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Investing in rural people

2019 Annual Report on Results and Impact of IFAD Operation

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For: **Review**

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The comments contained in IFAD Management's written response to the 2018 ARRI and feedback from the Evaluation Committee and Executive Board are also reflected in the 2019 ARRI.

Executive summary

I. Introduction

1. This is the 17th edition of the Annual Report on Results and Impact of IFAD Operations (ARRI), the flagship report of the Independent Office of Evaluation of IFAD (IOE). The objectives of the ARRI are to: (i) present a synthesis of the performance of IFAD-supported operations based on a common evaluation methodology; and (ii) highlight systemic and cross-cutting issues, lessons and challenges to enhance the development effectiveness of IFAD-funded operations. The 2019 ARRI also includes a learning theme chapter focused on the relevance of IFAD project interventions.

2. **Context**. The context of the 2019 ARRI was the close of the Tenth Replenishment of IFAD's Resources (IFAD10) 2016-2018, which was also the first replenishment period for IFAD′ s Strategic Framework 2016-2025. The Strategic Framework seeks to address the ambitious commitments to the 2030 Agenda and targets for the Sustainable Development Goals (SDGs). It envisions IFAD fulfilling its mandate of reducing rural poverty by working in a way that is "bigger, better and smarter". Therefore, the 2019 ARRI will examine the initial results from IFAD10. In order to compare results with the previous Strategic Framework and replenishments, a special chapter presents a high-level analysis and discussion of recurring issues in the IFAD10 period.

3. **Age of the portfolio**. The 2019 ARRI primarily draws its qualitative findings from evaluations conducted in 2018 and presents quantitative analysis of ratings from projects completed between 2007 and 2017. Performance analysis in the ARRI does not cover recently designed projects or other initiatives. Of the 41 newly evaluated projects included in this year's ARRI, 14 were completed in 2014 and 2015, and 27 were completed in 2016 and 2017. The average project duration was 6.9 years. Only one project had an implementation period of more than 10 years.

4. **Methodology**. The 2019 ARRI synthesizes findings from evaluations completed in 2018 (annex IV in the appendix) and analyses ratings from project and country strategy and programme evaluations (CSPEs). It follows a mixed-methods approach based on qualitative and quantitative analyses, and the triangulation of different data sources. Performance by evaluation criteria is presented as percentages of projects rated moderately satisfactory or better according to three-year moving periods, which highlights long-term trends and minimizes short-term fluctuations. More details are included in annex V of the main report.

5. Since 2005, IFAD has used a six-point ratings scale[1] to assess performance on each evaluation criterion and report on operational performance in ARRI analyses. Ratings from 2002 onwards are recorded in an independent evaluation database which is publicly available.[2]

6. The performance of projects is assessed and rated across 10 evaluation criteria: rural poverty impact, relevance, effectiveness, efficiency, sustainability of benefits, gender equality and women's empowerment (GEWE), innovation, scaling up, environment and natural resource management (ENRM), and adaptation to climate change. In addition to the two composite criteria, project performance (an average of relevance, effectiveness, efficiency and sustainability) and overall project achievement (an assessment of all 10 criteria), each project is evaluated on how IFAD and the government perform as partners.

[1] Projects rated moderately satisfactory or better are in the "satisfactory" zone (4-6), while projects rated moderately unsatisfactory or worse are in the "unsatisfactory" zone (1-3).
[2] https://www.ifad.org/it/web/ioe/-/ifad-s-independent-evaluation-ratings-database.

7. CSPEs assess and rate: (i) overall project portfolio achievement (based on the 10 criteria); (ii) the performance of partners in managing the programme; (iii) non-lending activities; and (iv) country strategy and programme performance (relevance and effectiveness). The ARRI focuses on the latter two points and presents ratings by the year in which the CSPE was conducted.

8. This ARRI presents ratings for 50 CSPEs by the year in which the CSPE was conducted, which ranges from 2006 through 2018. This year's ARRI includes five new CSPEs carried out in Angola, Burkina Faso, Kenya, Sri Lanka and Tunisia.

9. Project evaluation ratings are presented by year of completion in two data series:

   (i) All evaluation data – presents 3,807 project ratings from 344 evaluations of projects completed from 2002 to 2017; and

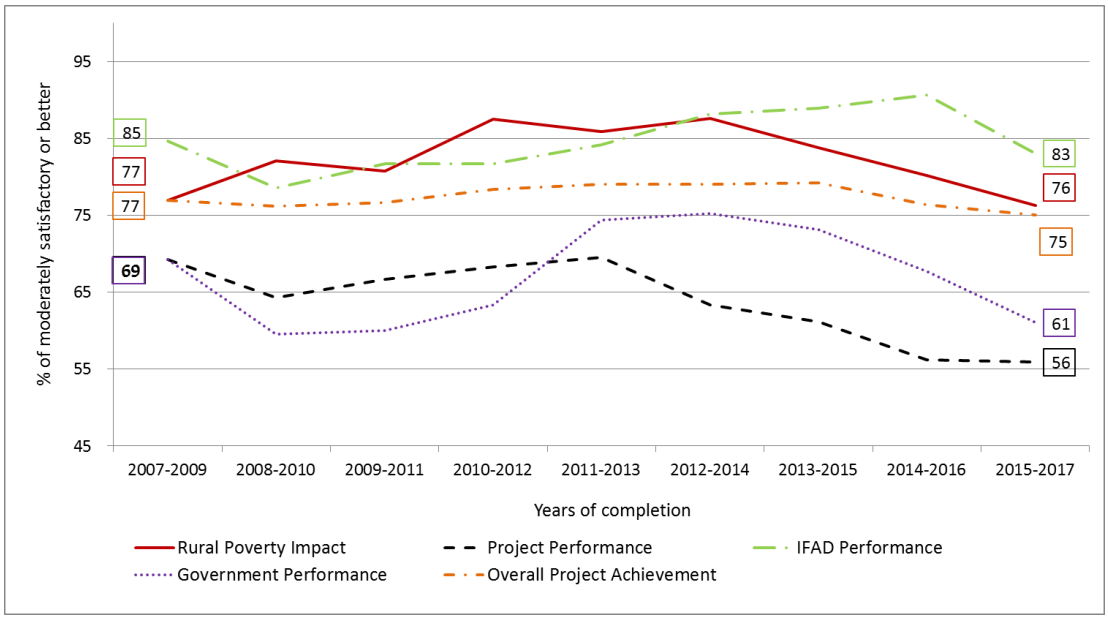
   (ii) Project completion report validation/project performance evaluation (PCRV/PPE) data – includes 2,634 ratings from 228 PCRVs, PPEs and impact evaluations of projects completed from 2007 to 2017.

10. **New features.** The 2019 ARRI includes a special chapter on replenishment analysis (chapter IV). Upon the request of Management, non-lending performance ratings are presented for the first time within the full range of the six-point rating scale (from highly unsatisfactory to highly satisfactory) and by replenishment period. Since the databases used for the ARRI analysis were reviewed and aligned with management system data to enhance their reliability, there are some differences in the total project sample size by year compared to past ARRIs.

II. Portfolio performance

11. **Between 2007 and 2017, the majority of ratings were positive, but recent trends in IFAD's project portfolio performance indicate flat or declining performance.** These trends are observed both in Management's project completion report (PCR) self-assessment ratings and in IOE's independently rated evaluations. In terms of total IOE ratings, 75 per cent are moderately satisfactory or better. Chart 1 presents the trends in the main project criteria, which fall into two groups in terms of moderately satisfactory or better ratings: better performance (over 70 per cent) and weaker performance (under 70 per cent). The two better-performing criteria are IFAD's performance as a partner and rural poverty impact. Both improved from 2008 to 2010 and then declined: rural poverty impact declined from 2012 to 2014 and IFAD's performance as a partner declined from 2014 to 2016. The initial period of improvement coincided with IFAD's move to direct supervision and implementation of its targeting policy.

Chart 1
Combined overview of the key project performance evaluation criteria
Percentage of projects rated moderately satisfactory or better, 2007-2017



Source: IOE evaluation database (PCRV/PPE), April 2019.

12. **Ratings of project performance and government performance as a partner were lower, with moderately satisfactory ratings often below 70 per cent.** Initially, these improved between 2008 and 2013, with government performance as a partner reaching 75 per cent positive ratings in 2012-2014. However, they both declined more recently. The decline in project performance partly reflects the inclusion of sustainability of benefits from 2016 in evaluations of projects completed from 2013 onwards. These declines are also reflected in Management's PCR ratings from 2011, as shown in annex IX of the main report.

13. **Overall, project achievement has remained flat, although the trend in this composite criterion declined slightly from 2013 to 2015.** This reflects lower project performance and rural poverty impact ratings, which are not counterbalanced by stronger performance in IFAD-specific criteria (i.e. innovation, ENRM and adaptation to climate change). Possible factors contributing to this decline across the main criteria are discussed in the chapter on project portfolio trends.

14. **Examining the performance of individual evaluation criteria between different periods indicates specific areas of improvement, stagnation and decline.** Table 1 ranks the criteria by the percentage of positive ratings in 2015–2017 and then compares them to 2007–2009, 2011–2013 and 2014–2016. In 2015–2017, IFAD's performance as a partner, relevance, ENRM and innovation had the largest share of satisfactory ratings, with more than 80 per cent of projects rated moderately satisfactory or better. Rural poverty impact, effectiveness, adaptation to climate change and GEWE had 70 per cent or more positive ratings. Scaling-up, government performance as a partner, sustainability, and efficiency showed the lowest share of positive ratings for projects completed between 2015 and 2017.

Table 1
Changes in percentage of projects rated moderately satisfactory or better by criteria over time

	Baseline	Midpoint	Recent periods		Changes versus 2015-2017					
Criteria	2007-2009	2011-2013	2014-2016	2015-2017	2007-2009		2011-2013		2014-2016	
IFAD performance	85	84	91	83	-2	▼	-1	–	-8	▼
Relevance	92	83	89	83	-9	▼	0	–	-6	▼
ENRM	77	69	80	81	4	▲	12	▲	1	–
Innovation	69	85	84	80	11	▲	-5	▼	-4	▼
Rural Poverty Impact	77	86	80	76	-1	–	-10	▼	-4	▼
Effectiveness	77	76	75	75	-2	▼	-1	–	0	–
Overall project achievement	77	79	76	75	-2	▼	-4	▼	-1	–
Adaptation to climate change	76	62	80	73	-3	▼	11	▲	-7	▼
GEWE	85	83	77	71	-14	▼	-12	▼	-6	▼
Scaling-up	69	83	74	68	-1	–	-15	▼	-6	▼
Government performance	69	74	68	61	-8	▼	-13	▼	-7	▼
Sustainability	58	62	59	59	1	–	-3	▼	0	–
Project performance	69	70	56	56	-13	▼	-14	▼	0	–
Efficiency	62	63	53	51	-11	▼	-12	▼	-2	▼

Source: IOE evaluation database, April 2019.

15. **Only ENRM, innovation, and adaptation to climate change showed increases in positive ratings compared to previous periods.** GEWE, government performance as a partner and efficiency all showed consistent declines. All other criteria showed either no change or a lower percentage of positive ratings. A comparison in the 10 years between 2007 and 2009, and 2015 and 2017 indicates that the decline in project performance can be largely attributed to trends in relevance (from 92 to 83 per cent) and efficiency (from 62 to 51 per cent).

16. **Efficiency remains the weakest-performing criterion due to recurrent inhibiting factors**. These include high project management costs, frequent project staff turnover, lack of harmonization with cofinanciers, weak monitoring and evaluation (M&E) undermining early identification of unforeseen issues, and delays in project start-up and implementation. IFAD has made major structural changes to its business model to improve its programme management, bringing fundamental changes by expanding and strengthening country offices, and taking over direct supervision. Ratings of project efficiency are affected by the need to align operations to the Fund's changing business model, address weak government performance and improve management of budgetary resources.

