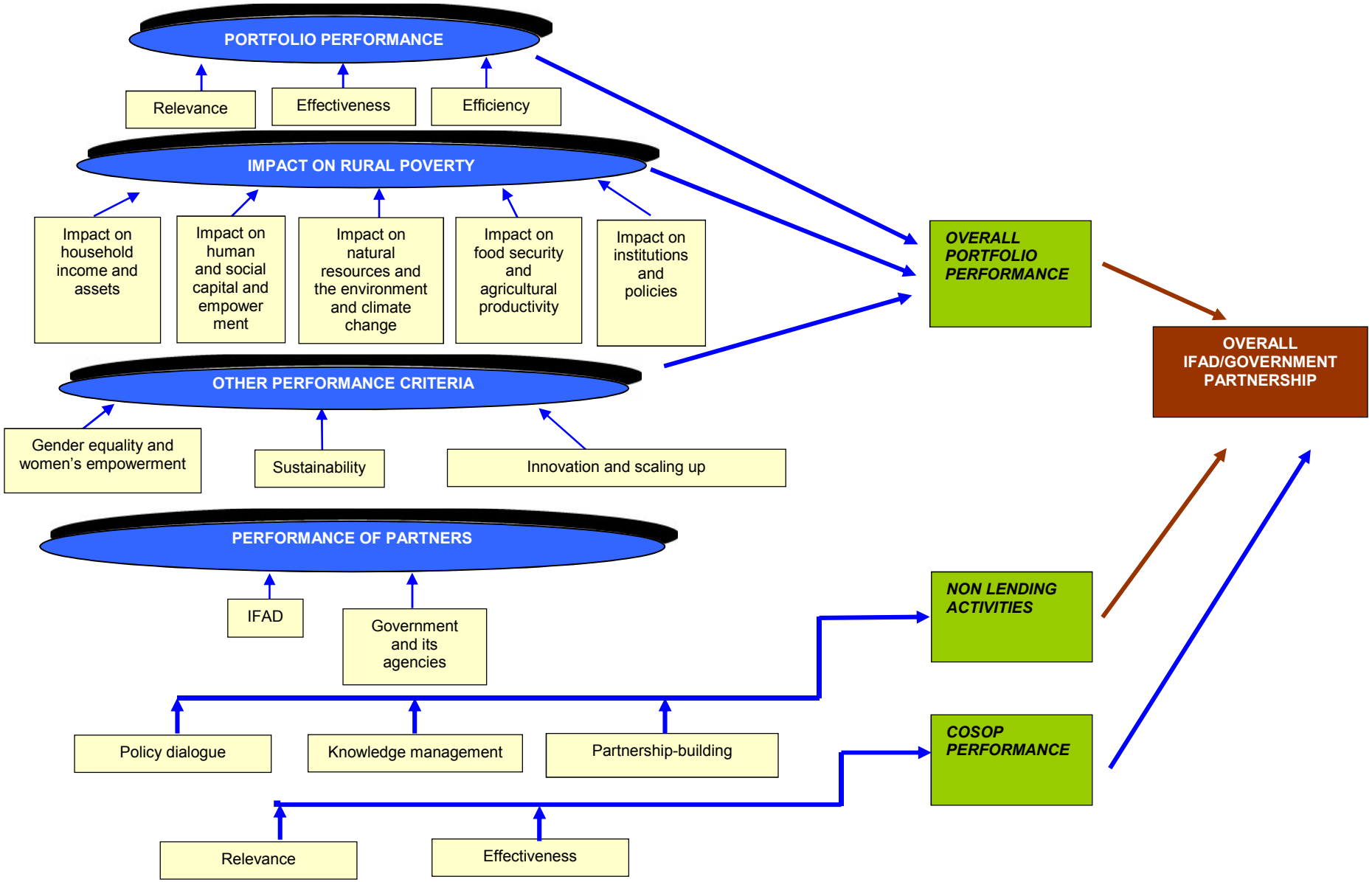
73. Follow-up and implementation of these recommendations will be reported on by IFAD Management through the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) in accordance with past practice.

[29] IFAD Management has less influence on changes in project management than in project design and supervision. This will be taken into account in key questions for the evaluation.

Project evaluation methodology



Country programme evaluation methodology



Definition of the evaluation criteria used by IOE

Criteria	*Definition*[A]
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project design in achieving its objectives.
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.
Rural poverty impact[B]	Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.
• Household income and assets	Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value.
• Human and social capital and empowerment	Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grassroots organizations and institutions, and the poor's individual and collective capacity.
• Food security and agricultural productivity	Changes in food security relate to availability, access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields.
• Natural resources, the environment and climate change	The focus on natural resources and the environment involves assessing the extent to which a project contributes to changes in the protection, rehabilitation or depletion of natural resources and the environment as well as in mitigating the negative impact of climate change or promoting adaptation measures.
• Institutions and policies	The criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor.
Other performance criteria	
• Sustainability	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.
• Innovation and scaling up	The extent to which IFAD development interventions have: (i) introduced innovative approaches to rural poverty reduction; and (ii) the extent to which these interventions have been (or are likely to be) replicated and scaled up by government authorities, donor organizations, the private sector and others agencies.
• Gender equality and women's empowerment	The criterion assesses the efforts made to promote gender equality and women's empowerment in the design, implementation, supervision and implementation support, and evaluation of IFAD-assisted projects.
Overall project achievement	This provides an overarching assessment of the project, drawing upon the analysis made under the various evaluation criteria cited above.
Performance of partners • IFAD • Government	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation. It also assesses the performance of individual partners against their expected role and responsibilities in the project life cycle.

[A] These definitions have been taken from the OrganISMAization for Economic Co-operation and Development/Development Assistance Committee *Glossary of Key Terms in Evaluation and Results-Based Management* and from the IFAD Evaluation Manual (2009).

[B] The IFAD Evaluation Manual also deals with the "lack of intervention", that is, no specific intervention may have been foreseen or intended with respect to one or more of the five impact domains. In spite of this, if positive or negative changes are detected and can be attributed in whole or in part to the project, a rating should be assigned to the particular impact domain. On the other hand, if no changes are detected and no intervention was foreseen or intended, then no rating (or the mention "not applicable") is assigned.

Evaluations included in 2013 ARRI

Type	*Country/ Region*	*Title*	*Executive Board approval date*	*Project completion date*	*IFAD loan[a] (US$ million)*	*Total project costs[a] (US$ million)*
Corporate level evaluations	All	IFAD's institutional efficiency and efficiency of IFAD-funded operations				
Country programme Evaluations	Ecuador[b]	Indigenous and Afro-Ecuadorian Peoples' Development Project	December 1997	June 2004	15.0	50.0
		Development of the Central Corridor Project	December 2004	September 2013	14.8	24.3
	Indonesia[b]	Income Generating Project for Marginal Farmers and Landless Phase III	December 1997	December 2006	24.9	118.9
		Post Crisis Programme for Participatory Integrated Development in Rainfed Areas	May 2000	March 2009	23.5	27.4
		Rural Empowerment and Agricultural Development Programme in Central Sulawesi	December 2004	December 2014	21.6	28.3
		National Programme for Community Empowerment in Rural Areas Project	September 2008	March 2016	68.5	68.5
	Mali[b]	Sahelian Areas Development Fund Programme	December 1998	July 2013	21.9	45.9
		Northern Regions Investment and Rural Development Programme	April 2005	June 2013	15.4	34.6
		Kidal Integrated Rural Development Programme	December 2006	September 2014	11.3	22.8
	Madagascar[b]	Upper Mandrare Basin Development Project – Phase II	December 2000	September 2008	12.6	23.1
		Rural Income Promotion Programme	December 2003	December 2013	14.5	28.2
		Project to Support Development in the Menabe and Melaky Regions	April 2006	December 2014	18.7	28.6
		Support Programme for Rural Microenterprise Poles and Regional Economies	December 2007	June 2015	29.0	46.4
	Nepal[b]	Poverty Alleviation Project in Western Teral	September 1997	June 2005	8.9	9.7
		Western Uplands Poverty Alleviation Project	December 2001	June 2016	20.3	32.6
		Leasehold Forestry and Livestock Programme	December 2004	September 2014	14.7	16.0
		Poverty Alleviation Fund Project-II	December 2007	June 2014	14.0	124.0
Project Performance	Azerbaijan	North East Rural Development Project	September 2004	September 2011	12.6	25.1

Type	*Country/ Region*	*Title*	*Executive Board approval date*	*Project completion date*	*IFAD loan[a] (US$ million)*	*Total project costs[a] (US$ million)*
Assessment	Bolivia	Management of Natural Resources in the Chaco and High Valley Regions Project	September 2000	November 2010	12.0	15.0
	Cambodia	Rural Poverty Reduction Project (Prey Veng and Svay Rieng)	December 2003	June 2011	15.5	19.6
	China	Rural Finance Sector Programme	April 2004	March 2010	14.7	21.3
	India	National Microfinance Support Programme	May 2000	June 2009	22.0	134.0
	Mongolia	Rural Poverty Reduction Programme	September 2002	March 2011	14.8	19.1
Project Completion Report Validations	Benin	Participatory Artisanal Fisheries Development Support Programme	December 2001	June 2011	10.0	26.0
	Chad	Batha Rural Development Project	April 2005	July 2010	13.2	15.1
	Congo	Rural Development Project in the Plateaux, Cuvette and Western Cuvette Departments	April 2004	December 2011	11.9	15.2
	Cote d'Ivoire	Small Horticultural Producer Support	May 2000	December 2011	11.2	14.0
	El Salvador	Reconstruction and Rural Modernization Programme	December 2001	December 2011	20.0	30.5
	Guatemala	Rural Development Programme for Las Verpaces	December 1999	September 2011	15.0	26.0
	Kenya	Central Kenya Dry Area Smallholder and Community Services Development Project	December 2000	December 2010	10.9	18.1
	Mexico	Strengthening Project for the National Micro-watershed Programme	December 2003	December 2010	15.0	28.0
	Mozambique	Sofala Bank Artisanal Fisheries Project	September 2001	March 2011	18.0	30.6
	Pakistan	Southern Federally Administered Tribal Areas Development Project	December 2000	March 2011	17.2	21.9
	Panama	Sustainable Rural Development Project	December 2001	September 2011	13.2	21.2
	Sri Lanka	Post-Tsunami Livelihoods Support and Partnership Programme	April 2005	March 2010	4.7	4.7
Evaluation Synthesis'	All	IFAD's Engagement with Cooperatives				
	All	Results-based COSOP				
Total					**601.5**	**1214.7**

[a] The IFAD loan and the costs indicated for the two country programme evaluations (CPEs) relate to the total loan amount and overall costs only of those projects evaluated and rated in the framework of the corresponding CPE. That is, the figures are not indicative of IFAD's total loans to the country nor are they representative of the total costs of all projects financed by the Fund in that country.

[b.] The projects listed in the next column were individually assessed as part of the Jordan and Uganda CPEs respectively. They do not constitute a comprehensive list of projects funded by IFAD in the two countries.