III. Internal and external benchmarking

17. **A peer-to-peer comparison of IOE and PCR ratings shows no change in the "disconnect" and aligned trends.** The 2007–2017 overall average "disconnect" between IOE and the Programme Management Department's (PMD) PCR ratings is still -0.30. This difference between the mean ratings of IOE and PMD is statistically significant for all criteria. When looking at individual criteria, the highest disconnect is for relevance (-0.56) and the lowest is for rural poverty impact (-0.17).

18. **Since the 2019 ARRI was produced at the close of IFAD10 and start of IFAD11, IOE ratings were compared with targets for both replenishment periods.** Findings are presented below and achievements against the IFAD10 Results Measurement Framework (RMF) are discussed in the special chapter on replenishment analysis (chapter IV) and summarized in paragraph 27 of this executive summary. Since IFAD11 began in 2019, this benchmarking exercise presents a baseline for monitoring future progress against IOE ratings and draws attention to issues that require special attention. For IFAD11, IOE ratings of overall

project achievement will be used to verify the target for ratings of 4 and above (moderately satisfactory or better). The achievement of targets for all other criteria will be based on Management's PCR ratings, which are presented below.

19. **Internal benchmarking analysis indicates that only adaptation to climate change achieved its IFAD10 target, and efficiency and sustainability will require special attention in IFAD11**. Table 2 benchmarks select outcome indicators by their percentage of positive IOE and PCR ratings as compared to their respective RMF targets. Strictly speaking, only adaptation to climate change met its IFAD10 RMF targets based on both IOE and PCR ratings. Regarding IFAD11 targets, based on IOE ratings, only ENRM is within 10 percentage points, while adaptation to climate change, overall project achievement, effectiveness and GEWE are 10 to 20 percentage points below the expected target. According to Management's PCR ratings, the target for adaptation to climate change has already been met, with GEWE, ENRM, scaling up, effectiveness and overall achievement all within 10 percentage points. Sustainability of benefits and efficiency are substantially below their respective targets based on both IOE and PCR ratings, and will therefore require special attention during IFAD11.

Table 2
Internal benchmarking
Percentage of projects rated moderately satisfactory or better against RMF targets

Outcome indicators	*PMD PCR ratings 2016–2018 73 projects*	*IOE PCRV/PPE ratings 2015–2017 59 projects*	*IFAD10 RMF Target 2018*	*IFAD11 RMF Target 2021*
Adaptation to climate change	87	73	50	85
ENRM	84	81	90	90
Innovation	88	80	90	-
Rural poverty impact	83	76	90	-
Effectiveness	82	75	90	90
GEWE	88	71	90	90
Government performance	79	61	80	-
Sustainability	70	59	85	85
Scaling up	88	68	90	95
Efficiency	67	51	80	80
Overall project achievement	82	75	-	90

Source: IOE evaluation database (PCRV/PPE), July 2019.

20. **Overall, IFAD's project performance is mixed compared to other international financial institutions.** Based on the external benchmarking analysis presented in table 3, the World Bank's agricultural portfolio shows a higher percentage of positive ratings than IFAD at the global level. While World Bank project performance remained at 74 per cent compared to last year, IFAD project performance declined from 71 in the 2018 ARRI to 67 per cent this year. At the regional level, IFAD maintains the highest share of positive ratings for project performance when comparing IFAD-funded projects in Africa and Asia and the Pacific with those of the African Development Bank (AfDB) and Asian Development Bank (AsDB). IFAD-funded projects in Latin America and the Caribbean, and the Near East, North Africa and Europe had a lower share of positive ratings than those of the World Bank in the same regions. The fact that the World Bank does not include sustainability of benefits in its composite project performance criterion – unlike IFAD, AsDB and AfDB – partly accounts for its higher performance.

Table 3
External benchmarking – Project performance
Percentage of completed agriculture and rural development projects rated moderately satisfactory or better, 2002-2017 (year of completion)

	World		*Africa*		*Asia-Pacific*		*Latin America-Caribbean*		*Near East-North Africa-Europe*	
	IFAD	*World Bank*	*IFAD*	*AfDB**	*IFAD*	*AsDB***	*IFAD*	*World Bank*	*IFAD*	*World Bank*
Percentage of projects rated moderately satisfactory or better	**67%**	**74%**	**58%**	**50%**	**86%**	**64%**	**71%**	**76%**	**64%**	**79%**
Number of agriculture projects evaluated	331	627	156	171	83	117	52	104	61	158

*Data from 2002–2015. **Data from 2002–2016.
Source: AfDB Independent Development Evaluation Unit, AsDB Independent Evaluation Department, Independent Evaluation Group of the World Bank and IOE's all-evaluation database.

IV. Country programme performance

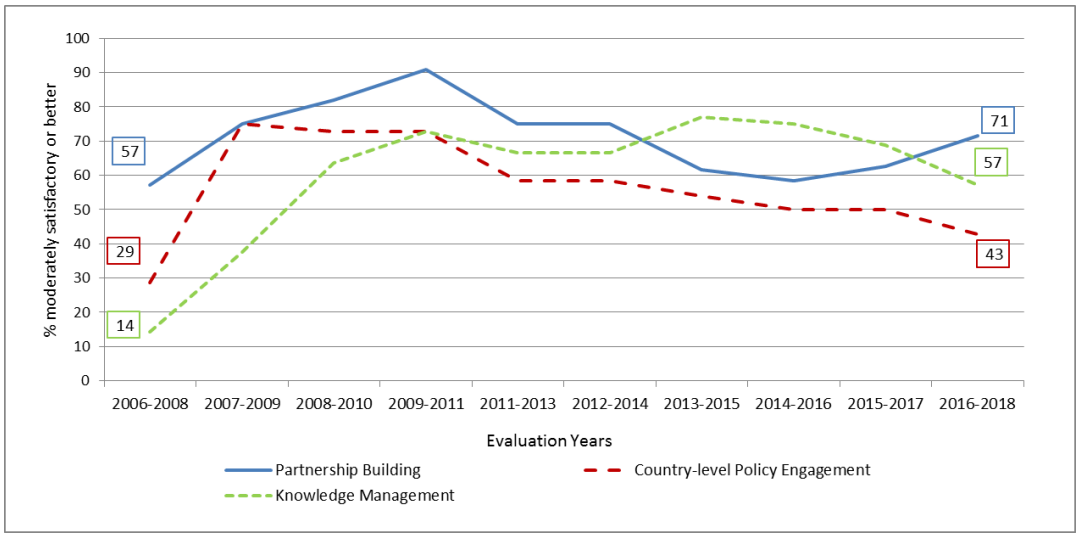
21. CSPEs analyse and report on performance beyond the project level, and identify lessons that cut across IFAD country programmes. They assess portfolio performance and non-lending activities such as country-level policy engagement, knowledge management and partnership-building.

22. **Overall, performance of non-lending activities has improved since 2006.** Chart 2 presents the trends in performance of non-lending activities from 2006 to 2018. Significant increases in ratings occurred for all three activities until 2009-2011, when performance began to decline for country-level policy engagement and partnership-building. In 2015-2017, a shift occurred, with an improvement in partnership-building and a decline in knowledge management. As evidenced by the CSPEs, IFAD needs: to adopt a more holistic approach to knowledge management and communication; use data more systematically as a management tool; and develop clear frameworks for sharing knowledge within the country programme.

23. **Although country-level policy engagement showed initial improvement, it subsequently indicated the weakest performance.** Significant improvement occurred for country-level policy engagement until 2009-2011, after which performance declined to 43 per cent in positive ratings in 2016-2018. The main factors cited for driving negative performance in the programmes evaluated included: gaps in policy implementation with regard to institutional capacity; weakness of coordination and dialogue between the donors and the government; and the lack of a dedicated budget for policy dialogue.

24. **After a period of stagnation, partnership-building is currently the strongest performing criterion.** The positive performance of 71 per cent in 2016–2018 was driven by: good results at the policy, institutional and community levels; and establishing a foundation of sustainable good practices for future projects in the country. Notably, the Sri Lanka CSPE highlighted the increased prominence of private-sector partnerships through value chain investment projects, although partnerships with other development agencies and cofinancing declined significantly.

Chart 2
Performance of non-lending activities
Percentage of evaluations rated moderately satisfactory or better, 2006-2018 (year of evaluation)



Source: IOE evaluation database, April 2019.

25. **Performance of non-lending activities is differentiated between middle-income countries and low-income countries.** In total, thirty-three CSPEs were conducted in middle-income countries and 17 in low-income countries. While their average ratings across non-lending criteria were similar, middle-income countries received a higher percentage of positive ratings for country-level policy engagement and knowledge management. In contrast, low-income countries had more positive ratings for partnership-building.

V. IFAD performance by replenishment

26. **IFAD10 served to operationalize IFAD's new Strategic Objectives, which were designed to meet the ambitious goals of the 2030 Agenda.** Commencing in 2016, IFAD10 coincided with both the launch of the SDGs and IFAD's new Strategic Framework 2016-2025. IFAD's Strategic Framework set out to make the Fund "bigger, better and smarter". IFAD would become "bigger" by mobilizing substantially more funds and other resources for investment in rural areas. It would become "better" by strengthening the quality of its country programmes through innovation, knowledge sharing, quality-at-entry, implementation support, partnerships and policy engagement. Finally, IFAD would become "smarter" by delivering development results in a cost-effective manner that responds to countries' evolving needs.

27. **Data on the performance of projects completed during IFAD10 indicates the challenges IFAD faces in achieving this vision for a "bigger, better and smarter" organization. While IFAD's project investments remained sizable and were "smarter" in terms of reducing costs, they are yet to prove higher in quality.** IFAD experienced impressive growth in IFAD8, which it maintained into IFAD10. Although the programme of loans and grants (PoLG) grew steadily, the total administrative budget allocation[3] for country programme management, design and supervision and implementation support (SIS) appear to have declined in IFAD10 to a point where the ratio of administrative budget allocation to PoLG was below that of IFAD7. In a context of zero-growth budget, IFAD appears to have managed its higher PoLG by designing fewer, larger projects. The ratio of all SIS missions to projects also decreased between 2012 and 2018. In

[3] This includes staff and non-staff resources as per IFAD's Results-based Programme of Work and Budget.

addition, from IFAD7, the timeliness of projects improved, with reduced disbursement lags and fewer project extensions.

28. **Yet, a decline in both IOE and PCR ratings of completed projects was observed between IFAD9 and IFAD10.** Based on the statistically significant changes in IOE ratings of projects completed up to 2017 and Management's full set of PCR ratings including 2018, IFAD demonstrated better quality only in ENRM between IFAD8 and IFAD10, while performance was weaker in relevance, IFAD's performance as a partner and project performance between IFAD9 and IFAD10. Declines are evident in all other criteria between IFAD9 and IFAD10, although these changes are not statistically significant. As mentioned earlier, only adaptation to climate change met its IFAD10 target based on IOE and PCR ratings.

29. **Moving forward into IFAD11, greater efforts are required to enhance the quality of IFAD's project portfolio.** This entails: strengthening IFAD's performance as a partner in the context of decentralization; enhancing the technical quality of IFAD projects and SIS missions with specialists; and developing partnerships for greater cofinancing and scaling up of project impacts.

VI. Learning theme on relevance of IFAD project interventions

30. **Most development organizations recognize relevance as the fundamental evaluation criterion.** No project design should move forward unless the project is considered relevant by the donor and country stakeholders. Many critical aspects of project performance are included in the assessment of relevance, such as government capacity, the quality and appropriateness of project design to the country context, and plans for mitigating risks.