Objectives of country programmes and individual projects evaluated

Objectives of country strategies

The main objectives of the five country strategies are summarized below:

(i) Ecuador. The 2004 COSOP stated that the main thrusts would include all of the opportunities identified by the LAC division with particular reference to building social, natural and financial capital. The opportunities identified by the LAC division for IFAD's interventions in the region include:

a. Supporting ethnic native communities and ethnic minorities;

b. Eliminating inequalities between the sexes in rural areas;

c. Protecting and strengthening social capital;

d. Developing technologies suitable for small farmers and entrepreneurs;

e. Providing innovative rural financial services;

f. Developing microenterprises and expanding the rural labour market; and

g. Providing access to land and property rights

(ii) Indonesia. The 2008 COSOP identified three strategic objectives as follows:

a. Strategic objective 1: Increase the access of rural poor people to productive assets, appropriate technology and production support services to boost on- and off-farm productivity;

b. Strategic objective 2: Enhance the access of rural poor people to infrastructure, input and output markets, and financial services; and

c. Strategic objective 3: Build the capacity of rural poor people to engage in local policy and programming processes.

(iii) Mali. The 2007 COSOP was organized around three strategic objectives:

a. Strategic objective 1: Increase and diversify agricultural production in order to improve household food security and goods accumulation;

b. Strategic objective 2: Improve the quality of, and household access to, basic social services; and

c. Strategic objective 3: Develop and strengthen the capacities of farmers' organizations to deliver technical and economic services to producers, and enhance their participation in local development processes.

(iv) Madagascar. The 2006 COSOP identified three strategic objectives as follows:

a. Strategic objective 1: Improved risk management and reduced vulnerability through enhanced access of the rural poor to services and assets;

b. Strategic objective 2: High incomes for the rural poor through diversification of farming activities and promotion of rural entrepreneurship; and

c. Strategic objective 3: Increased engagement of small-scale producers and their organizations in economic and policy development through professionalization.

(v) Nepal. The 2006 COSOP identified three strategic objectives as follows:

a. Strategic objective 1: Increased assets to economic opportunities;

b. Strategic objective 2: Community infrastructure and services improved; and

c. Strategic objective 3: Gender, ethnic and caste-related disparities reduced.

Objectives of projects and programmes

Country and project/programme names	*Objectives*
Benin Participatory Artisanal Fisheries Development Support Programme	The programme's overall development goal is to help alleviate the poverty of the poorest fisher folk families living from fishing, fish processing and fish selling, with special emphasis on assisting the women who play an important role in shore-based activities. This goal will be pursued by laying the ground for environmentally-sound use of fisheries resources on which the poorest people of the country depend. This objective is in line with the highest priorities of the Government and has high operational priority for both IFAD and the donor community, with which the programme will establish close collaboration. The programme's specific objectives are to: restore and/or promote the sustainable enhancement of fishing operations based on the country's inland water bodies; strengthen the capacity of the fisherfolk communities to manage their natural and fisheries resources sustainably; and assist the fisherfolk households to diversify their livelihood strategies with a view to reducing fishing pressures to sustainable levels.
Chad Batha Rural Development Project	The general objective of the project is to improve in a sustainable manner the incomes and food security of rural poor households in the Batha region. Its specific objectives are to: (i) strengthen the capacities (technical, managerial and financial) of rural populations (individuals, groups and communities) for self-development; (ii) promote economic investment, and farm and non-farm income-generating activities; and (iii) facilitate the access of the rural poor to financial services.
Congo Rural Development Project in the Plateaux, Cuvette and Western Cuvette Departments	The objective of the project is to increase, in a sustainable manner, the incomes and food security of the target population, as well as to improve living conditions. The specific objectives of the project are: (a) to facilitate the access to markets and production zones; (b) to strengthen the capacities of grass-roots organizations and that of economic interest groups; (c) intensify and diversify agricultural and fishery production; and (d) facilitate the access of smallholders to financial services.
Côte d'Ivoire Small Horticultural Producer Support	The goal of the project is to enhance smallholder incomes, food security and agricultural productivity, particularly among poor women and youth. The project's purpose is to enhance the institutional, organizational and technical capacities of farmers' groups, the private sector, NGOs and public agencies to develop small and micro-irrigation in selected regions of Côte d'Ivoire. This will be achieved by providing technical and organizational assistance to farmers' groups to solicit and oversee irrigation and related technical services from service providers; enhancing the capacity of farmers and service providers to construct, operate, and maintain low-cost microschemes efficiently and sustainably; and establishing a horticultural development fund to encourage competitive procurement of these services by farmers' associations.
El Salvador Reconstruction and Rural Modernization Programme	The overall programme goal is to improve the economic and social conditions of rural families in the western and central departments of El Salvador. The programme's general objective is to achieve, in a sustainable and gender-equitable manner, the effective economic integration of the target population in the regional and national economic context, by improving their access to business opportunities, to technical and financial resources, and to local and national labour markets. Specific objectives include: (i) strengthening market linkages and income opportunities of the target population, by improving on-farm and microenterprise

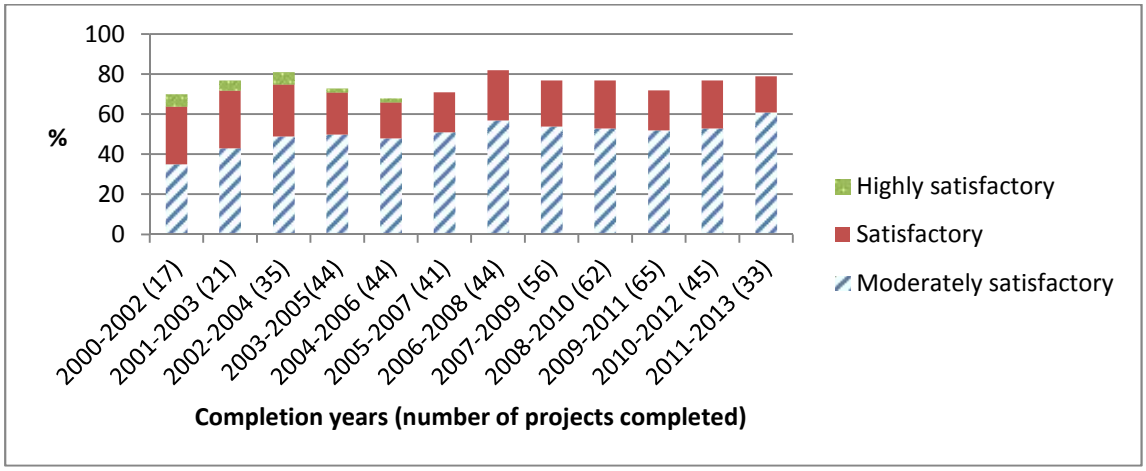
Country and project/programme names	*Objectives*
	productivity; (ii) improving young rural inhabitants' labour skills into the rural/urban labour markets; (iii) strengthening human and social capital, consolidating economically oriented farmers' and microentrepreneurs' organizations; (iv) promoting a gender-balanced approach by ensuring that rural women have equal opportunities and participate fully in all programme activities; and (v) strengthening and improving the Government's institutional framework for poverty alleviation and agricultural and rural development.
Guatemala Rural Development Programme for Las Verpaces	The general objective of the programme is to reduce rural poverty among peasants who live in a very fragile natural resource environment in the poorest municipalities of the Las Verapaces Department. The specific objectives of the programme will be to: (a) increase peasant incomes through the promotion and support of agricultural and non-agricultural income-generating activities; (b) promote and consolidate peasants' organizations in order to strengthen local institutions; (c) improve access by the rural population to rural financial services; (d) introduce and implement a gender-sensitive approach to all programme activities; (e) improve and preserve the natural resource base for future generations by implementing sustainable natural resource conservation practices; and (f) foster the integration of rural communities into the mainstream of the national economy.
Kenya Central Kenya Dry Area Smallholder and Community Services Development Project	The project's main objectives are: (i) to provide basic primary health care and domestic water supply for the most disadvantaged communities; (ii) to improve household food security by providing agricultural infrastructure, including micro-irrigation and services adapted to the requirements of subsistence farm households; and (iii) to promote and support small-scale income and employment generating activities for the poor through technical assistance and training, with financing, from a broad-based poverty-alleviation initiatives (PAI) grant funding facility in line with the Government's policies for poverty alleviation.
Mexico Strengthening Project for the National Micro-Watershed Programme	The overall project goal is a significant reduction in poverty, marginalization and discrimination among the poorest indigenous and non-indigenous groups in rural communities located in micro-watersheds in the eight selected states. This will be achieved through the socio-economic development of micro-watershed areas in a comprehensive, economically and environmentally sustainable manner. Specific objectives include: (i) strengthening human and social resources in poor rural communities; (ii) improvements in soil, water and vegetation conservation and management using the territorial definition of the micro-watershed as the basic intervention unit; (iii) increased income levels for beneficiaries' families through improvements in the production and marketing of forestry, crop, livestock and microenterprise products, achieved in an economically and environmentally sustainable way; and (iv) strengthening of NMWP capacity for participatory planning and implementation of local development and natural resource conservation actions, and increasing municipal, state and federal institutional coordination capacity.
Mozambique Sofala Bank Artisanal Fisheries Project	The project's development goal is to attain a sustained improvement in the social and economic conditions of artisanal fishing communities in the project area. To achieve this, the project will (a) empower and create capacity in fishing communities to take increased responsibility for local development initiatives, including implementing social infrastructure and service activities, and sustainably managing marine resources; (b) improve the access of artisanal fishers to the fish resources of the Sofala Bank, and promote their sustainable and commercially viable use; (c) improve the linkages of artisanal fishing communities to input and output markets; (d) increase the availability of savings facilities and small loans to artisanal fishers, increase business opportunities for traders with linkages to fishing centres, and improve services to fishers through access to finance by small-scale enterprises in the project area; and (e) improve the enabling environment for promoting and supporting artisanal fisheries development.
Pakistan Southern Federally Administered Tribal Areas Development Project	The main objectives of the project will be to: (i) improve the living conditions of the rural poor (between 35 600 and 45 800 extended families), especially women; (ii) boost agricultural production and the incomes of populations living in poverty; (iii) establish and strengthen community organizations as the institutions through which technical and social services can be provided to IFAD's target group on a sustainable basis; (iv) improve the status of women by targeting them for special attention in a culturally acceptable manner, including the provision of training and support for income-generating activities; (v) improve the resource base through rehabilitation and extension of irrigated areas and social forestry; and (vi) improve access to/from rural communities, and hence marketing, through improvement of feeder roads.
Panama Sustainable Rural Development Project for the Ngobe-Buglé Territory and Adjoining Districts	The overall project goal is the sustainable improvement of the economic and social conditions of Ngöbe Buglé communities and poor small farmers in the western provinces of Panama. The project's general objective is to improve the economic and social integration of project beneficiaries and their access to local, regional and national productive and marketing opportunities in agriculture and microenterprise, as well as to local/national labour markets.
Sri Lanka Post-Tsunami Livelihoods	The programme goal is to restore the assets of women and men directly or indirectly affected by the tsunami and to re-establish the foundation of their previous economic activities while helping them diversify into new, profitable income-generating activities. The immediate

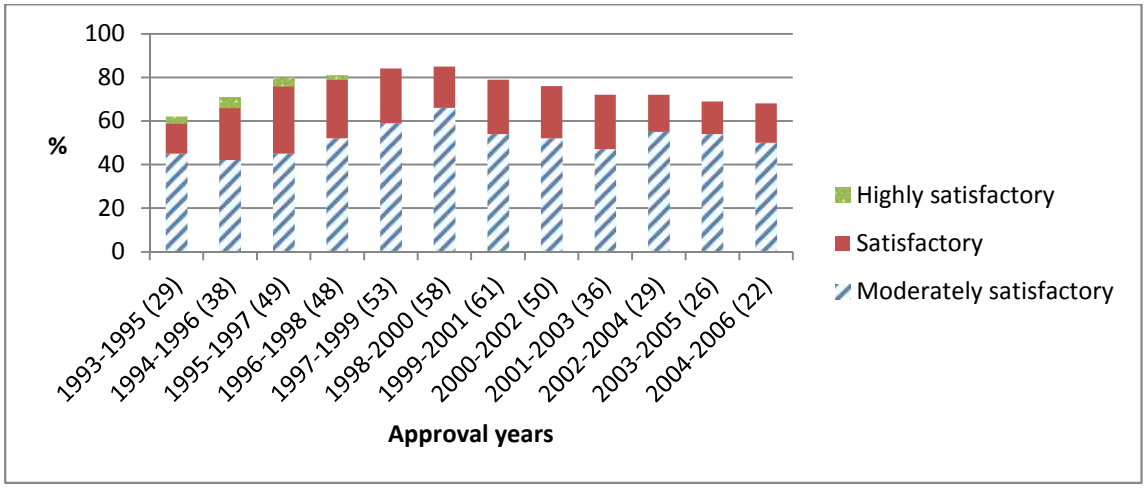
Country and project/programme names	*Objectives*
Support and Partnership Programme	objectives of the activities are that (a) tsunami-affected families are provided with essential social and economic infrastructure, particularly housing; (b) tsunami-affected communities are strengthened and are sustainably managing coastal resources; and (c) women's participation in social and economic activities increases.
Azerbaijan North East Rural Development Project	The overall goal of the project is improved livelihoods for households that depend upon irrigated agriculture in the project area through increased food security and enhanced income generating opportunities. The objectives of the project are to: (i) support WUAs in operating and gradually rehabilitating on-farm irrigation and drainage systems on behalf of their members in ways that are financially viable, equitable and sustainable; (ii) assist small farmers of the area in sustainably increasing food production and incomes from irrigated crop production and associated livestock enterprises through better technology, appropriate farm investments, and enhanced marketing and processing opportunities; (iii) induce microfinance agencies to operate sustainable, gender-sensitive financial services for small-scale farmers and other micro-entrepreneurs; and (iv) provide effective project management and coordination mechanisms.
Bolivia Management of Natural Resources in the Chaco and High Valley Regions Project	The project's purpose is to reduce rural poverty and desertification, thereby allowing beneficiary groups to significantly improve their economic standing. Achievement of this objective will be reached when the asset value of landholdings in the project area increases by 120% and family incomes increase by 33%. Expected results from the project include improved natural resources and enhanced capacity of small farmers to manage them rationally and in a sustainable manner; and access to rural non-financial services. The project will support farmers' organizations willing to participate in rehabilitating their natural resources by strengthening their organizational capabilities and by mobilizing them through systematic training programmes, as well as through competitions between and within communities. Improving natural resource management, providing rural services to increase the asset value of those resources as well as production and productivity, will contribute to the improvement of the living conditions of poor rural men and women, including the indigenous groups in the project area.
Cambodia Rural Poverty Reduction Project (Prey Veng and Svay Rieng)	The strategic goal of the project is to reduce poverty among 120 600 households through the active participation of the poor in the achievement of improved livelihoods, strengthened capacity, sustainable farming systems and natural resource management, new or rehabilitated infrastructure, and greater access to technology, services and markets so as to enhance economic and social development. The project objectives are to enable: (a) poor households to increase food production and incomes through intensified and diversified crop and livestock production and other initiatives and to manage natural resources in a sustainable manner; (b) the rural poor to improve their capacity to plan and manage their own social and economic development, including rural infrastructure development; and (c) public and other service providers to support the rural poor in a participatory and gender-sensitive manner so that they can plan and carry out development programmes responsive to the priorities of the rural poor.
China Rural Finance Sector Programme	The overall aim of the programme is to ensure that rural financial services contribute effectively and sustainably to reducing poverty. Its specific objectives are to ensure that: (i) rural households, including poor households, have better access to financial services and effectively make use of them to improve their living standards; (ii) RCC policy reforms have been successfully tested in the programme area and are being implemented in IFAD-financed interventions elsewhere; (iii) improved institutional and operational management capacity in programme RCCs is applied on a larger scale and contributes to improving cost-effectiveness and profitability; and (iv) modalities to resolve the problem of non-performing loans have been tested and applied on a wider scale.
India National Microfinance Support Programme	The overall goal of the programme is to expand the horizontal and vertical outreach of MFIs and programmes, and to mainstream them in terms of their access to resources available in the financial sector so as to enhance the access of the poor to microfinance services. The purpose of the programme is: (i) to contribute to the development of a more formal, extensive and effective microfinance sector on a national scale that serves poor women and men; and (ii) to assist in the evolution of an appropriate enabling environment for the development of sustainable MFIs.
Mongolia Rural Poverty Reduction Programme	The long-term goal of the project is to achieve sustainable and equitable poverty eradication for about 80 000 vulnerable rural households living in an environment with increasingly degraded natural resources. The overall objective is to increase sustainably the productive capacity of herders, cultivators and the general public, and to offer increased access to economic and social resources, including education, health and social services.

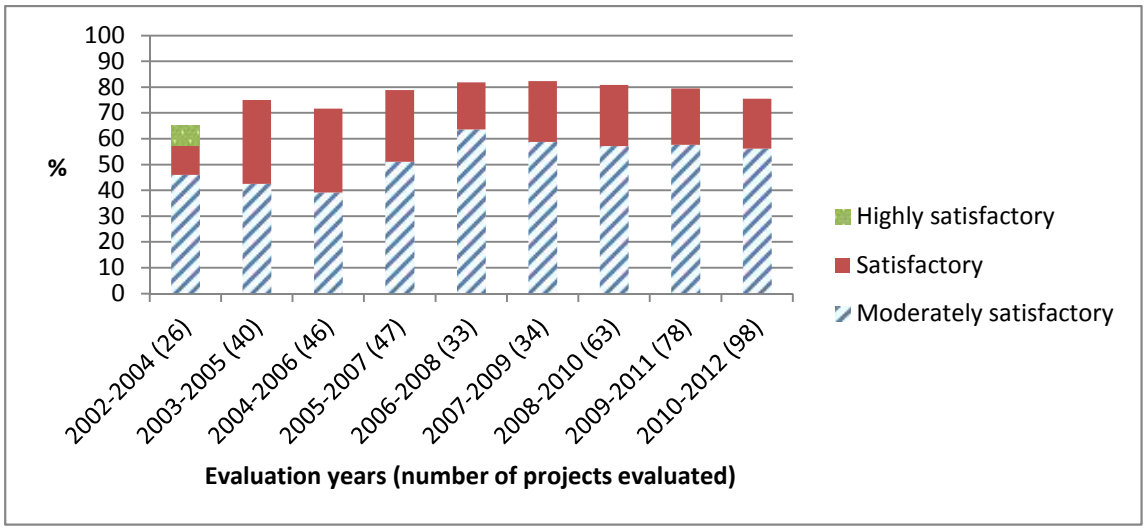
Project performance 2002-2012

PROJECT PERFORMANCE 2002-2012 (all evaluation data)