31. **The learning theme on the relevance of IFAD project interventions highlighted five important lessons for consideration during IFAD11.** First, relevance is not a fixed assessment at design and project interventions may need to be adapted to ensure their continued relevance. Second, meaningful engagement of beneficiaries in the design, implementation and evaluation of projects enhances their relevance by understanding their needs. Third, government commitment is critical to: adopting pro-poor policies and project designs; providing adequate implementation capacity; and ensuring continued relevance during and after the project lifespan. This entails governments' willingness and capacity to create and maintain a pro-poor policy environment. Fourth, lack of understanding of institutional arrangements together with the absence of implementation capacity are the main threats to improved relevance. Fifth, well-functioning institutions are a key determinant of high relevance. Slow implementation, overly ambitious and complex projects, underperforming project management units and failure to address political and economic issues are among the most prominent issues leading to weak project performance. A comprehensive institutional assessment, a good understanding of the political and economic context and identification of all key stakeholders' roles, accountabilities and responsibilities should be fundamental aspects of any project design.

32. Addressing two recurrent issues would have a significant positive impact on relevance: a weak understanding of the institutional arrangements underlying a project; and the ongoing issue of limited implementation capacity in many countries. These persistent issues underscore the importance of IFAD taking a "continued relevance" approach, which entails adaptive design. Such design recognizes that relevance is dynamic and project interventions need to be adapted to remain relevant for their entire duration.

VII. Conclusions

33. **While the majority of IOE ratings are positive, recent trends in the performance of IFAD projects show flat or slightly declining performance.** This is highlighted by downward trends in criteria such as IFAD's performance as a partner, relevance, rural poverty impact and GEWE. Little progress has been made in areas such as efficiency, sustainability of benefits and government performance. These flat and declining trends are also reflected in Management's PCR ratings for all criteria except GEWE. This – along with the inclusion of sustainability of benefits in IFAD's composite project performance criterion from 2016 – has contributed to lower IFAD project performance ratings compared to the World Bank's agricultural portfolio. However, IFAD's project performance is higher than that of AsDB and AfDB, which share the Fund's definition of performance.

34. **Improving the quality of a "bigger" ongoing programme of work with fewer resources appears challenging.** IFAD's Strategic Framework set out to make the Fund "bigger, better and smarter". However, based on IFAD10 performance, this vision appears ambitious. While IFAD10 project investments remained large and were "smarter" in terms of reducing costs, they did not prove "better" in terms of quality – except in ENRM. While new investments increased, the actual number of approved projects decreased, indicating that country programme managers were designing and supervising fewer but "bigger" projects. IFAD also managed to improve its average project effectiveness lag and reduced the number of extensions in IFAD10. However, the lower total direct administrative budget allocation for country programme management, design and SIS may have contributed to the decline in project quality between IFAD9 and IFAD10, particularly with regard to relevance and IFAD's performance as a partner.

35. **A shift in the nature of IFAD projects from reaching high numbers of beneficiaries to increasing investments per beneficiary may possibly indicate more value adding activities**. Most of the projects included in the 2019 sample take value chain or market approaches involving the private sector. This indicates the need for technical expertise to design and support a larger portfolio of market-oriented and private sector-driven projects. In addition to managing double the programme of work from IFAD8, IFAD was also designing projects in new areas in which it had limited expertise. Therefore, there is a need to raise the overall quality of IFAD's performance with greater technical expertise.

36. **The importance of resources and technical expertise is reiterated in the positive trend in performance on the ENRM criterion.** Performance in ENRM has improved steadily from a low in 2010–2012 and was the only criterion that showed statistically significant improvement between IFAD8 and IFAD10. This improvement in ENRM and adaptation to climate change was supported by the creation of a unique IFAD division dedicated to the environment and climate change (which now also includes gender, youth, and nutrition), as well as supplementary funds. During IFAD10, the Fund entered into a decisive transition towards full climate change mainstreaming in its country strategies and project portfolios. However, the positive trend did not continue in 2015–2017 for adaptation to climate change. This was in part due to the lack of specific strategies on climate during project design and implementation, and weak national policies adopted by local governments.

37. **Although still the top-ranking criterion, IFAD's performance as a partner declined in 2015–2017 for the first time since 2008.** Recurring constraints include high staff turnover, weak M&E, inaccurate funding at the design stage and a lack of specialist on supervision missions. Nonetheless, IFAD remains a valued and trusted partner – able to adjust to varying circumstances and show flexibility and willingness to find alternative solutions in changing contexts. IFAD Country Office-based consultations were deemed effective and efficient for problem solving

and providing timely support. However, additional measures are still needed in order to learn from past experience for scaled up results. Capacity within IFAD Country Offices was not always sufficient to aggregate and share evidence across the entire portfolio. **With limited resources, complex projects, wide-geographical distribution of activities and little time to engage in non-lending activities, country offices are often under pressure in supporting IFAD's project portfolio.**

38. **Government performance as a partner is one of the key criteria accounting for the overall performance of IFAD projects.** The principal component analysis conducted this year indicated that positive ratings in overall project achievement are correlated with good performance of government as a partner, effectiveness and rural poverty impact. However, government performance still shows shortcomings related to staffing issues, and delays in financial execution and implementation. As indicated in past ARRIs and this year's learning theme, building institutional capacity at the national level is critically important for good project design and improved project relevance.

VIII. Recommendations

39. The 2030 Agenda has set very ambitious targets for governments to achieve with IFAD's support. Reaching these goals requires commensurate resources and capacities within IFAD and its partner countries. The Board is invited to adopt the recommendations below, which seek to address constraints in capacity and related issues raised in the 2019 ARRI.

40. **Recommendation 1. Dedicate more resources to country programme delivery – specifically project design, supervision and implementation – to achieve the improved quality needed for a "better" IFAD.** IFAD's aim to become "bigger, better, and smarter" appears ambitious based on results thus far. While IFAD managed to maintain a significantly higher ongoing programme of work since IFAD8, the decline in budgetary resources dedicated specifically to design, supervision and implementation may have affected its quality, with lower ratings across criteria in IFAD10. "Better" results also require high-quality technical expertise to support IFAD country programmes and projects. To improve quality standards, IFAD needs to plan and provide the commensurate resources for country programme management, design and implementation.

41. **Recommendation 2. Design IFAD programmes and projects according to country capacities based on sound institutional analysis to ensure the most appropriate implementation arrangements for country delivery.** For projects to be more relevant, they need to be appropriate to the country context and designed according to country capacities (including public, private and civil society institutions). This knowledge begins with sound institutional analysis during country strategic opportunities programme (COSOP) or project design, the inclusion of capacity-strengthening components and support to rural institutions within the country.

42. **Recommendation 3. Develop government capacities to design and implement country programmes and projects in collaboration with other partners.** Government performance is critical to achieving development objectives and making positive impacts on rural poverty. In the short term, IFAD needs to provide more intensive implementation support, particularly in areas such as procurement and financial management. In the long term, IFAD can utilize its grant financing to work with other partners on strengthening the capacities of government institutions and project management units. Depending on the country and project, multi-donor project management units may be considered along with the greater involvement of government counterparts in project design and SIS.

43. **Recommendation 4. Determine the need to adjust project designs earlier on in order to ensure their continued relevance to the country context.** Good project design is necessary but not sufficient to achieve development objectives. Project design should be viewed as a "living" blueprint that is reviewed and adjusted based on the context during implementation. Active supervision during start-up is needed to determine whether the project design needs to be adjusted even before the mid-term review. IFAD's new restructuring policy should facilitate project redesign early on when necessary, and should not simply be used to close projects that are challenging but important for achieving IFAD's mandate.

44. **Recommendation 5. A more comprehensive and integrated system is required to better mitigate risks in IFAD projects and programmes.** IFAD currently has a decentralized system for risk mitigation at various stages of the project cycle, with assessments conducted by different divisions. To ensure that identified risks are addressed appropriately and at the right time, IFAD needs to develop better linkages among the various assessments from project design to evaluation.

45. **2020 ARRI learning theme.** Pending the decision whether to retain learning themes in the ARRI based on recommendations of the external peer review of IFADs evaluation function, the Evaluation Committee is invited to choose one of the two proposed topics:

    (i) **Quality of IFAD's supervision and implementation support**: Given the observed decline in annual SIS missions per project, this learning theme would examine the quality of recent SIS missions in terms of technical composition and expert advice.

    (ii) **Efficiency**: The efficiency criterion measures how economically resources and inputs (funds, expertise, time) are converted into results. In the current context in which greater emphasis is placed on "value for resources", this learning theme would explore the quality of results per dollar invested in IFAD projects.

2019 Annual Report on Results and Impact of IFAD Operations (Main report)

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2. Project performance ratings based on the all evaluation data series 2001-2017
3. Objectives of country programmes and individual projects evaluated
4. Issues paper on learning theme: Relevance of IFAD project interventions

Abbreviations and acronyms

ASAP	Adaptation for Smallholder Agriculture Programme
AsDB	Asian Development Bank
AfDB	African Development Bank
APR	Asia and the Pacific Division (IFAD)
ARRI	Annual Report on Results and Impact of IFAD Operations
CLE	Corporate-level evaluation
COSOP	Country strategic opportunities programme
CPM	Country programme manager
CSPE	Country strategy and programme evaluation
DO	Development objective
ENRM	Environment and natural resources management
ESA	East and Southern Africa Division (IFAD)
ESR	Evaluation synthesis report
FAO	Food and Agriculture Organization
FFS	Farmer Field School
GEWE	Gender equality and women's empowerment
IE	Impact evaluation
IFAD10	IFAD Tenth replenishment period
IFAD11	IFAD Eleventh replenishment period
IFI	International financial institution
IOE	Independent Office of Evaluation of IFAD
KM	Knowledge management
LAC	Latin America and the Caribbean Division (IFAD)
LICs	Low-income countries
M&E	Monitoring and evaluation
MICs	Middle-income countries
MTR	Mid-term review
NEN	Near East, North Africa and Europe Division (IFAD)
PoW	Programme of Work
PCR	Project completion report
PCRV	Project completion report validation
PMD	Programme Management Department (IFAD)
PMU	Project Management Unit
PPE	Project performance evaluation
QA	Quality assurance
QAG	Quality Assurance Group
RMF	Results Measurement Framework
SDG	Sustainable Development Goal
WCA	West and Central Africa Division (IFAD)

2019 Annual Report on Results and Impact of IFAD Operations

I. Overview

A. Background

1. This is the 17th edition of the Annual Report on Results and Impact of IFAD Operations (ARRI), which the Independent Office of Evaluation of IFAD (IOE) has prepared annually since 2003. The ARRI provides an independent presentation of the aggregate results of IFAD's performance at the project and country levels for the consideration of its Management and Executive Board to strengthen accountability and learning.

2. **Objectives**. The ARRI has two main objectives: (i) present a synthesis of the performance of IFAD-supported operations based on a common evaluation methodology; and (ii) highlight systemic and cross-cutting issues, lessons and challenges that IFAD and recipient countries need to address to enhance the development effectiveness of IFAD-funded operations.

3. **Learning theme.** Since 2007, each ARRI focuses on a learning theme with the aim of deepening analysis on selected issues to enhance the performance of IFAD operations. Relevance of IFAD project interventions is the learning theme agreed upon with the Executive Board for the 2019 ARRI. The full study of the topic was published as an issues paper and is summarized in the learning theme chapter.

4. **Methodology**. The 2019 ARRI synthesizes findings from evaluations completed in 2018 (Annex IV) and analyzes ratings from project and country strategy and programme evaluations (CSPEs). It follows a mixed methodology based on qualitative and quantitative analyses and the triangulation of different data. Performance by evaluation criteria is presented as percentages of projects rated moderately satisfactory or better according to three-year moving periods that highlight long-term trends and smoothen short-term fluctuations. Greater details on the methodology and analyses are included in Annex V.

5. The 2019 ARRI follows the provisions of the second edition of the Evaluation Manual published in December 2015. In addition, the evaluation criteria and definitions included in the revised harmonization agreement between Management and IOE are fully reflected. Each project included has been assessed and rated across 10 evaluation criteria: rural poverty impact, relevance, effectiveness, efficiency, sustainability of benefits, gender equality and women's empowerment (GEWE), innovation, scaling up, environment and natural resource management (ENRM), and adaptation to climate change.