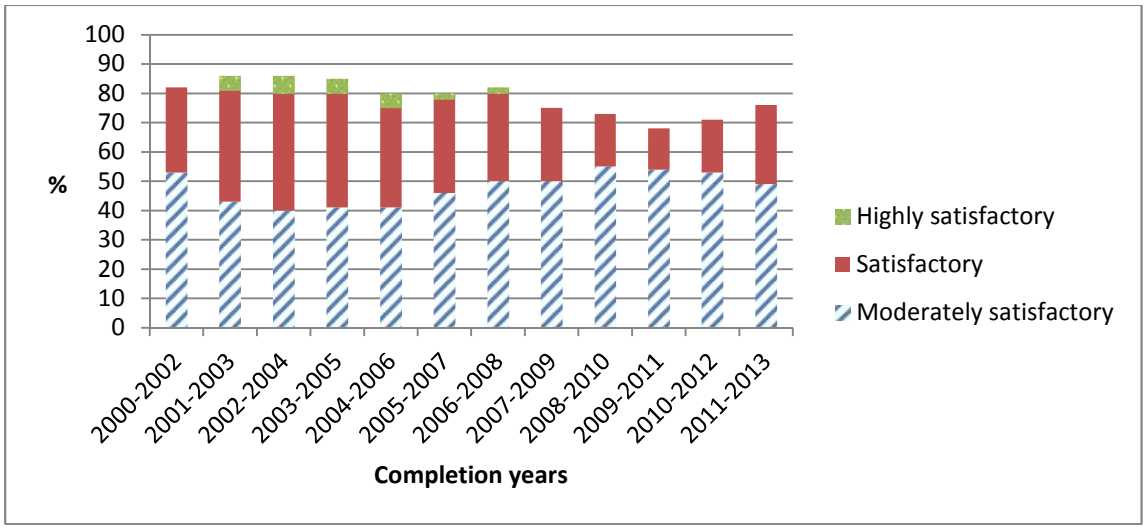
Overall project achievement

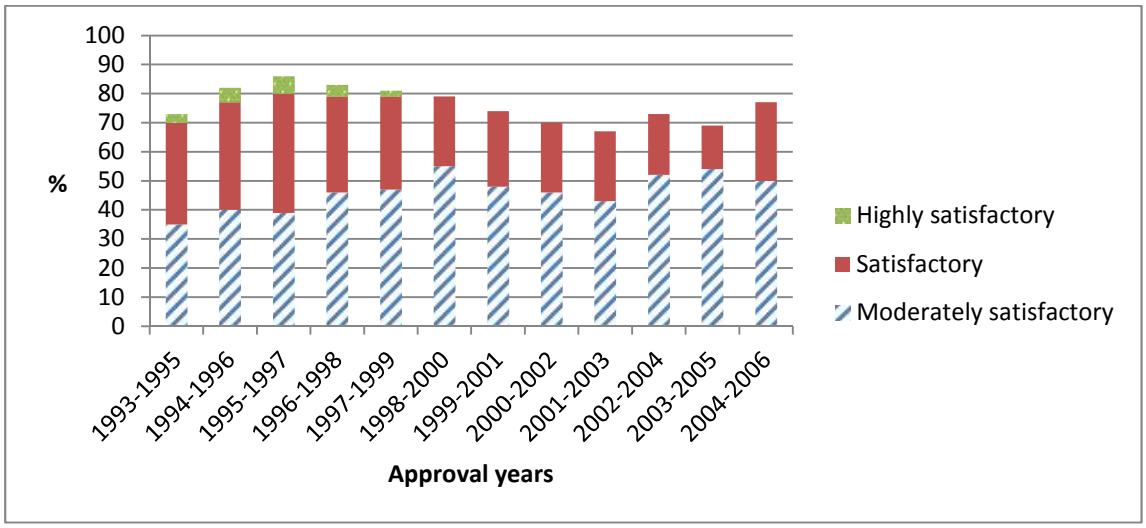


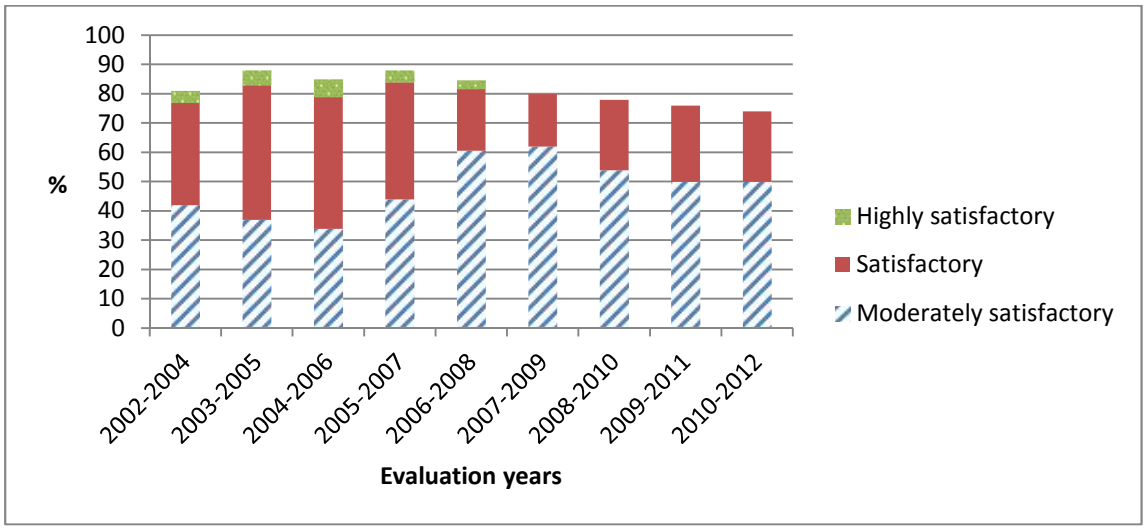




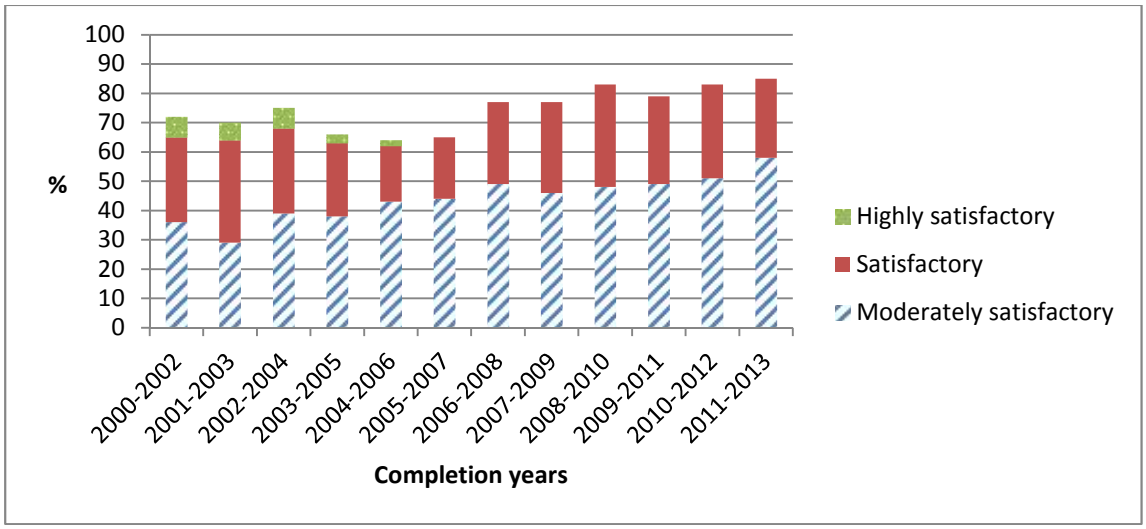
Project performance

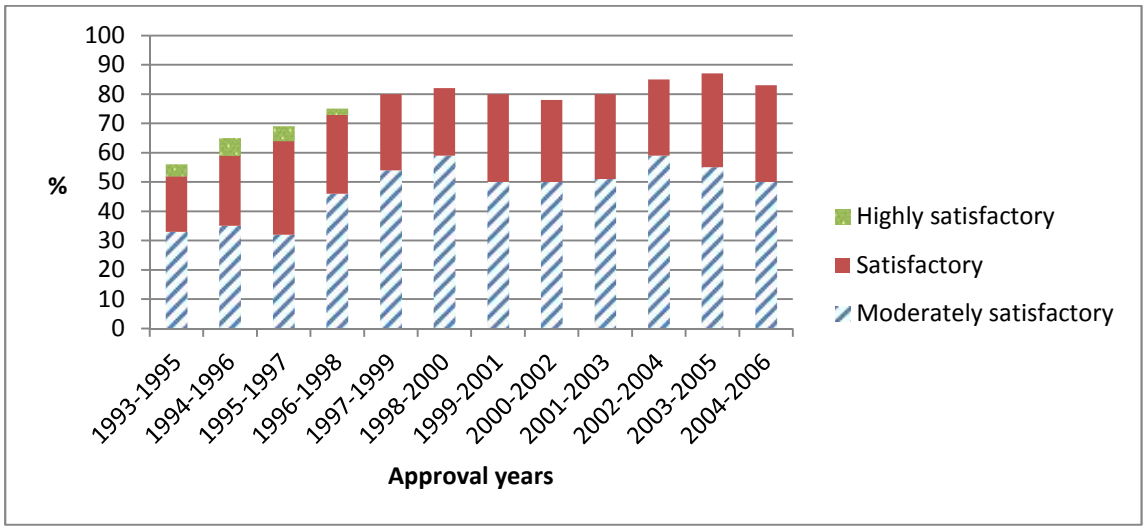


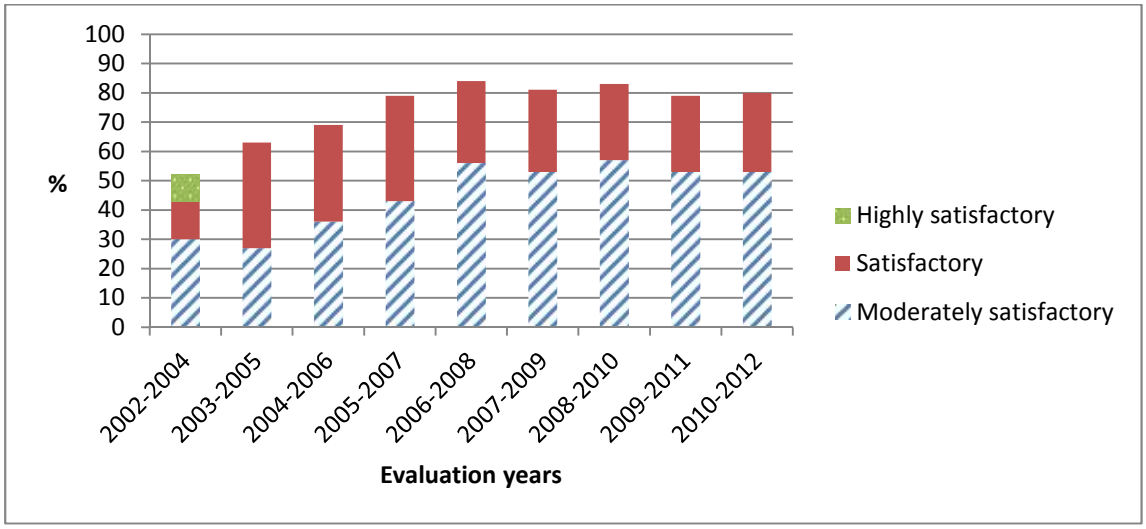




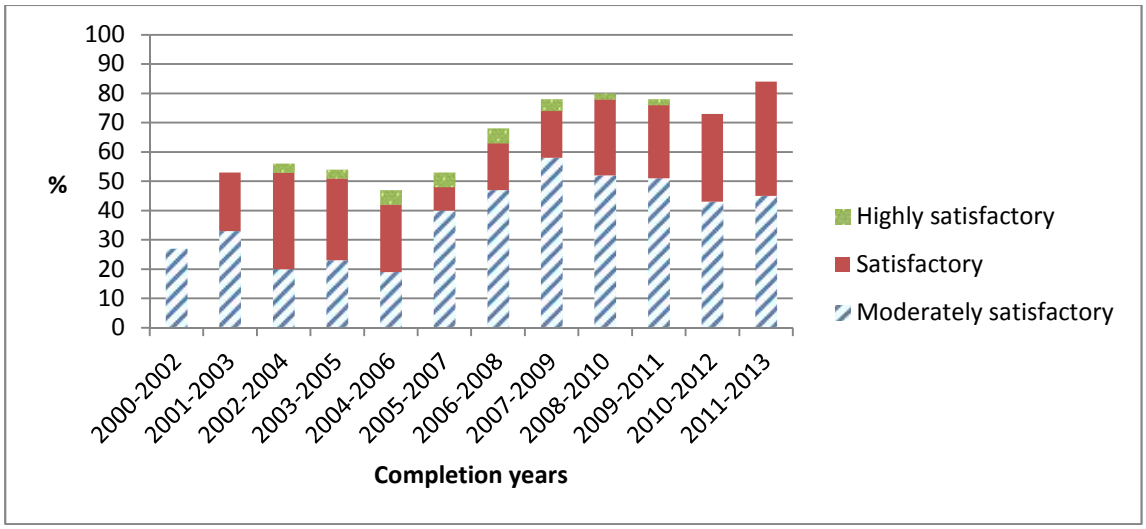
Rural poverty impact

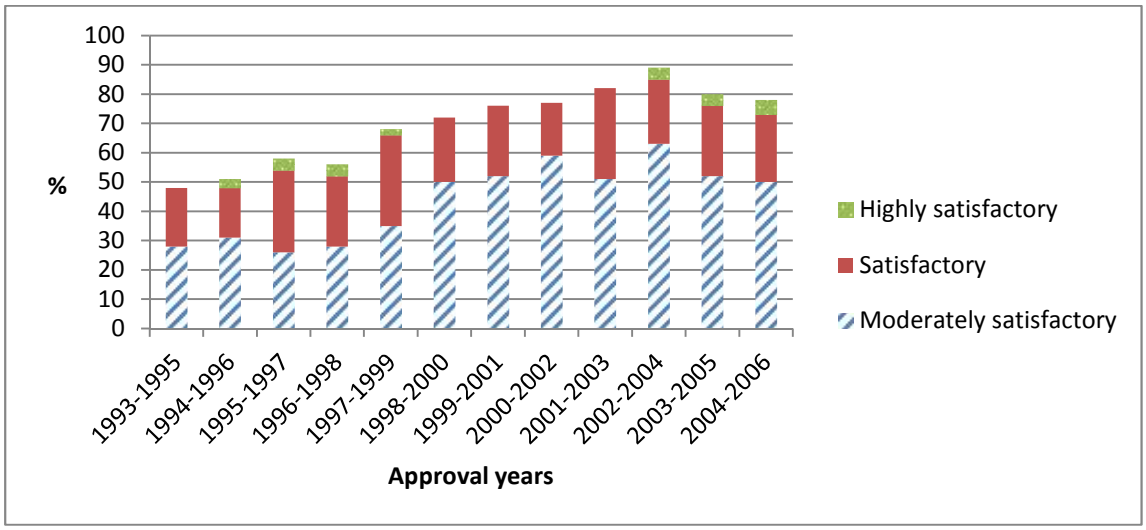


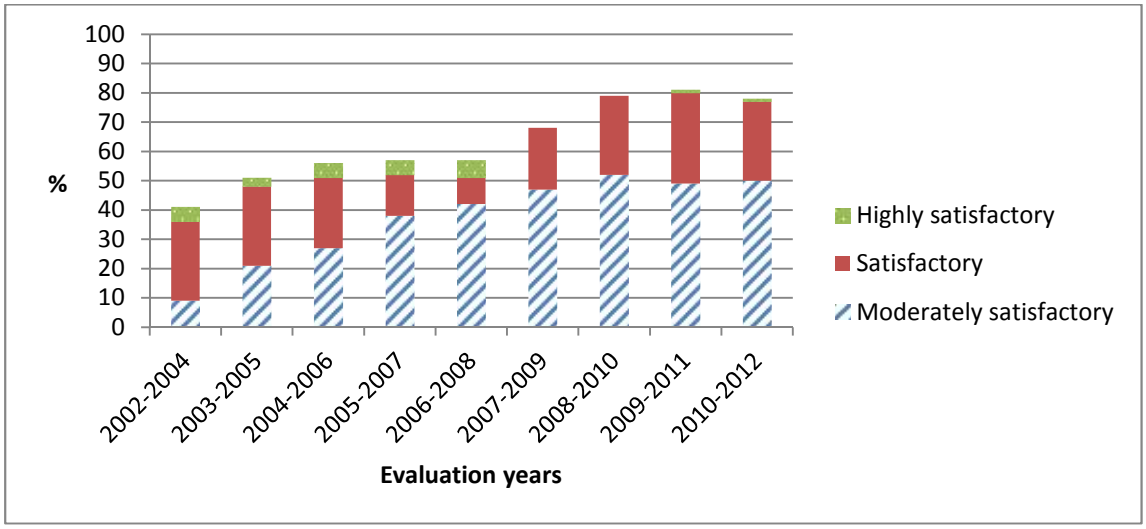




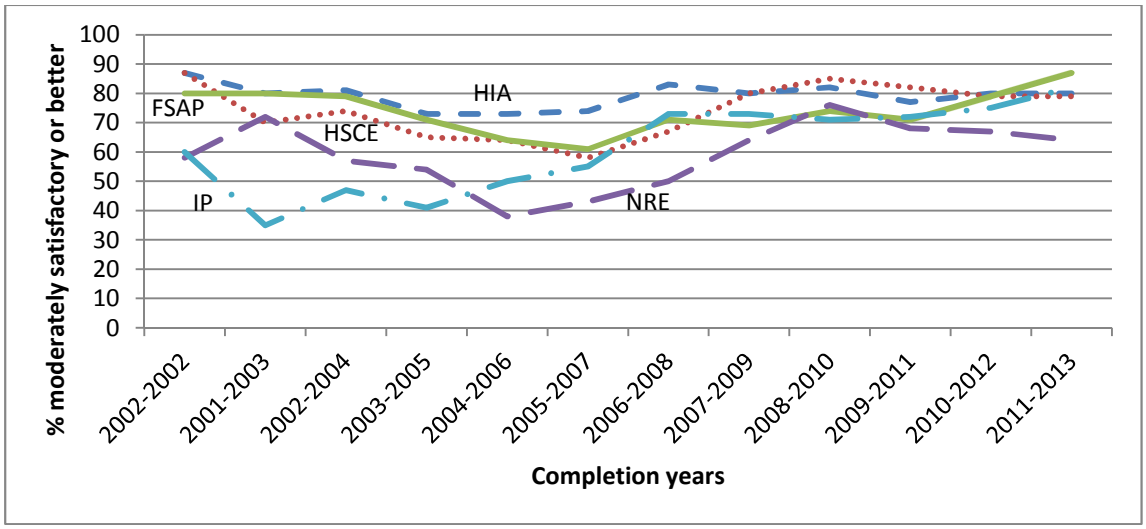
IFAD performance as a partner

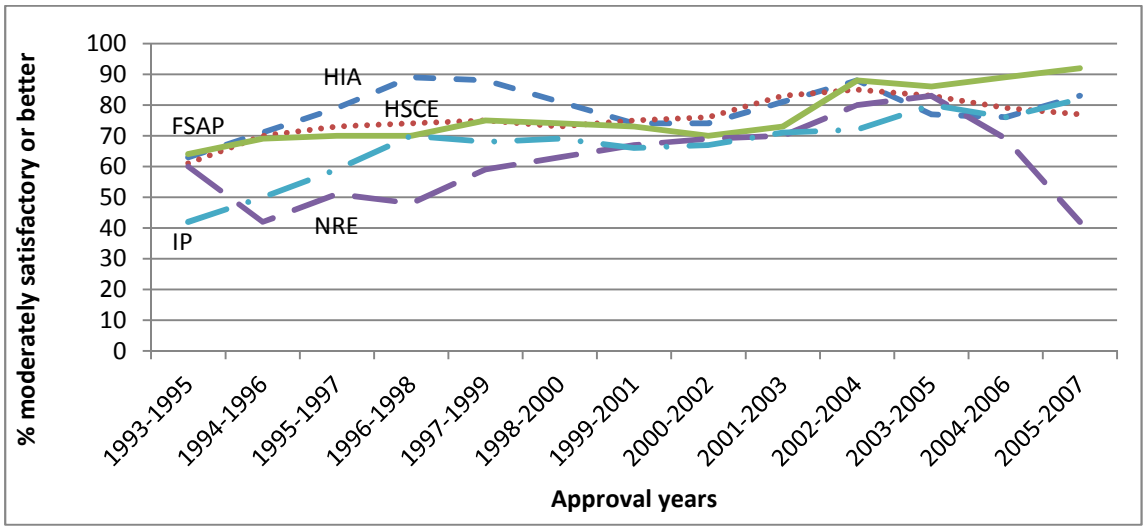


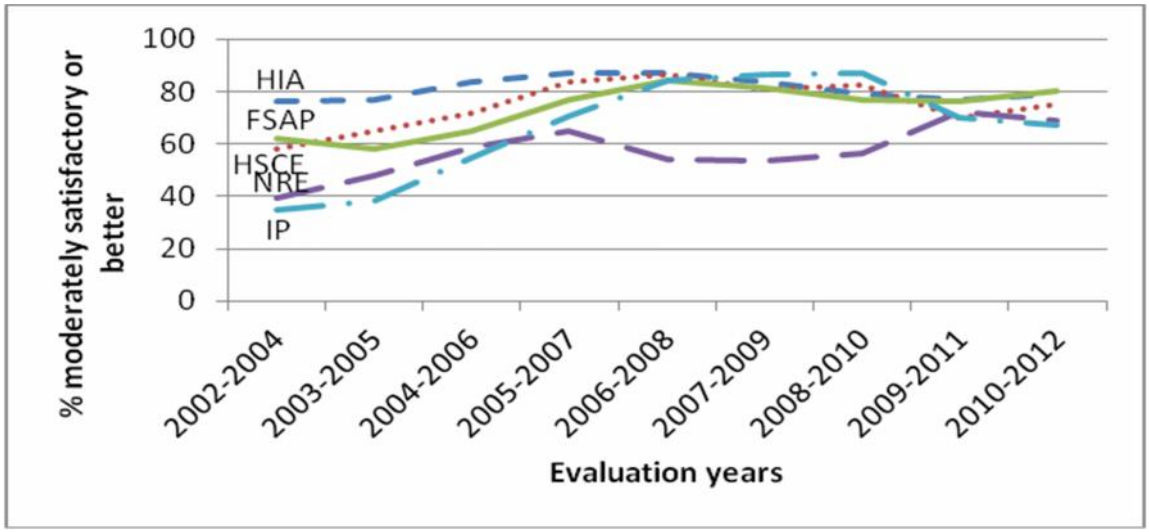




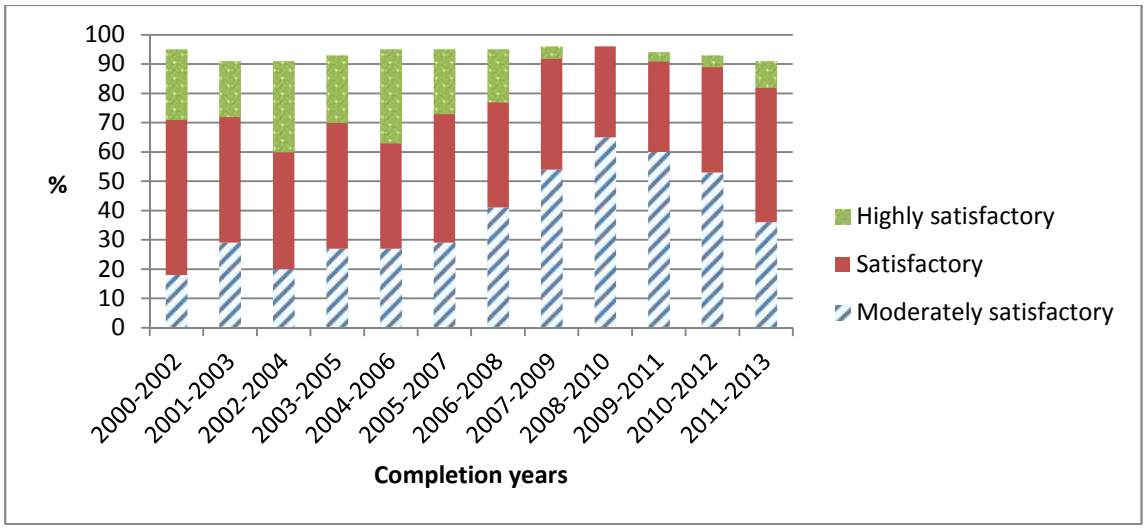
Rural poverty impact domains



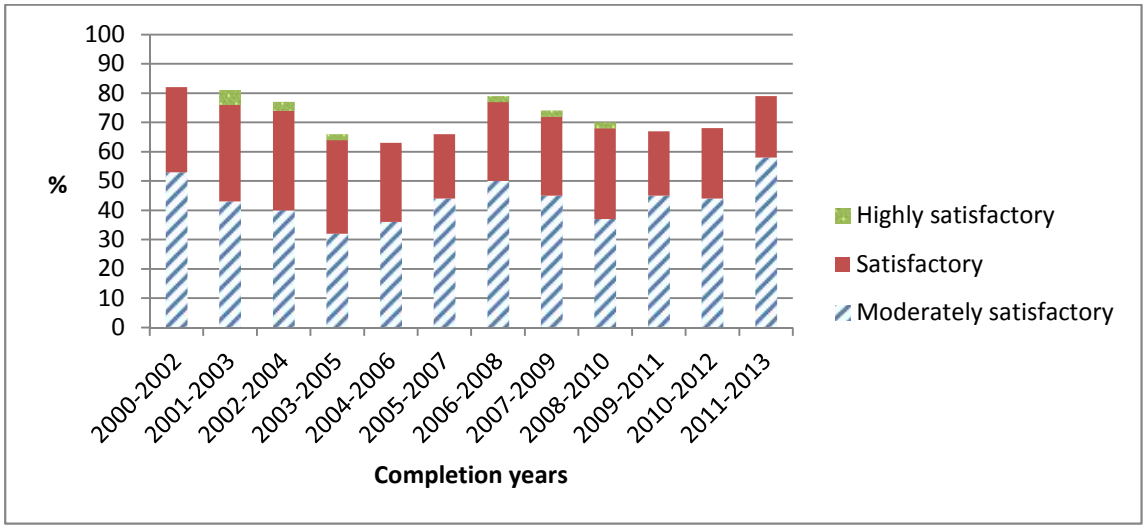




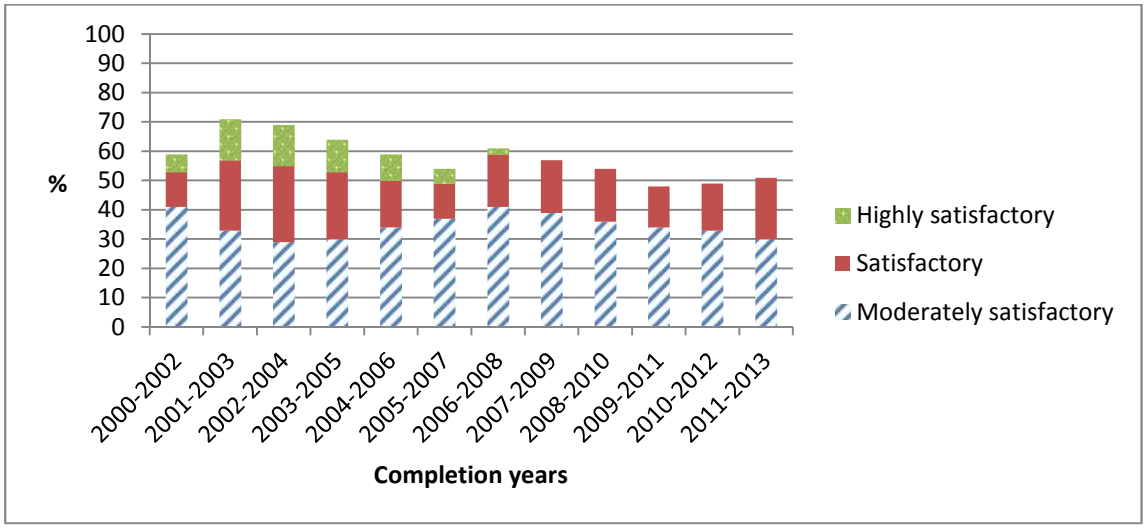