6. IOE also has two composite evaluation criteria: project performance and overall project achievement. Project performance is an average of the ratings of four individual evaluation criteria (relevance, effectiveness, efficiency and sustainability) in line with other international financial institutions (IFIs), whereas overall project achievement is based on (but not an average of) the ten criteria above. In addition, each project is evaluated for IFAD and government performance as partners.

7. Country strategy and programme evaluations (CSPE) assess and rate: i) overall project portfolio achievement (based on the ten criteria); ii) performance of partners (IFAD and government); iii) non-lending activities; and iv) country strategy and programme performance (its relevance and effectiveness).

8. **Ratings scale and data series.** In line with the Good Practice Standard of the Evaluation Cooperation Group of the Multilateral Development Banks for Public Sector

Evaluations, IFAD uses a six-point ratings scale[4] to assess performance in each evaluation criterion.

Table 1
IOE rating system

Score	*Assessment*	*Category*
6	Highly satisfactory	*Satisfactory*
5	Satisfactory	
4	Moderately satisfactory	
3	Moderately unsatisfactory	*Unsatisfactory*
2	Unsatisfactory	
1	Highly unsatisfactory	

Source: IFAD Evaluation Manual, 2015.

9. The ratings, which are the foundation of performance reporting in IOE evaluations, are used in the analysis of the ARRI for reporting on IFAD's aggregate operational performance. Therefore, in each independent evaluation, IOE pays maximum attention to ensuring that the ratings assigned are based on evidence and follow a standard methodology and process. Moreover, comprehensive internal and external peer review are organized to enhance objectivity as well as finalize the assessments and ratings of each evaluation.

10. The ARRI presents ratings for 50 CSPEs by the year in which they were conducted which ranges from 2006 until 2018.

11. Project evaluation ratings are presented by year of completion in two data series in the ARRI:

    (iii) all evaluation data – presents 3,084 project ratings from 344 evaluation reports from 2002 to 2017

    (iv) project completion report validation/ project performance evaluation (PCRV/PPE) data - contains only project-level data including 2,634 ratings from 228 PCRVs, PPEs and impact evaluations (IEs) from 2007 to 2017.

    The ratings from independent evaluations carried out by IOE since 2002 are publicly available online in the independent evaluation database.

12. **Age of the portfolio**. Of the 41 newly evaluated projects included in this year's ARRI, 13 were approved between 2004 and 2006, 22 between 2007 and 2009, and six between 2010 and 2012. All projects are completed and closed: 14 were completed in 2014 and 2015 and 27 projects in 2016 and 2017. The average project duration was 6.9 years. Only one project had an implementation period of more than 10 years compared to four out of the 36 projects evaluated in the 2018 ARRI. It is important to note that analysis of performance in the ARRI does not take into account recently designed projects and initiatives.

13. **New features.** The 2019 ARRI includes a special chapter based on replenishment analysis in chapter IV. Upon the request of Management, non-lending performance ratings are presented overtime by replenishment period. A thorough review of the ARRI databases was conducted for this year which ensures the robustness of the data and analyses. The databases were also reclassified by project versus evaluation and aligned with management system data which has ensured that all completed projects with evaluations are included only once in the dataset with the latest ratings.[5]

14. More systematic qualitative analysis was achieved in this year's ARRI again with the improved use of the data management tool NViVo. Specific examples are presented that

[4] Projects rated moderately satisfactory or better are in the "satisfactory" zone (4-6), while projects rated moderately unsatisfactory or worse are in the "unsatisfactory" zone (1-3).
[5] Hence there are some differences in the total number of projects included in the analysis across the years compared to previous ARRIs.

draw lessons learned from projects evaluated in 2018 and past years. On the quantitative side, the 2019 ARRI includes in Annex V a principal component analysis (PCA) based on project evaluation ratings, to understand how criteria relate to each other in groups, identify criteria varying similarly and detect clusters in data, if possible.

15. **Document structure**. The 2019 ARRI presents multiple levels of analysis of IFAD's project and country programme to highlight areas requiring attention and identify key factors driving performance. The overview presented in chapter 1 provides a context for understanding the current performance by presenting 10-year trends which are benchmarked against other comparable IFIs and internal targets adopted by the Fund. To further understand these trends in IFAD's project portfolio, chapter II provides deeper analysis on each criterion and identifies factors from projects evaluated by IOE in 2018 to explain recent performance. Chapter III concentrates on country strategy and programme performance, with specific focus on non-lending activities and country strategies. Given the conclusion of IFAD's Tenth replenishment period (IFAD10) in 2018, a special chapter IV is included this year which analyses ratings and other data by replenishment period to assess the effectiveness of IFAD's strategic approach to fulfilling its mandate and contributing to Agenda 2030. Chapter V is dedicated to the learning theme on relevance of IFAD project interventions. Finally, the main conclusions and recommendations are presented in Chapter VI.

B. Context of the 2019 ARRI

16. The 2019 ARRI draws its qualitative findings from evaluations conducted in 2018 – the last year of IFAD's Tenth Replenishment (2016-2018). IFAD10 was also the first replenishment period of IFAD's latest Strategic Framework (2016-2025). Therefore, the 2019 ARRI will examine the initial results from these first three years as represented by IFAD10.[6] In order to compare results with replenishments, a special chapter has been prepared where in-depth analysis and recurring issues of this initial period are presented.

17. IFAD's Strategic Framework (2016-2025) seeks to address the ambitious commitments and targets of the Agenda 2030 and Sustainable Development Goals. It envisions IFAD fulfilling its mandate of reducing rural poverty by working in a way that is *bigger, better and smarter.*

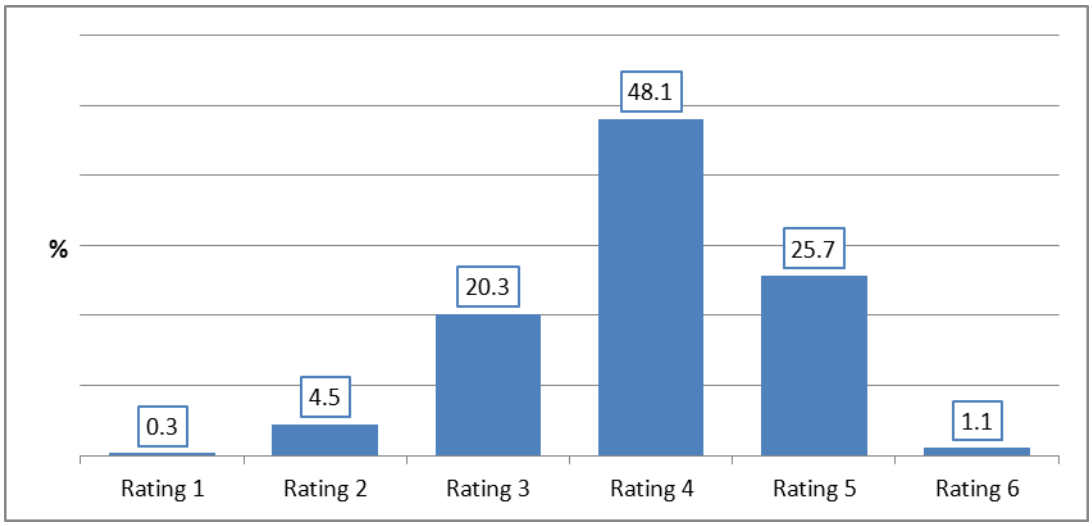
18. IFAD10 translated the objectives of the strategic framework into a number of commitments. According to the Report of the Consultation on the Tenth Replenishment of IFAD's Resources, IFAD will draw and build on its recent performance achievements to scale up its results and consolidate the strategic approaches of IFAD9 (2013-2015). The two IFAD10 priorities relevant to IFAD programmes were: i) increasing operational effectiveness ("better") and ii) increasing institutional effectiveness and efficiency ("bigger" and "smarter"). Chapter IV presents replenishment-based analysis to assess IFAD10 achievements against these priorities.

C. Overall portfolio performance 2007 to 2017

19. The majority of ratings from project evaluations in the ten-year period 2007-2017 are moderately satisfactory (4) as shown in the distribution analysis of available ratings displayed in chart 1. Out of the total 2,634 ratings across 12 evaluation criteria, only 0.3 per cent are ratings of 1 and 1.1 per cent are 6. The majority of the ratings (75 per cent) are moderately satisfactory or better and 27 per cent are satisfactory or better.

[6] As the IOE sample of IFAD10 project evaluations does not include many projects completing in 2018, the results are partial and will become clearer next year.

Chart 1
Distribution of all ratings[7]
Percentage by rating, 2007-2017 (N=2634)



Source: IOE evaluation database (PCRV/PPE), April 2019.

20. Table 2 ranks the 12 evaluation criteria by their average rating based on a block analysis of the 2007-2017 PCRV/PPE dataset. Relevance, IFAD performance as a partner, innovation, GEWE, and rural poverty impact remain among the higher ranking criteria. Although their average ratings remain in the satisfactory range above 4, they have declined compared to last year. The lower ranking criteria are still operational efficiency, sustainability of benefits, and government performance with little change in their average ratings which are still below 4. Performance in adaptation to climate change is only indicative as it is still based on a small sample.

Table 2
Ranking of averages and data dispersion per criteria, 2007-2017

Criteria	*Average*	*Standard deviation*	*Coefficient of variation (%)*	*Moderately satisfactory or better (%)*	
Relevance	4.25	0.7	16	87	**Better**
IFAD performance	4.18	0.7	16	85	
Innovation	4.18	0.9	21	82	
GEWE	4.16	0.9	21	80	
Rural Poverty Impact	4.07	0.7	18	83	
Scaling-up	4.06	0.9	23	76	
ENRM	3.96	0.7	19	76	**Weaker**
Effectiveness	3.96	0.8	21	75	
Government performance	3.82	0.9	22	68	
Adaptation to climate change	3.80	0.8	21	72	
Sustainability	3.65	0.8	21	60	
Efficiency	3.60	0.9	26	56	

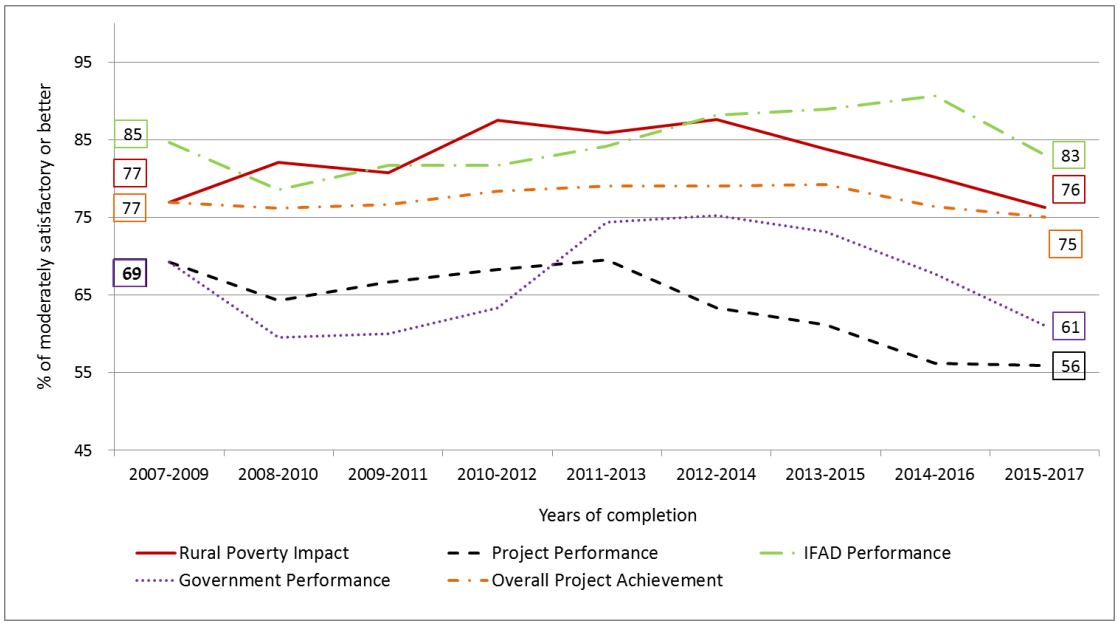
Source: IOE evaluation database (PCRV/PPE), April 2019.