Relevance



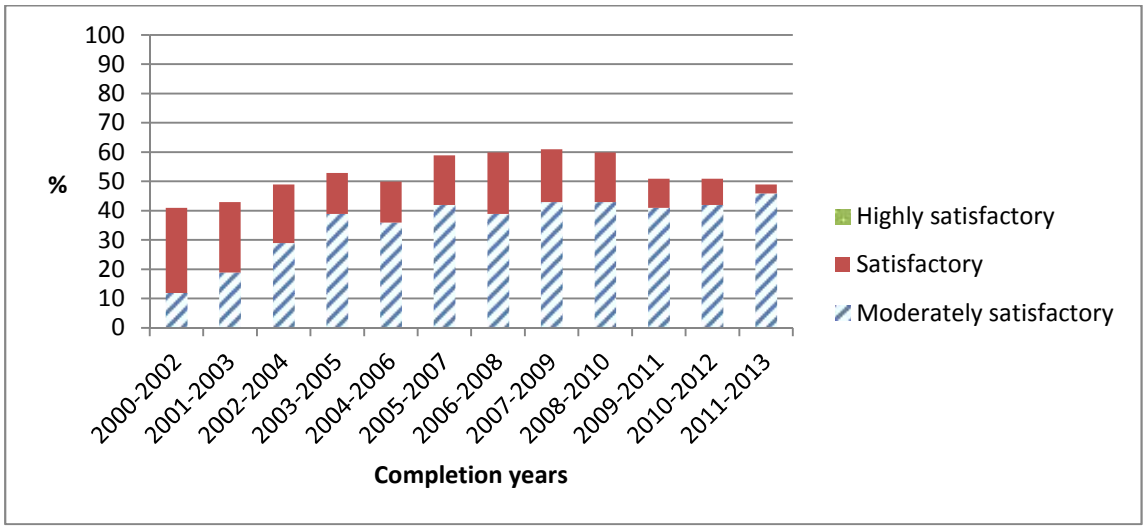
Effectiveness



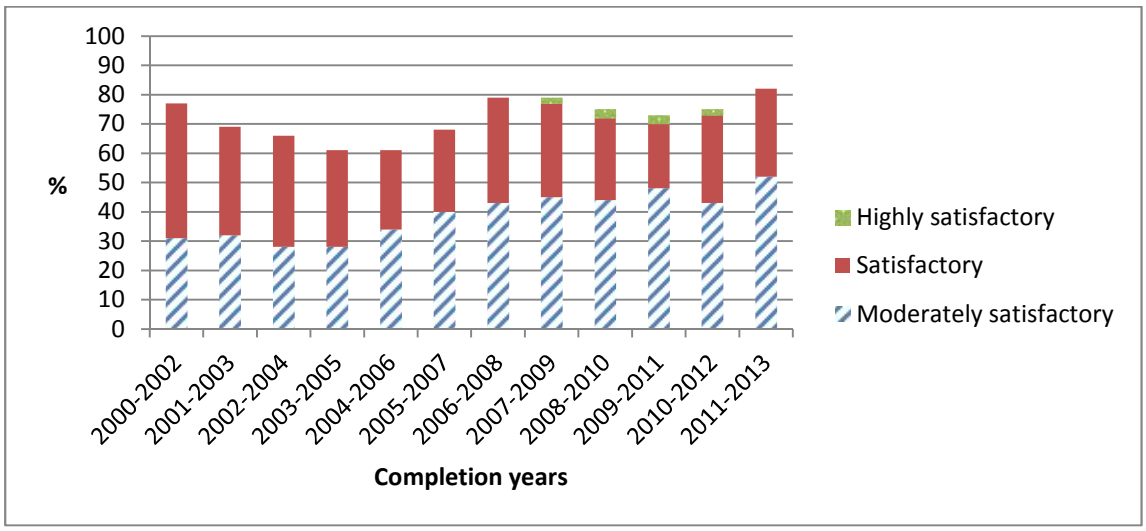
Efficiency



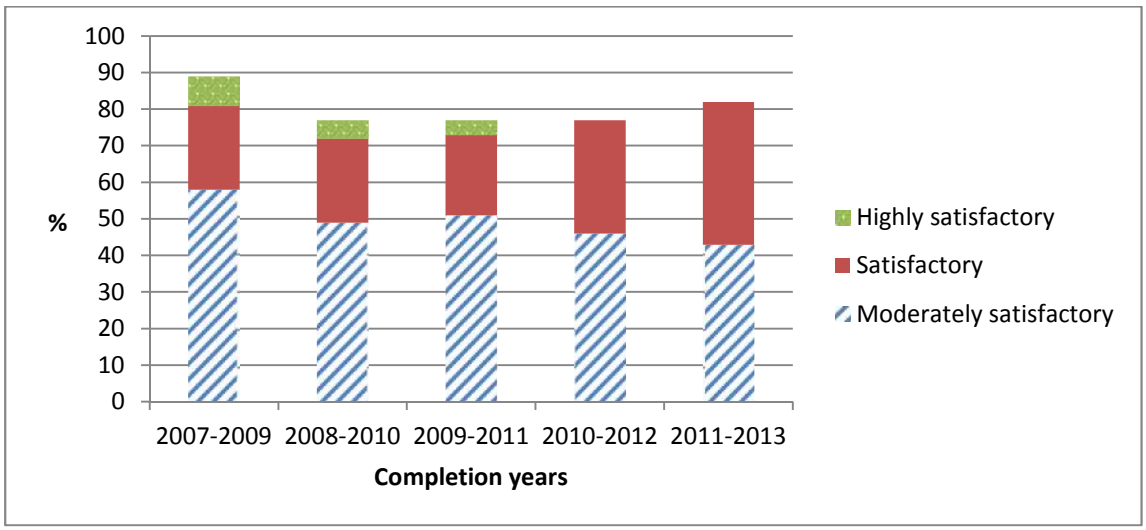
Sustainability



Innovation and scaling up

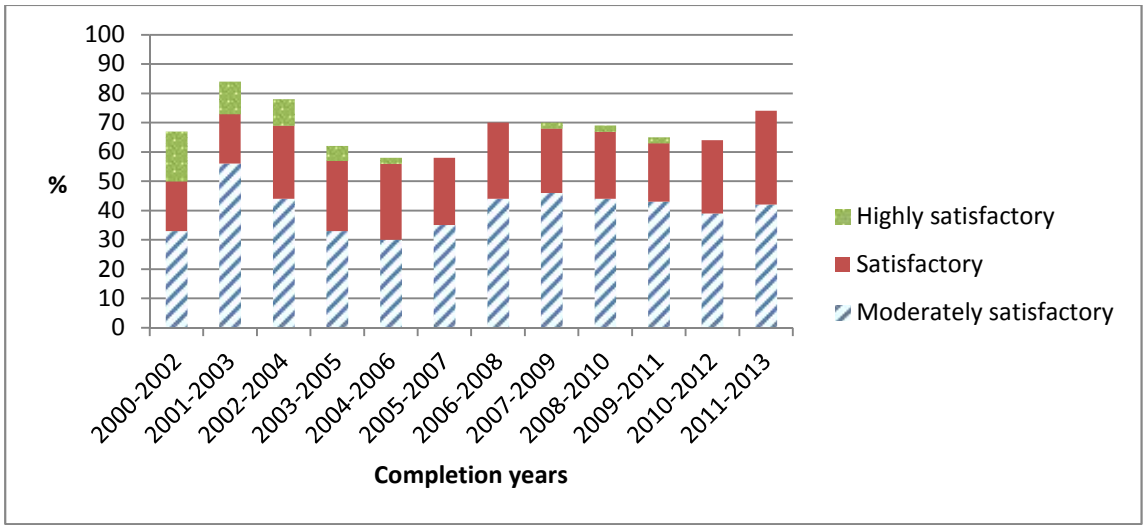


Gender equality and women's empowerment[30]



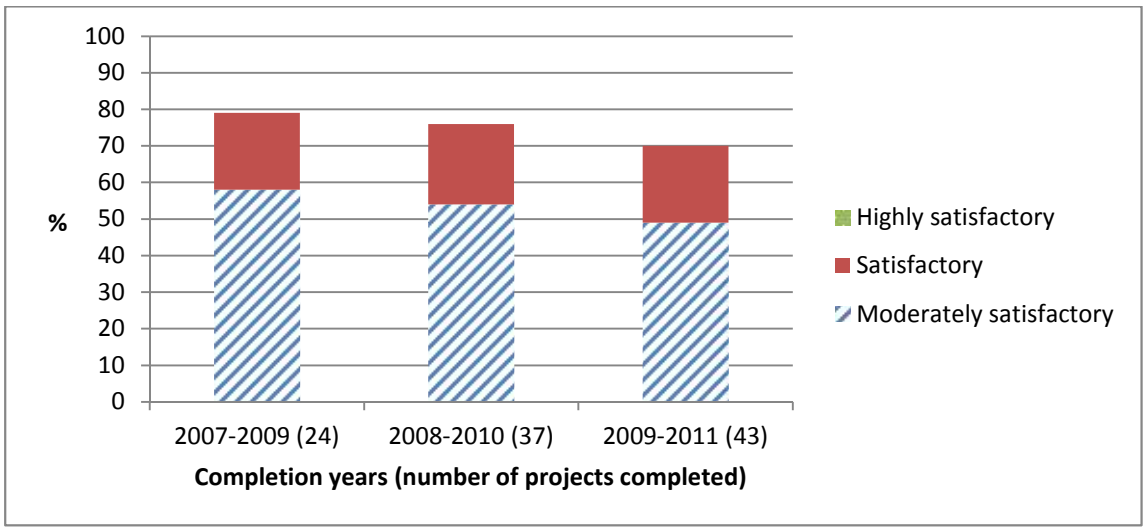
[30] Insufficient data prior to 2007-2009.