Trends in portfolio performance

[7] Impact domains criteria such as Household income and assets, Human and social and empowerment, Food security and agricultural productivity, Institutions and policy are no longer rated separately therefore previous years ratings have been removed in the quantitative analysis.

21. Overall between 2007 and 2017, the performance of IFAD's project portfolio is declining or flat. Chart 2 presents an overview of the key project criteria which fall into two groups in terms of moderately satisfactory or better ratings: better (over 70 per cent) and weaker performance (under 70 per cent). The two better performing criteria are IFAD performance as a partner and rural poverty impact. They both follow a similar trend of improvement from 2008-2010 and then a recent decline starting in 2012-2014 for rural poverty impact and in 2014-2016 for IFAD as a partner. The initial period of improvement coincides with IFAD's move to direct supervision and implementation of its targeting policy.

Chart 2
Combined overview of the key project performance evaluation criteria
Percentage of projects rated moderately satisfactory or better, 2007-2017



Source: IOE evaluation database (PCRV/PPE), April 2019.

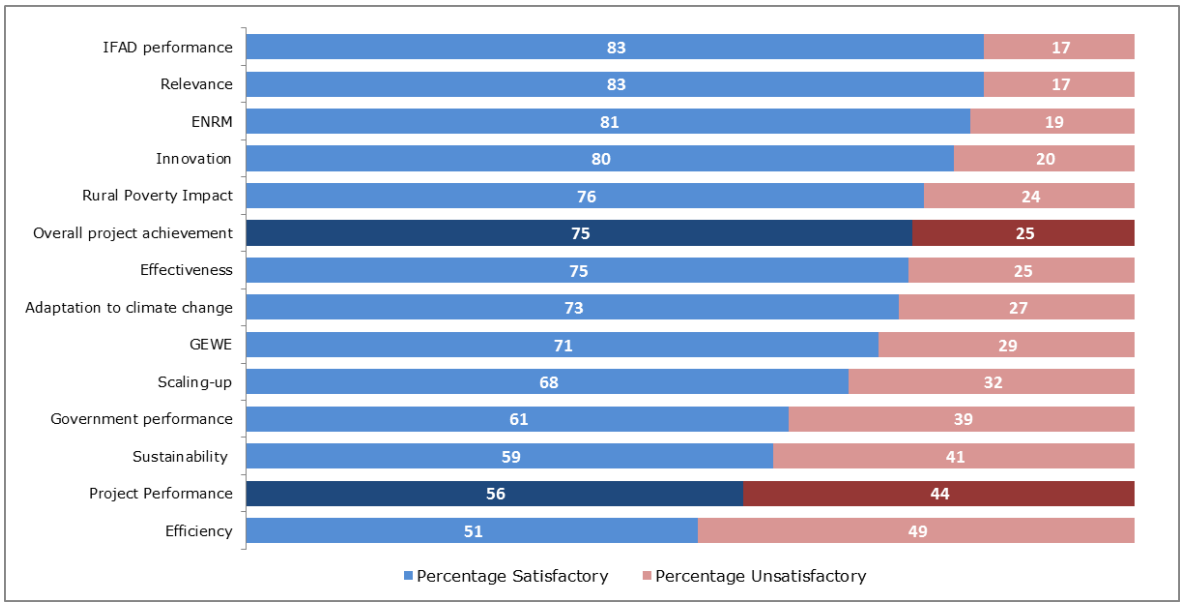
22. Project performance and government as a partner show generally lower performance with moderately satisfactory ratings below 70 per cent in 2007 and 2017. That said, they also initially improved between 2008 and 2013 with government at a partner reaching 75 per cent in positive ratings in 2012-2014. However, they both declined to levels below that of 2007 in the latest period. In part, the decline in project performance reflects the inclusion of sustainability along with relevance, effectiveness and efficiency in its assessment in projects evaluated from 2016 with project completion dates as far back as 2013. Government performance also affects the four criteria included in project performance – relevance, effectiveness, sustainability and efficiency. Therefore, weaker project performance may be due in part to the decline in government performance as a partner – especially in terms of efficiency which remains the criteria with the weakest performance as indicated in chapter 2.[8]

23. Overall project achievement is included among the positive performing group, as it is a composite indicator which includes project performance, rural poverty impact and other IFAD-specific criteria. Despite declines in the former two criteria, overall project achievement has remained flat in part due to positive performance in IFAD-specific criteria (e.g., innovation, ENRM, adaptation to climate change, and GEWE). Though its performance is largely flat, there is a slight decline from 2013-2015. Factors which may have contributed to this decline across the main criteria are discussed in the chapter on project portfolio trends and IFAD performance by replenishment.

[8] This decline in ratings is also reflected among Management's PCR ratings starting in 2011 as shown in Annex IX.

24. **Performance of projects completed in 2015-2017.** Chart 3 provides a snapshot of the most recent performance in 2015-2017 by ranking individual criteria and the composite criteria. When ranking criteria based on the average share of satisfactory ratings (rating 4 and above), IFAD performance as a partner, relevance, ENRM and innovation have the largest share of satisfactory ratings, with more than 80 per cent of projects rated as satisfactory. Notably, IFAD performance, relevance, innovation are also the top three criteria in terms of average rating in the period 2007-2017 in table 3. However, ENRM is ranked only ninth in terms of average ratings indicating its recent improved performance. In contrast, efficiency, sustainability and government performance show the lowest share of positive ratings for projects completed between 2015 and 2017. Weak performance in efficiency and sustainability are reflected in the low ranking benchmark of project performance at 56 per cent. Although comparatively good performance in relevance (83 per cent) and effectiveness (75 per cent) raise project performance slightly above efficiency, performance in relevance declined in 2015-2017. Regarding overall project achievement, rural poverty impact, innovation and ENRM have a larger share of satisfactory ratings whereas GEWE, adaptation to climate change, and scaling up are among the lower-ranked criteria, apart from the criteria included in project performance.

Chart 3
Ranking of all criteria by share of overall satisfactory ratings
Percentage of projects with overall satisfactory/unsatisfactory ratings, 2015-2017 only



Source: IOE evaluation database (PCRV/PPE), April 2019.

D. Benchmarking the performance of IFAD-financed projects

25. The ARRI benchmarks the performance of IFAD operations externally with the performance of the agriculture-sector operations of other development organizations. Internal benchmarking is done against the targets included in recent replenishment consultations' Results Measurement Frameworks (RMFs) as well as across the five geographic regions[9] covered by IFAD operations. Finally, a peer-to-peer comparison of IOE and the Programme Management Department (PMD) ratings is provided.

26. **External benchmarking.** This section benchmarks IFAD performance with the performance of other IFIs and regional development banks, in particular the African and

[9] Asia and the Pacific, East and Southern Africa, Latin America and the Caribbean, Near East, North Africa and Europe, and West and Central Africa.

Asian Development Banks and the World Bank.[10] Although each organization is different in size and geographic focus, their operating models are similar to IFAD as, unlike the United Nations specialized agencies, programmes and funds, the African and Asian Development Banks and the World Bank also provide loans for investment operations with sovereign guarantees. As members of the Evaluation Cooperation Group of the Multilateral Development Banks, their independent evaluation offices use similar methodologies and maintain independent evaluation databases.

27. IFAD's project performance is mixed compared to other international financial institutions based on the benchmarking analysis presented in table 3. At the global level, the World Bank shows a higher percentage of positive ratings than IFAD when looking at projects within the agricultural sector operations, as in the 2018 ARRI. While World Bank project performance remained at 74 per cent, IFAD project performance declined from 71 to 67 per cent.

28. At the regional level, IFAD maintains the highest share of positive ratings for project performance when comparing IFAD-funded projects in Africa and the Asia and the Pacific region with the African Development Bank (AfDB) and the Asian Development Bank (AsDB), respectively. IFAD-funded projects in Latin America and the Caribbean and in the Near East, North Africa and Europe regions have a lower share of positive ratings than those of the World Bank in the same regions.

Table 3
Project performance
Percentage of completed agriculture and rural development projects rated moderately satisfactory or better, 2002-2017 (year of completion)[11]

	World		*Africa*		*Asia-Pacific*		*Latin America-Caribbean*		*Near East-North Africa-Europe*	
	IFAD	*WB*	*IFAD*	*AfDB**	*IFAD*	*AsDB***	*IFAD*	*WB*	*IFAD*	*WB*
Percentage of projects rated moderately satisfactory or better	**67%**	**74%**	**58%**	**50%**	**86%**	**64%**	**71%**	**76%**	**64%**	**79%**
Number of agriculture projects evaluated	331	627	156	171	83	117	52	104	61	158

WB: World Bank: AfDB: African Development Bank; AsDB: Asian Development Bank.
*Data refers to 2002-2015. **Data refers to 2002-2016.
Source: AfDB Independent Development Evaluation Unit, AsDB Independent Evaluation Department, World Bank Independent Evaluation Group of the World Bank and IOE evaluation database (all evaluation).

29. Due to the different sample sizes and composition of the performance ratings among the banks, the data needs to be interpreted with caution. While the World Bank does not include sustainability in its project performance ratings, it is now included in AsDB, AfDB and IFAD. The AsDB has always included sustainability while the Independent Development Evaluation unit at the AfDB[12] has included it since 2013. IOE has included sustainability in the project performance rating since 2016, as per the updated evaluation methodology. This enhances the comparability with the performance of AsDB and AfDB. However, as sustainability is an area of weak performance in IFAD operations, it has contributed to the lower rating for IFAD project performance compared to the World Bank's project performance, which does not include sustainability. That said, the low ratings in IFAD project performance in the 2019 ARRI is driven by declines in relevance and efficiency.

[10] The Inter-American Development Bank and the International Bank for Reconstruction and Development are not included in the benchmarking analysis because the former does not use a rating system, while the nature of focus and coverage of the latter is significantly different from IFAD. Therefore, World Bank's performance is used to benchmark performance in the LAC and NEN regions as per Management's 2018 request.
[11] Data from the World Bank has been adjusted in 2018 ARRI: in the past years the analysis was based on the "number of evaluations", including projects that were rated more than once in the time period considered. In this year's ARRI, the World Bank data has been aligned with AsDB and AfDB data and it only refers to the "number of projects" carried out in the time period considered for the analysis
[12] As AfDB used three different rating frameworks to rate their agricultural projects until 2013 which are not identical to IFAD's, IOE must calculate their project performance using comparable ratings.

30. **Internal benchmarking.** Performance against the IFAD10 RMF will be discussed in a dedicated replenishment chapter.

31. As IFAD11 just started in 2019, the benchmark against RMF targets provides a baseline and serves to monitor progress against IOE ratings. Table 4 benchmarks select outcome indicators by their percentage of positive IOE ratings as compared to their IFAD11 RMF targets to draw attention to areas that may be lagging and require special consideration. For IFAD11, IOE ratings for overall project achievement are used to verify the target for ratings 4 and above (moderately satisfactory or better). The achievement of the targets for all other criteria will be based on Management's PCR ratings.

32. Thus far, based on IOE ratings only ENRM is within 10 percentage points of the IFAD11 RMF targets (in blue). Four indicators – adaptation to climate change, overall project achievement, effectiveness and GEWE – are ten to twenty percentage points below the expected target (in orange). Sustainability, scaling-up, and efficiency are more than 20 percentage points below their respective IFAD11 RMF targets (in red), and accordingly, will require particular attention during the IFAD11 period. In addition, GEWE is 24 percentage points below its expected target of 60 per cent for ratings 5 and above.

Table 4
Internal benchmarking
Percentage of projects rated moderately satisfactory or better against IFAD11 RMF targets

Outcome indicators	*Baseline tracked IOE ratings (2014-2016)*	*PCRV/PPE 2015-2017*	*2021 targets from IFAD11 RMF - 2019-2021*	*Difference between PCRV/PPE and 2021 target*
ENRM	*80*	**81**	90	**-9**
Adaptation to climate change	*80*	**73**	85	**-12**
Overall project achievement	*76*	**75**	90	**-15**
Effectiveness	*75*	**75**	90	**-15**
GEWE	*77*	**71**	90	**-19**
Sustainability	*59*	**59**	85	**-26**
Scaling-up	*74*	**68**	95	**-27**
Efficiency	*53*	**51**	80	**-29**

Source: IOE evaluation database (PCRV/PPE), April 2019.

33. Providing a more differentiated assessment of performance, table 5 benchmarks across IFAD's five geographical regions the criteria: project performance, rural poverty impact, overall project achievement, IFAD and government performance as a partner. It is important to note that benchmarking performance across regions should not be considered tantamount to assessing the performance of the corresponding IFAD regional division which is only one of many factors affecting the performance of projects.

Table 5
Internal benchmarking
Comparison across geographic regions, 2007-2017

Project performance	*Asia and the Pacific*	*Near East, North African and Europe*	*East and Southern Africa*	*Latin America and the Caribbean*	*West and Central Africa*
	N=53 projects	*N=45 projects*	*N=44 projects*	*N=36 projects*	*N=50 projects*
Percentage of projects rated moderately satisfactory or better	83	64	59	58	46
Percentage of projects rated satisfactory or better	21	4	11	6	4
Rural poverty impact	*Asia and the Pacific*	*Near East, North African and Europe*	*East and Southern Africa*	*Latin America and the Caribbean*	*West and Central Africa*
	N=52 projects	*N=45 projects*	*N=42 projects*	*N=34 projects*	*N=48 projects*
Percentage of projects rated moderately satisfactory or better	92	89	88	74	69
Percentage of projects rated satisfactory or better	37	29	31	21	19
Overall project achievement	*Asia and the Pacific*	*Near East, North African and Europe*	*East and Southern Africa*	*Latin America and the Caribbean*	*West and Central Africa*
	N=52 projects	*N=45 projects*	*N=43 projects*	*N=34 projects*	*N=50 projects*
Percentage of projects rated moderately satisfactory or better	88	87	77	74	62
Percentage of projects rated satisfactory or better	46	16	21	21	12
IFAD performance	*Asia and the Pacific*	*Near East, North African and Europe*	*East and Southern Africa*	*Latin America and the Caribbean*	*West and Central Africa*
	N=53 projects	*N=45 projects*	*N=44 projects*	*N=36 projects*	*N=46 projects*
Percentage of projects rated moderately satisfactory or better	89	91	86	83	76
Percentage of projects rated satisfactory or better	34	29	41	31	30
Government performance	*Asia and the Pacific*	*Near East, North African and Europe*	*East and Southern Africa*	*Latin America and the Caribbean*	*West and Central Africa*
	N=53 projects	*N=45 projects*	*N=44 projects*	*N=36 projects*	*N=50 projects*
Percentage of projects rated moderately satisfactory or better	91	71	57	69	48
Percentage of projects rated satisfactory or better	42	16	20	14	12

Source: IOE evaluation database (PCRV/PPE), April 2019.

34. The Asia and the Pacific Division (APR) continues to show the best results regarding four of the five evaluation criteria analysed. Between 2007 and 2017, APR had the highest proportion of projects rated both moderately satisfactory or better and satisfactory or better for project performance, rural poverty impact, overall project achievement and government performance. One key factor of this good performance is that 91 per cent of the projects evaluated by IOE in APR show a moderately satisfactory or better performance for government performance, confirming again that it is a key determinant of successful outcomes. Only for IFAD performance as a partner, the Near East, North African and Europe (NEN) shows the highest proportion of projects rated moderately satisfactory or better. The performance of IFAD operations in the West and Central Africa region continues to be the weakest for the five criteria analysed, also due to government

performance (less than half of projects rated moderately satisfactory or better). This is further supported by the strong (and significant) correlation between project performance and government performance both in Asia (0.72) and West and Central Africa (WCA) (0.87).

35. **Peer-to-peer comparison.** Since 2015, the ARRI presents the results of the peer-to-peer comparison between IOE and PMD ratings for all evaluation criteria using the mean values. The peer-to-peer comparison aims at assessing the "net disconnect" between PMD and IOE ratings for each criterion included in PCRs and PCRVs/PPEs to get a better understanding of where differences lie in reporting on performance.

36. The PMD ratings were higher on average for all criteria among the 228 projects assessed in the analysis presented in table 6. The difference between the mean ratings of IOE and PMD is also statistically significant for all criteria. The overall average disconnect between IOE and PMD ratings is -0.30 similar to past ARRIs. The average disconnect with PCR ratings is highest in NEN (-0.35) and WCA (-0.34) followed by the Latin America and the Caribbean Division (LAC) (-0.30), the East and Southern Africa Division (ESA) (-0.28) and APR (-0.26). The highest disconnect by criteria/region is registered in WCA for scaling up (-0.67) and NEN for relevance (-0.60). A more in-depth regional analysis is presented in Annex X.

37. In the case of effectiveness, ENRM, government performance, project performance and overall project achievement, the actual gap is between satisfactory ratings for PMD (4 and above) and unsatisfactory ratings (below 4) for IOE. However, based on a correlation analysis conducted on IOE and PMD ratings, efficiency, effectiveness, government performance, project performance and overall project achievement are highly positively and statistically significant correlated, which indicates the trends in PMD and IOE ratings are the same for those criteria.[13] In contrast, the criteria relevance, ENRM and adaptation to climate change are weakly correlated (although significant), indicating a difference in the trends of IOE and Management's ratings. In Annex X, a more detailed comparison between IOE and PCR ratings for all criteria across time shows similar declining trends, despite larger or smaller disconnects observed for some criteria.

Table 6
Comparison of IOE's PCRV/PPE ratings and PMD's PCR ratings for all evaluation criteria in projects completed in 2007-2017 (N=228)

Criteria	*Mean ratings*		*Disconnect*	*T-test (comparison of means)*	*Correlation*
	IOE	*PMD*		*p-value*	
Relevance	4.25	4.81	-0.56	0.00*	0.47*
Scaling-up	4.06	4.49	-0.43	0.00*	0.61*
Project performance	3.91	4.25	-0.34	0.00*	0.71*
Sustainability	3.65	3.98	-0.33	0.00*	0.62*
IFAD performance	4.18	4.51	-0.33	0.00*	0.69*
Government performance	3.82	4.14	-0.32	0.00*	0.75*
Overall project achievement	3.97	4.28	-0.31	0.00*	0.71*
Efficiency	3.60	3.91	-0.30	0.00*	0.82*
GEWE	4.16	4.44	-0.29	0.00*	0.66*
Effectiveness	3.96	4.20	-0.25	0.00*	0.73*

[13] In interpreting the correlation coefficients, one must consider that a strong correlation between IOE and PMD ratings only means that IOE and PMD ratings follow the same trend, without necessarily being the case that a relation of "true causality" exists between them.

Adaptation to climate change	3.80	4.02	-0.23	0.02*	0.40*
ENRM	3.96	4.16	-0.21	0.01*	0.57*
Innovation	4.18	4.38	-0.21	0.01*	0.63*
Rural Poverty Impact	4.07	4.24	-0.17	0.02*	0.67*

* indicates significance at 5 per cent level.

Source: IOE evaluation database (PCRV/PPE) and PMD project completion report (PCR) rating database, April 2019.

38. **Project completion reports (PCRs).** In PCRVs, IOE assesses and rates PCRs using four evaluation criteria. These are: (i) scope (e.g. whether the PCR has adhered to IFAD guidelines for PCRs); (ii) quality (e.g. report preparation process and robustness of the evidence base); (iii) lessons (e.g. whether the PCR includes lessons on the proximate causes of satisfactory or less than satisfactory performance); and (iv) candour (e.g. in terms of objectivity in the narrative, and whether ratings in the PCR are supported by evidence included in the document). Ratings for each of these criteria are aggregated in the PCRVs to provide an overall rating of the PCR document.

39. As seen in table 7, the overall assessment of PCRs in 2015-2017 has slightly improved with 91 per cent of the PCRs validated by IOE rated moderately satisfactory or better. The 2019 ARRI finds a flat performance in all the four PCR criteria but a significant increase in the percentage of satisfactory or better for all criteria except quality.

Table 7
Quality of PCR documents
Percentage of satisfactory ratings by evaluation criteria, PCRV/PPE data series, 2013-2017

Evaluation criteria	*Percentage of moderately satisfactory or better*			*Percentage of satisfactory or better*		
	2013-2015	*2014-2016*	*2015-2017*	*2013-2015*	*2014-2016*	*2015-2017*
Scope	90	91	91	38	43	53
Quality	76	76	75	20	26	24
Lessons	94	94	92	56	58	64
Candour	86	89	88	35	41	47
Overall rating for PCR document	87	90	91	24	31	34

Source: IOE Evaluation database (PCRV/PPE), April 2019.

II. Project portfolio trends (2007-2017)

40. This chapter presents the analysis of the independent evaluation ratings for the whole set of evaluation criteria assessed by IOE in its project-based evaluations according to trends in performance over time by moving averages. For each criterion, the percentage of moderately satisfactory and better ratings of projects that completed between 2007 and 2017 are presented in three-year moving periods based on the PCRV/PPE database. These trends are consistent with those for the performance of all criteria between 2007 and 2017 based on the "all evaluation" database.

41. Notably, while IOE introduced its first Evaluation Manual in 2009 and its second edition in 2015, they were implemented in evaluations conducted respectively from 2010 and 2016 which include projects with completion dates 2-3 years prior. As a result, for many criteria there is a change in the trend line in 2008-2010 and 2011-2013. It is important to note that the 2015-2017 sample, which includes 59 projects completed and evaluated by IOE, will increase next year as new evaluations become available. The qualitative analysis by criteria highlights trends and drivers based only on evaluations conducted in 2018. Finally, detailed analysis comparing IOE and PCR mean ratings for each criterion as well as by region is found in Annex X.

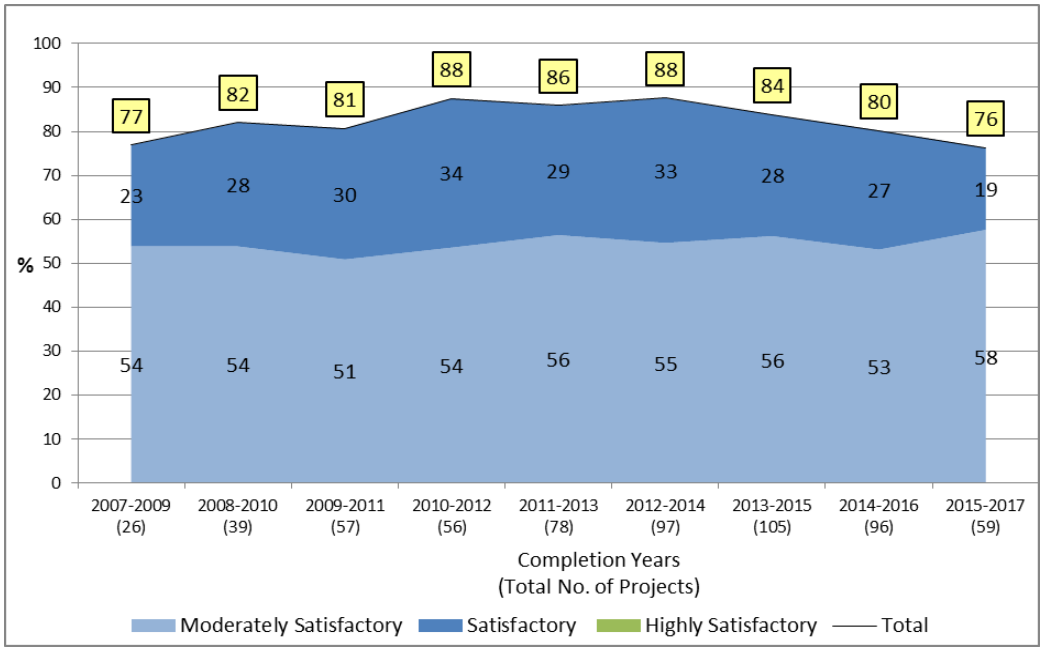
A. Rural poverty impact

42. Measuring IFAD's rural poverty impact is central to the achievement of its mandate and its strategic objectives to increase poor rural people's productive capacities and benefits from market participation. Through rural poverty impact, IFAD contributes to Sustainable

Development Goal (SDG) 1 to end poverty and SDG 2 to end hunger, achieve food security and improved nutrition and promote sustainable agriculture. For IFAD11, management aims to reach 120 million poor rural people and achieve significant attributable impact across each of its strategic objectives and thereby contribute to related SDG targets: (i) 47 million people with increased agricultural production (SDG 2.3); (ii) 46 million people with increased market access (SDG 2.3); (c) 24 million people with greater resilience (SDG 1.5); (iii) 12 million people with improved nutrition (SDG 2.1); and (iv) 44 million people experiencing economic mobility (SDGs 1.2 and 2.3).