Government performance

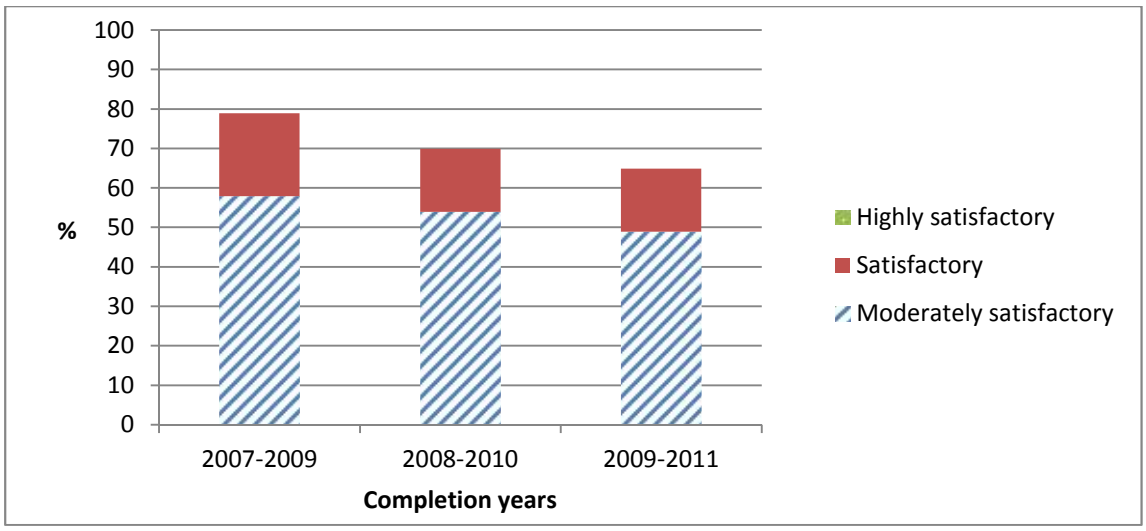


Project performance 2009-2013 (PCRV/PPA data only)

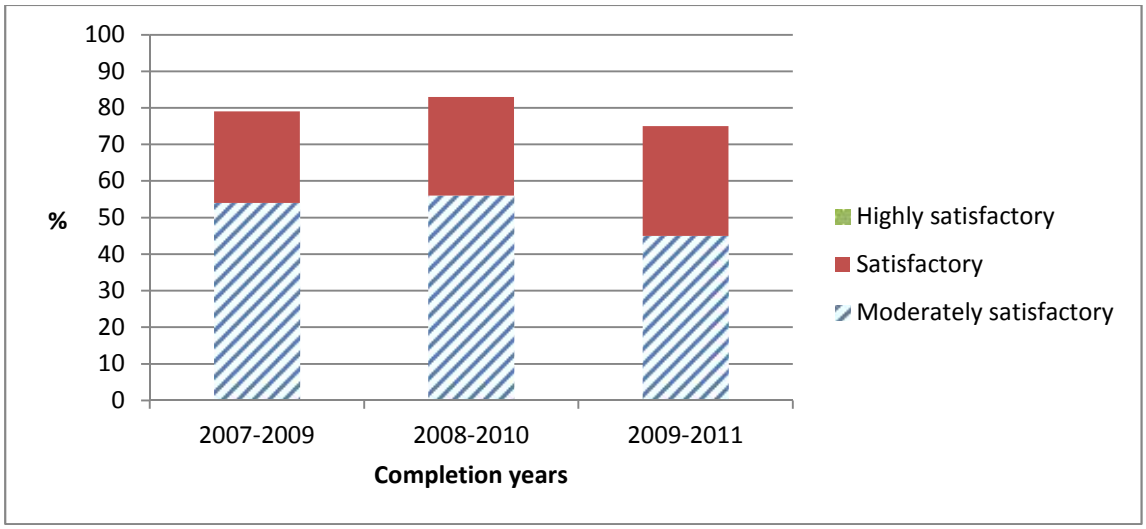
Overall project achievement



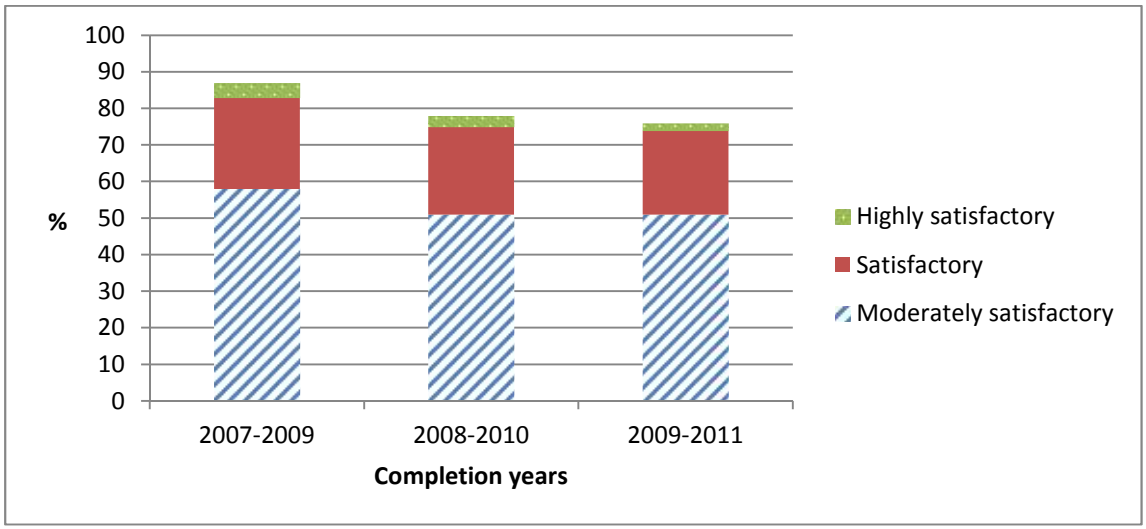
Project Performance



Rural poverty impact



IFAD performance as a partner



Internal benchmarking

Table VIII.1
Percentage of projects rated moderately satisfactory or better

Evaluation Criteria	*Independent External Evaluation*[a]	*IOE PPA/PCRV evaluations Projects Completing 2009-2011*	*2012 Targets from the 2010-2012 RMF*[b]	*2015 Targets From the 2012-2015 RMF*
Relevance	100	**95**	90	100
Effectiveness	67	**63**	90	90
Efficiency	45	**49**	75	75
Rural poverty impact	55	**75**	90	90
Sustainability	40[c]	**50**	75	75
Innovation[d]	55	**70**	80	90
Gender[e]	n/a	**74**	80	90
Government performance	n/a	**63**	n/a	80

[a] See IEE, chapter 2.
[b] These are targets, to be compared with ARRI results, approved by the Executive Board in September 2009. See table 2 in document EB 2009/97/R.2, Results Measurement Framework for the Eighth Replenishment period (2010-2012).
[c] This is based on the ratings of ten late and closed projects. However, it found that 61 per cent of all of the projects (it covered 18) were likely to have a satisfactory impact on sustainability.
[d] The IEE split the analysis into local and national innovations. The results included in the table refer to local innovations, which are defined as something "new of different at the community or village level (more commonly understood to be technology transfer)". As for national innovations, defined as something "new or different in a particular country context (a new type of microfinance organization, a new agriculture technology)", only 25 per cent of projects rated were considered satisfactory.
e Based on two years data (2010-2011).

Table VIII.2
Comparisons of overall project achievement across geographic regions (2002-2012)

		Overall project achievement	
Geographic region	*Number of projects evaluated*	*Percentage of projects rated moderately satisfactory or better*	*Percentage of projects rated moderately unsatisfactory or worse*
Asia and the Pacific	52	83	17
Latin America and Caribbean	32	75	25
East and Southern Africa	42	79	21
Near East, North Africa and Europe	29	76	24
West and Central Africa	40	60	40

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Project completion reports – disconnect and quality

The average disconnect or difference between IOE PCRV ratings and PMD PCR ratings is -0.3. This is the average disconnect for all the PCR/PPA data available in the database – 53 PCRVs/PPAs.

PCRV findings on the quality of PCRs are as follows:

Evaluation criteria	*% satisfactory or better*	*% moderately satisfactory or better*	*% moderately unsatisfactory or worse*
PCR scope	34	72	28
PCR quality	17	48	52
PCR lessons	40	79	21
PCR candour	30	72	28
Overall rating for PCR document	28	66	34

Understanding exceptional projects – methodology

1. Exceptionally Good projects are defined as those rated as Satisfactory (5) or Highly Satisfactory (6) for Overall Project Achievement. Exceptionally Poor projects are defined as those rated as Moderately Unsatisfactory (3) or Unsatisfactory (2). These are referred to as Good and Poor projects in the remainder of this paper.
2. A total of 99 projects have been rated by IOE as either Good or Poor in the period 2002-12. Some analysis of all these projects is reported below. More detailed analysis has been carried out on purposively selected sub-sample of 57 projects from 25 countries [check numbers]. Selected projects fall into three groups:
   a. All exceptional projects evaluated in 2011 and 2012;
   b. All Good projects in fragile states;
   c. All Poor projects in middle-income countries;
   d. All Good and Poor projects in the same country.
3. The first group represents the most recent evaluation experience. The second and third groups represent projects that run counter to expectations. The fourth group holds country context constant.
4. Explanatory factors were then identified from the evaluation reports. Where mentioned these were rated as either positive (e.g. good quality staff) or negative (e.g. poor quality staff). These factors were then allocated to one of three groups:
   a. **CONTEXT:** how positive or negative was the context (physical, economic, political, etc.) in which the project was implemented?
   b. **DESIGN:** did the project do the right thing?
   c. **MANAGEMENT:** how well was it managed by IFAD, Government and the project management team? This includes implementation support.
5. This approach has some limitations. It assumes that the evaluators have explored and reported on the same set of possible factors, and have applied the same criteria and judgements. This is not always the case. Some evaluations reported on the explanatory factors in more depth than others. Projects that were only covered by Country Programme Evaluations were least well reported.
6. There may also be a risk of 'confirmation bias' in the evaluation reports. For example, a project may not perform well because of the very difficult context. With the benefit of hindsight, the evaluators criticize the design, and therefore IFAD for approving the design. They also criticize the project management team, and therefore Government for appointing the team. This may explain some of the high correlation between factors. The evaluations do not always separate the main causes from the associated characteristics. Association and causation are not necessarily the same.
7. Finally, the analysis is based on evaluated projects that have closed or nearly closed. This means that most of the projects (86 per cent) were designed and approved before 2004.