43. The rural poverty impact criterion has been consistently rated in project evaluations to enable comparisons and tracking of trends overtime. IFAD projects rated positively for rural poverty impact accounted for **76 per cent** of projects in 2015-2017, lower than the 80 per cent in 2014-2016. While moderately satisfactory ratings increased by 5 percentage points, the share of satisfactory projects declined 8 percentage points from 27 to 19 per cent with no record of highly satisfactory ratings. The overall decline is also reflected in the IOE and PCR mean ratings for rural poverty impact whose trend lines are aligned and which maintain the lowest overall average disconnect (-0.17) amongst all criteria. Among the regions, rural poverty impact performance in the latest period is best in APR (93 per cent), followed by ESA (82 per cent), NEN (73 per cent), WCA (63 per cent) and LAC (60 per cent). All regions, except for ESA, show a declining trend for the criterion, especially in LAC and NEN.

Chart 4
Rural poverty impact (2007-2017)
Percentage of projects rated moderately satisfactory or better by three-year moving period



Source: IOE evaluation database (PCRV/PPE), April 2019.

44. **Qualitative analysis for Rural Poverty Impact.** Given the reduction of rural poverty is IFAD's primary objective, the key features of positive and less positive rural poverty impact are provided by its four sub-domains: household income and assets; human and social capital and empowerment; food security and agricultural productivity; and institutions and polices.

45. **Household income and assets.** This rural poverty impact subdomain provides a means of assessing the flow of economic benefits and accumulated items of economic value to individuals and households. The 2018 evaluations found that IFAD projects made a positive contribution to raise incomes and diversify income sources, mainly through: (i) investments in productive assets; (ii) increased employment opportunities; (iii) improved

access to microfinance markets; (iv) diversified cultivation techniques and greater access to technology; and (v) financing infrastructure and rehabilitation to improve access to markets.

46. The evaluation of the Smallholder Plantations Entrepreneurship Development Programme in Sri Lanka showed how income increases can be considered definitive and indisputable thanks to the production increase from tea replanting and infilling and rubber planting. The programme also significantly enhanced capital ownership for beneficiary households through the following channels: (i) tea and rubber planting; (ii) the matching grant scheme; and (iii) the rural financing facility. The Agricultural Value Chains Support Project (PAFA) in Senegal demonstrated improvement in assets as a result of the additional purchase of agricultural equipment, inputs, means of transport and by the construction of housing. The value chain approach also contributed to increased incomes evident in the rapid increase in the number of contracts between Producer Organizations and PAFA Market Operators for selling the production surplus.

47. Impact on income and assets is constrained by the following factors: (i) assumptions at design that increased incomes in group organizations would trickle-down to members; (ii); decline in incomes due to fluctuations in market prices; and (iii) lack of structured value chains approach allowing beneficiaries to fully benefit from improved production. Measuring impact is also challenging due to limited data on household income and assets, in particular the absence of baseline surveys, midterm reviews and functional monitoring and evaluation (M&E) systems.

48. **Human and social capital and empowerment.** Empowerment is one of IFAD's key principles of engagement and essential for sustainably reducing poverty and hunger. IFAD's notable comparative advantage versus other IFIs are the targeting and participatory approaches promoted in IFAD operations which have a positive impact on the empowerment of individuals.

49. The 2018 evaluations' positive ratings for Rural poverty impact are primarily related to human and social capital empowerment in terms of: (i) training and follow-up support in various areas (i.e. financial literacy of borrowers or technical/agriculture-related trainings); (ii) capacity-building activities to obtain services from government and improve relationships with local officials; (iii) forming community-based organizations to facilitate social cohesion and interactions among group members and the wider community; (iv) supporting young entrepreneurs to empower the economically-active youth and start-ups; and (v) involving ethnic minorities and poor households in common interest groups to benefit from financial support.

50. In Nicaragua, the Inclusion of Small-Scale Producers in Value Chains and Market Access Project (PROCAVAL) was able to strengthen producers' capacities (including women and youth) through technology transfer, counselling and technical assistance. The demand-driven approach allowed beneficiaries to have access to technical assistance and services that adapted to their needs. Moreover, the strengthened capacities and productivity allowed producers to engage in negotiations leading to better prices and contractual arrangements with important private entities in national and international markets.

51. For projects rated unsatisfactory for rural poverty impact, 2018 evaluations underline some key elements constraining positive outcomes in human and social capital empowerment, such as: (i) limited duration and quality of technical assistance for introducing innovations and technological changes; (ii) significant gaps in the targeting strategy and processes (i.e. women and youth); (iii) lack of in-depth analysis of the capacities of grassroots organizations supported during implementation; (iv) absence of long-term strategies to link beneficiaries with institutions; and (v) a culture of dependency on external support by beneficiaries resulting in their continuous need for support in terms of planning and administration.

52. In Gambia, the Participatory Integrated Watershed Management Project demonstrates how capacity-building provided to farmer organizations was not sufficient to ensure

sustained monitoring and maintenance of the water management structures. Considerable capacity development and further support would have been required to enable these organizations to become functional and self-sufficient. Village farmers associations were found most successful in places where they had been operational for some time and were established by the farmers themselves, since the members had common business interests and even worked as mutual lending organizations.

53. **Food security and agricultural productivity.** Food security lies at the heart of IFAD's mandate and SDG 2 to end hunger and promote sustainable agriculture. Some positive factors that contribute to food security and improved agricultural productivity impact are related to: (i) adoption of crop diversification activities and good agricultural practices, with focus on product quality; (ii) supporting awareness-raising activities and access to new food sources to fight malnutrition; (iii) working with agricultural enterprises to secure better access to markets; and (iv) support to micro-projects in agriculture, livestock and fisheries, together with improved access to water and irrigation.

54. The adoption of the Farmer Field Schools (FFS) approach as a national agricultural extension methodology has improved the quality of support and technical assistance to farmers. In Angola, the Market-oriented Smallholder Agriculture Project (MOSAP) introduced FFS which was scaled up to a level that helped develop farmers' capacities, increase food security and agricultural production and establish local producers' associations. Within the FFS approach, the project aimed at improving the quality of support and technical assistance farmers would receive from the relevant government organizations. The same effect was found in Burkina Faso, where the Agricultural Commodity Chain Support Project supported FFSs which improved agricultural productivity through increased yields and reduced production costs.

55. Projects rated unsatisfactory for rural poverty impact underscore some constraining factors related to food security and agricultural productivity, specifically: (i) underestimating the impact of exogenous factors (i.e. earthquakes or political instability) on food security; (ii) food shortage issues not adequately addressed; and; (iii) post-harvest losses. Reliable assessments of food security are limited by the lack of robust evidence and data on nutritional values and child malnutrition.

56. **Institutions and policies.** IFAD's contribution to the quality and performance of institutions, policies and regulatory frameworks is critical to the sustainability and scaling up of IFAD's country programme results. IFAD projects have the potential to generate changes in public institutions and policies by: (i) building the capacity of public institutions and their staff as an entry point for project interventions; (ii) adopting bottom-up approaches that decentralize coordination and management to local organizations and enhance beneficiary participation; (iii) forming enterprise-based producer associations that establish marketing networks to gain access to bigger markets; and (iv) establishing procedures through district and village development plans to channel funds from the central government to the rural communities.

57. In Kenya, the Smallholder Horticulture Marketing Programme strengthened the capacity of service providers as well as staff from the project management unit (PMU) and collaborating ministries. Government staff in the counties were trained in effective agricultural practices, agribusiness, value chains, business management and entrepreneurship. The Tonga Rural Innovation Project empowered local public agencies by enhancing the skills of district and town officers through capacity building and their participation in developing community development plans, and adopting bottom-up approaches nationwide to foster rural development.

58. Limited impact in terms of institutions and policies is mainly due to the lack of clear policy frameworks to guide the long-term sustainability projects, as well as a dearth of studies on institutions, policies, laws and regulations that would support capacity building. The Rural Microfinance and Livestock Support Programme (RMLSP) in Afghanistan required a clear policy framework for the microfinance sector. In Ghana, the Root and Tuber Improvement and Marketing Programme (RTIMP) lacked a strategy to

engage financial institutions and support their development, in a market where liquidity was a concern and no strategic approach to institutional development was taken.

Box 1
Rural poverty impact – Common factors in 2018 evaluations

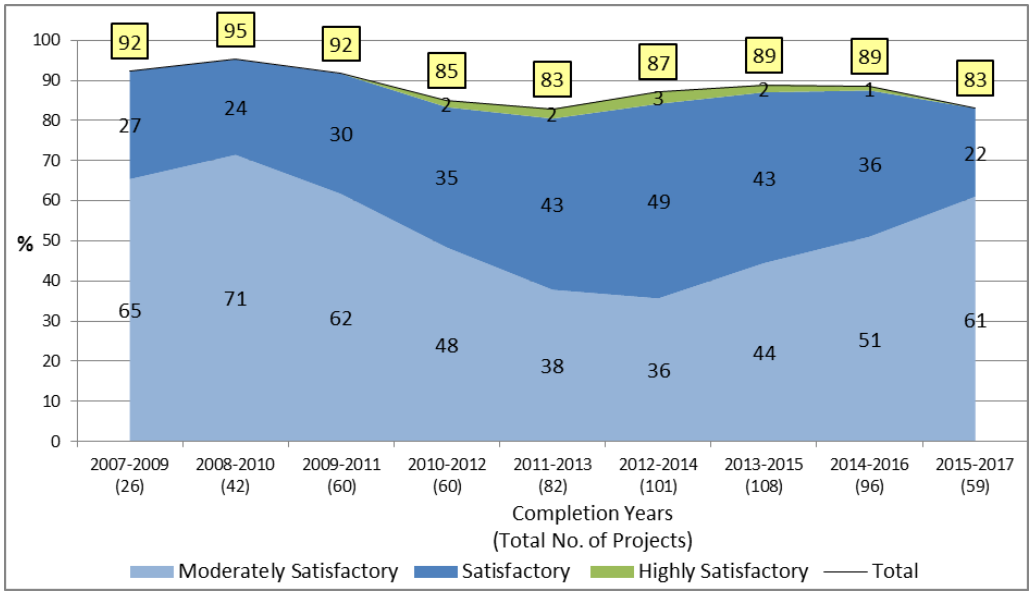
Positive	Negative
• Building capacity of public institutions and staff at central and local levels • Diversification of cultivation techniques, increased access to technology and focus on product quality • Support of bottom-up approach to encourage participation of local beneficiaries and increase income • Empowerment of young entrepreneurs and ethnic minorities through common interest groups • Formation of community-based organizations fostering social cohesion and enhancing interactions among group members and the wider community	• Significant gaps in the targeting strategy and processes • Underestimation of the impact of exogenous factors (i.e. earthquakes or political instability) as an element responsible for food shortage crisis • Missing structured value chains approach allowing beneficiaries to fully benefit from improved production • Limited data on household income and assets, in particular absence of baseline surveys, midterm reviews and functional M&E systems • Lack of clear policy frameworks to guide long-term sustainability of projects

B. Project performance criteria

59. This section on project performance, which is an average of relevance, effectiveness, efficiency, and sustainability, presents rating trends and key features of better and weaker performance for the four individual criteria as well as the composite criterion.