List of exceptional projects reviewed

Country	*Project*	*Approval*	*Closing*
Armenia	Rural Areas Economic Development Programme	02-Dec-04	31-Mar-10
Bangladesh	Microfinance and Technical Support Project	10-Apr-03	30-Jun-11
Benin	Participatory Artisanal Fisheries Development Support Programme	06-Dec-01	31-Dec-11
Brazil	Community Development Project for the Rio Gaviao Region	07-Dec-95	30-Jun-06
Burkina Faso	Special Programme for Soil and Water Conservation and Agroforestry in the Central Plateau	04-Dec-87	31-Dec-03
Burundi	Rural Recovery Programme	28-Apr-99	31-Dec-10
Chad	Batha Rural Development Project	19-Apr-05	31-Jan-11
China	Rural Finance Sector Programme	21-Apr-04	30-Sep-10
Colombia	Rural Micro-enterprise Project	11-Sep-96	30-Jun-07
Congo	Rural Development Project in the Plateaux, Cuvette and Western Cuvette Departments	21-Apr-04	30-Jun-12
El Salvador	Reconstruction and Rural Modernization Programme	06-Dec-01	30-Jun-12
Ethiopia	Southern Region Cooperatives Development and Credit Project	02-Dec-93	31-Dec-05
Ethiopia	Special Country Programme Phase II	05-Dec-96	31-Dec-06
Ethiopia	Rural Financial Intermediation Programme	06-Dec-01	30-Sep-10
Ghana	Upper West Agricultural Development Project	14-Sep-95	31-Dec-04
Ghana	Rural Enterprise Project - Phase II	05-Sep-02	31-Dec-11
Grenada	Rural Enterprise Project	26-Apr-01	31-Dec-09
Guinea	Programme for Participatory Rural Development in Haute Guinee	09-Dec-99	30-Sep-10
India	Mewat Area Development Project	12-Apr-95	30-Jun-05
India	Rural Women's Development and Empowerment Project	05-Dec-96	31-Dec-05
India	North Eastern Region Community Resource Management Project for Upland Areas	29-Apr-97	31-Mar-08
India	Livelihood Security Project for Earthquake Affected Rural Households in Gujarat	12-Sep-01	15-Dec-09
India	National Microfinance Support Programme	04-May-00	31-Dec-09
Jordan	Agricultural Resource Management Project Phase I	06-Dec-95	31-Dec-03
Jordan	Rangelands Rehabilitation and Development Project	04-Dec-97	31-Dec-05
Jordan	Agricultural Resource Management Project - Phase II	02-Dec-04	30-Jun-16
Kenya	Eastern Province Horticulture and Traditional Food Crops Project	02-Dec-93	31-Dec-07

Country	*Project*	*Approval*	*Closing*
Kenya	Mount Kenya East Pilot Project for Natural Resource Management	11-Dec-02	31-Mar-13
Mexico	Rural Development Project for the Indigenous Communities of the State of Puebla	15-Apr-92	30-Jun-01
Mexico	Rural Development Project for the Rubber Producing Regions of Mexico	03-May-00	21-Jan-11
Mexico	Strengthening Project for the National Micro-Watershed Programme	18-Dec-03	21-Dec-10
Morocco	Livestock and Pasture Development Project in the Eastern Region	19-Apr-90	30-Jun-02
Morocco	Rural Development Project in the Mountain Zones of Al-Haouz Province	07-Dec-00	30-Sep-08
Mozambique	Niassa Agricultural Development Project	20-Apr-94	30-Jun-06
Mozambique	Sofala Bank Artisanal Fisheries Project	12-Sep-01	30-Sep-11
Namibia	Northern Regions Livestock Development project	06-Sep-94	30-Sep-04
Nepal	Poverty Alleviation Fund Project - II	13-Dec-07	31-Dec-14
Nigeria	Sokoto State Agicultural and Community Development Project	08-Sep-92	30-Jun-01
Nigeria	Roots and Tuber Expansion Programme	09-Dec-99	31-Mar-10
Nigeria	Community Based Agricultural and Rural Development Programme	12-Sep-01	30-Sep-10
Pakistan	Barani Village Development Project	03-Dec-98	31-Dec-07
Pakistan	Project for the Restoration of Earthquake-affected Communities and Households	20-Apr-06	31-Mar-10
Pakistan	Southern Federally Administered Tribal Areas Development Project	07-Dec-00	30-Sep-11
Panama	Sustainable Rural Development Project	06-Dec-01	31-Mar-12
Paraguay	Peasant Development Fund Credit Project - Eastern Region	07-Dec-95	30-Jun-05
Philippines	Northern Mindanao Community Initiatives and Resource Management Project	06-Dec-01	31-Dec-09
Rwanda	Rwanda Returnees Rehabilitation Programme	11-Sep-97	30-Jun-01
Rwanda	Byumka Agricultural Development Project - Phase II	01-Oct-90	31-Dec-01
Rwanda	Rural Small and Micro-Enterprise Promotion Project	17-Apr-96	31-Dec-04
Rwanda	Support project for the Strategic Plan for the transformation of Agriculture	08-Sep-05	30-Sep-13
Sri Lanka	Post-Tsunami Livelihoods Support and Partnership Programme	19-Apr-05	30-Sep-10
Uganda	Area-based Agricultural Modernization Programme	08-Dec-99	31-Dec-08
Uganda	Rural Financial Services Programme	05-Sep-02	31-Dec-13
Zambia	Forestry Management Project	08-Dec-99	31-Dec-07

Exceptional projects by date of approval and completion

Table XII.1
Number of exceptional projects by year of approval

Year	*Total*	*Good projects*	*Poor projects*
<= 1994	14	2	12
1995-97	26	16	10
1998-2000	21	12	9
2001-2003	19	9	10
>= 2004	14	6	8
	94		

Table XII.2
Number of exceptional projects by year of completion

Year	*Total*	*Good projects*	*Poor projects*
2000-2002	10	5	5
2003-2005	22	10	12
2006-2008	20	12	8
2009-2011	31	13	18
>= 2012	11	5	6
	94		

Exceptional projects by country type

Table XII.3
Number and percentage of exceptional projects by GNI classification

	Number			*Percentage*		
	Good	*Bad*	*Total*	*Good*	*Bad*	*Total*
Low Income	24	30	54	44%	56%	100%
Lower Middle Income	18	12	30	60%	40%	100%
Upper Middle Income	3	7	10	30%	70%	100%
All Countries	48	51	99	49%	51%	100%
All Middle Income	22	20	42	52%	48%	100%

Table XII.4
Number and percentage of exceptional projects by LDC classification

	Number			*Percentage*		
	Good	*Bad*	*Total*	*Good*	*Bad*	*Total*
LDC	18	27	45	40%	60%	100%
Non-LDC	27	22	49	55%	45%	100%

Table XII.5
Number and percentage of exceptional projects by FCS classification

	Number			*Percentage*		
	Good	*Bad*	*Total*	*Good*	*Bad*	*Total*
FCS	2	16	18	11%	89%	100%
Non-FCS	43	33	76	57%	43%	100%

Table XII.6
Number and percentage of exceptional projects by CPR rating

	Number			*Percentage*		
	Good	*Bad*	*Total*	*Good*	*Bad*	*Total*
< 3.00	3	*11*	14	21%	79%	100%
3.00 – 3.49	13	*20*	33	39%	61%	100%
3.50 – 3.99	15	*5*	20	75%	25%	100%
Non-IDA	14	*13*	13	52%	48%	100%

Exceptional projects in middle income **countries**

Table XII.7
Number of exceptional projects in upper middle income countries

	DESIGN		*MANAGEMENT*		*CONTEXT*		*Total*[31]
	Good	*Poor*	*Good*	*Poor*	*Good*	*Poor*	
Good projects	1	1	2		2		2
Poor projects		6		5		4	6

Table XII.8
Number of exceptional projects in lower middle income countries

	DESIGN		*MANAGEMENT*		*CONTEXT*		*Total*
	Good	*Poor*	*Good*	*Poor*	*Good*	*Poor*	
Good projects	7	2	9	1	5	2	10
Poor projects		8		9	1	6	10

Table XII.9
Number of exceptional projects in all middle income countries

	DESIGN		*MANAGEMENT*		*CONTEXT*		*Total*
	Good	*Poor*	*Good*	*Poor*	*Good*	*Poor*	
Good projects	8	3	11	1	7	2	12
Poor projects		14		14	1	10	16

[31] Numbers under each group may not equal the total because only positive and negative judgements in the evaluation reports are recorded. A neutral comment or no mention is not recorded.

Exceptional projects – summary results by context

Table XII.10
Summary results for exceptional projects in FCS countries and/or LDCs

	DESIGN		*MANAGEMENT*		*CONTEXT*		*Total*[32]
	Good	*Poor*	*Good*	*Poor*	*Good*	*Poor*	
Good projects	7	2	7	2	4	6	12
Poor projects		11		11	1	10	12
	7	**13**	**7**	**13**	**5**	**16**	**24**

Table XII.11
Summary results for exceptional projects in difficult contexts

	DESIGN		*MANAGEMENT*		*Total*[33]
	Good	Poor	Good	Poor	
Good projects	5	3	7	1	9
Poor projects		17		17	17
	5	**20**	**7**	**13**	**26**

Table XII.12
Summary results for exceptional projects in MICs

	DESIGN		*MANAGEMENT*		*CONTEXT*		*Total*[34]
	Good	Poor	Good	Poor	Good	Poor	
Good projects	8	3	11	1	7	2	12
Poor projects		14		14	1	8	16
	8	**17**	**11**	**15**	**8**	**10**	**28**

[32] Numbers under each group may not equal the total because only positive and negative judgements in the evaluation reports are recorded. A neutral comment or no mention is not recorded.
[33] See footnote 1.
[34] See footnote 1.

Table XII.13
DESIGN characteristics – percentage of exceptionally poor and good projects

	DESIGN OVERALL		*Institutional design*		*Ambition*		*Complexity*		*Geographical Extent*		*Lessons Learned*		*Logical framework*	
	Good	Poor	Good	Poor	Good	Poor	Good	Poor	Good	Poor	Good	Poor	Good	Poor
Poor projects		93		55		55		42		27		3		10
Good projects	55	21	21	24		21		21	7	10	14			3

TableXII.14
MANAGEMENT characteristics – percentage of exceptionally poor and good projects

	MANAGEMENT OVERALL		*IFAD OVERALL*		*IFAD support*		*IFAD Early support*		*Country Programme Manager*		*GOVERNMENT OVERALL*		*Government support*		*Implementation partners*	
	Good	*Poor*	*Good*	*Poor*	*Good*	*Poor*	*Good*	*Poor*	*Good*	*Poor*	*Good*	*Poor*	*Good*	*Poor*	*Good*	*Poor*
Poor projects		90	3	66	21	34		24		14	10	69	7	31		28
Good projects	69	14	59	7	59	3		7	7	7	55	10	28	10	7	14

Table XII.15
Management characteristics – PROJECT MANAGEMENT (PM) - percentage of exceptionally poor and good projects

	PM QUALITY OVERALL		PM location		PM staff		PM cost		M&E		Reorganizations		Counterpart Funding	
	Good	Poor	Good	Poor	Good	Poor	Good	Poor	Good	Poor	Good	Poor	Good	Poor
Poor projects	3	48		17	3	55		14		34		10	3	31
Good projects	45	7			10	31		3	17	7				21

Table XII.16
CONTEXT characteristics – percentage of exceptionally poor and good projects

	CONTEXT OVERALL		Policy		Economy		Politics	
	Good	Poor	Good	Poor	Good	Poor	Good	Poor
Poor projects	10	55		10		7	3	7
Good projects	45	31	17		10		7	3

Note: These are the percentages of the total number of projects (Exceptionally Poor or Good) with these characteristics. For example, of the 29 Poor projects, 93 per cent had poor designs and none had good designs. If there was neither a positive nor a negative comment in the evaluation report, nothing is recorded. Figures do not add up to 100 per cent for this reason.