60. **Relevance**. While IFAD operations remain highly relevant with an average of 88 per cent of all projects between 2007 and 2017 rated as moderately satisfactory or better, performance recently declined in 2015-2017 to **83 per cent**. Lower performance in the latest time period is mainly driven by a 15-point decrease in satisfactory ratings and a 10-point increase in moderately satisfactory ratings; notably, no project that completed between 2015 and 2017 was rated highly satisfactory. Among the regions, APR shows the strongest performance (86 per cent) followed by WCA (85 per cent), ESA (82 per cent) and NEN (82 per cent), and finally LAC (80 per cent) in 2015-2017. All regions, except LAC, show a declining trend for relevance in the latest period. While the trend in IOE and PCR mean ratings for relevance are aligned across time and show a declining trend since 2012-2014, the average disconnect between IOE and PCR ratings remains the highest at -0.56 for the period 2007-2017.

Chart 5
Project relevance (2007-2017)
Percentage of projects rated moderately satisfactory or better by three-year moving period



Source: IOE evaluation database (PCRV/PPE), April 2019.

61. **Analysis for Relevance.** The 2018 evaluations identify some good results in the performance of projects due to: (i) taking into account experience from previous projects in the same country and region; (ii) demand-driven and participatory approaches allowing to meet market requirements; (iii) flexible project design based on longitudinal and programmatic views of the portfolio; (iv) focus on developing strategic alliances between the public and private sectors; (v) good synergy among components; and (vi) multi-pronged targeting strategies to foster inclusive participation and sustainability. A deeper examination of relevance in project interventions is presented in this year's learning theme chapter.

62. The Rural Business Development Services Programme in Burkina Faso, the Rural Finance Project in Gambia, the Agricultural Rehabilitation and Poverty Reduction Project in Cote d'Ivoire and the North Eastern Region Community Resource Management Project for Upland Areas (NERCORMP II) in India all successfully implemented lessons from other IFAD projects in the same country.

63. in Nicaragua, PROCAVAL included an exit strategy that focused on developing strategic alliances between the public and private sectors. Furthermore, it aimed at achieving significant progress in institutionalizing the executing agency and programmatic management. The rural poor were given the opportunity to engage in the process of regional economic integration and the implementation of free trade agreements. Finally, PROCAVAL was highly relevant for the three national policies covered by the project, to which the project was able to adapt.

Box 2
Illustrative example of relevance - Evaluation synthesis report (ESR) on IFAD's support to livelihoods involving aquatic resources from small-scale fisheries, small-scale aquaculture and coastal zones

- Though the ESR concluded that **IFAD's interventions had been relevant to the policies and plans of national governments and to IFAD's strategic frameworks and policies**, their **relevance to the needs** of the **rural poor** who depended on aquatic resources for their livelihoods was **sometimes questioned**.
- Projects addressing fisheries or aquaculture **did not always target IFAD's traditional target groups** (i.e. the poorer segments of rural populations) and the approaches adopted were **not always conducive to long-term poverty alleviation.**
- Regarding the targeting strategy, there was no evaluative **evidence of the expected positive trickle-down effects** on poverty reduction: (i) reliance on aquatic resources

generated incomes **for those who had productive resources** already, and (ii) the necessary mechanisms were **not well articulated at design or during implementation**.

- Finally, positive overall relevance was often **undermined by a lack of sufficient analysis of the local context at the design stage** and an **over-estimation of the local capacity for implementation**.

64. Constraining features to relevance are often linked to: (i) the lack of contextual analysis and a risk mitigation strategy; (ii) ambitious design causing significant shortcomings (i.e. geographical overreach, assumption of trickle-down effects of investments); (iii) overestimation of partners' capacities; (iv) no pre-assessment of expected synergies with other projects in the country as well as among components; (v) disjointed targeting strategies; (vi) weak capacities and performance of implementing agency; and (vii) lack of a baseline study and specialists in the PMU to better understand the development issues.

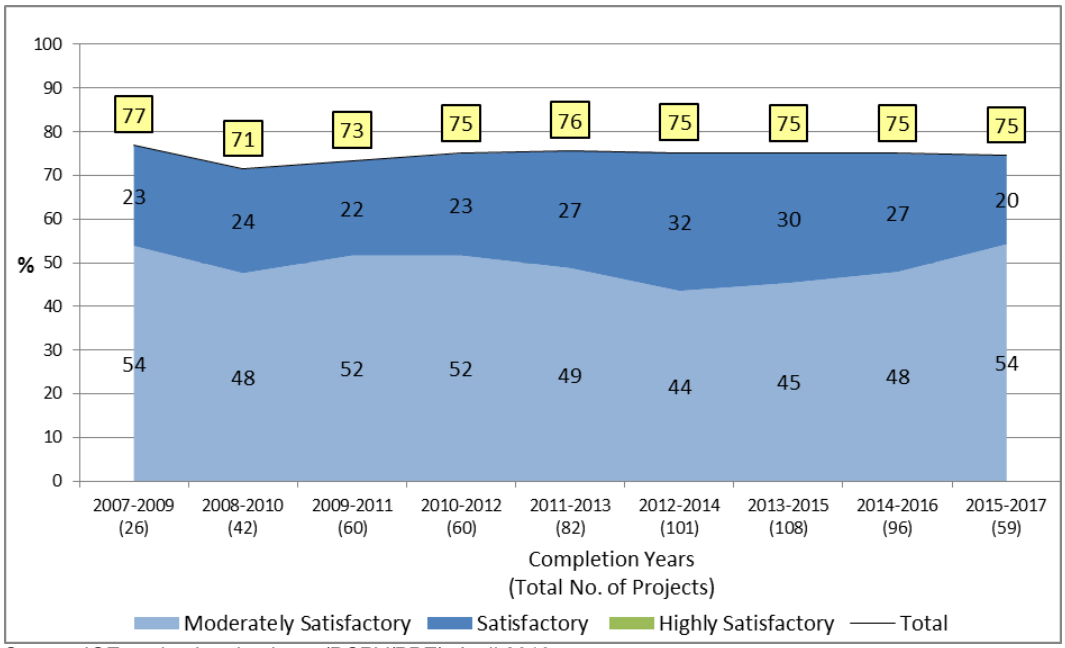
65. The Rural Development Project in the Likouala, Pool and Sangha Departments (PRODER 3) in Congo was assessed as having an ambitious design. Lessons from previous projects were not taken into consideration such as: weak local public and private service providers, need for a simple design to avoid implementation delays, need to secure government contributions to avoid breaks in implementation, necessity of a gender strategy. Both PRODER 1 and 2 were assessed as having had designs that were too ambitious; yet the PRODER 3 design did not differ significantly from them. PRODER 3 also struggled to create the expected synergy between the components and showed weaknesses both in the targeting strategy and in its limited collaboration with partners working on similar topics.

Box 3
Relevance – Common factors in 2018 evaluations

Positive	Negative
• Flexible project design and good targeting aiming at inclusiveness and sustainability • Capitalize from previous projects • Synergy among components • Development of strategic alliances between the public and private sector • Demand-driven and participatory approaches allowing to meet markets' requirements	• Poor targeting mechanisms • Ambitious design causing project's shortcomings • Insufficient country context analysis and lack of risk mitigation strategies • Inadequate recognition of appropriate policies as well as supervising framework • Lack of baseline study and specialists in the PMU

66. **Effectiveness**. The overall trend of positive ratings in effectiveness is flat between 2007 and 2017 which potentially indicates systemic issues with the IFAD-project business model which will be explored in the replenishment chapter. The share of moderately satisfactory or better ratings in 2015-2017 is **75 per cent**, while satisfactory ratings have steadily declined from 32 per cent in 2012-2014 to 20 per cent and no project has ever been rated highly satisfactory. This suggests that an improvement in effectiveness requires an upgrade in performance that would lead to an increase in satisfactory ratings. In terms of regional performance in 2015-2017, APR has the highest positive ratings for effectiveness (93 per cent) followed by NEN (73 per cent), LAC (70 per cent), WCA (69 per cent) and ESA (64 per cent). However, compared to the previous period this represents a decline for APR, NEN and LAC. The trend in IOE mean ratings since 2007 shows a flat trend in time versus PCR ratings which present a declining trend since 2012-2014. The disconnect between IOE and PCR ratings between 2007 and 2017 is low at (-0.25).

Chart 6
Project effectiveness (2007-2017)
Percentage of projects rated moderately satisfactory or better by three-year moving period



Source: IOE evaluation database (PCRV/PPE), April 2019.

67. **Qualitative analysis for Effectiveness.** The 2018 evaluations found some common elements of good performance amongst those projects rated satisfactory, such as reinforcement of producers' capacity and community infrastructure, increased range of financial services provided and linkage with business enterprises. However, despite projects' achievement of their main objective to empower poor rural households to benefit from business opportunities, even satisfactory projects display some significant shortcomings. For example, within the Kirehe Community-based Watershed Management Project (KWAMP) in Rwanda, changing the role and scope of grassroots organizations such as watershed management committees to an administrative area-based approach may have put the effectiveness of the watershed approach and the training they provided at risk.

68. The ongoing increase in moderately satisfactory ratings for effectiveness in the 2018 evaluations is driven by some common positive elements such as: (i) training courses covering a variety of agricultural topics as well as financial literacy; (ii) improving farmers' production capacity through new technologies; (iii) addressing significant finance gaps, especially for youth and micro enterprises; (iv) establishing formal agreements with grassroots organizations; and (v) raising local people's awareness on issues such as climate change and environment protection. The Project to Support Development in the Menabe and Melaky Regions (AD2M) in Madagascar included 19 communes, each with an updated communal and regional development plan. The exercise enabled the citizens to prioritize in a participatory manner the municipal investments and the issuance of land certificates which was relatively efficient and socially equitable. AD2M also secured secondary rights, whereby written contracts are established between landowners and landless peasants, to cultivate for a certain time period. The evidence gathered confirms that securing secondary rights is a highly pro-poor measure which provides greater legal certainty for landless households which is better for certain trade arrangements.

Box 4
Good practice on effectiveness: KWAMP in Rwanda

- KWAMP largely achieved its objectives related to agricultural and livestock intensification as a result of **training and the provision of inputs**.
- **Regular and timely provision of irrigation water** helped plan production better.
- **Distribution of livestock** and the concept of communal sheds **increased milk production**.
- **Feeder roads** created additional avenues for selling the surplus produce.
- The **land registration** will help beneficiaries with facilitating loans.
- The **post-harvest infrastructure** was useful in reducing losses and warehouses made collection of produce more efficient and economical.
- The **value chain development** fund provided several individual farmers with new or **additional sources of income.**
- Few shortcomings were observed: (i) the change of the **role and scope of grassroots organizations**, which were to be the bedrock of watershed management planning and monitoring, risked losing the effectiveness of a watershed-based approach; (ii) beneficiaries with livestock will still face the **challenge of feed in dry months**; (iii) the lack of **effective marketing linkages and competitive prices** for producers. Some issues were related to an ambitious project design.

69. Common issues found in projects that were not satisfactory in effectiveness were: (i) limited funds and difficulties in establishing long-term relationships between buyers and market prices; (ii) programmes slow to react to volatile and changing political contexts; (iii) stretched PMUs with expanding responsibilities; (iv) lack of synergy with previous interventions; (v) uneven geographical distribution of results; (vi) gaps in commodity chains financing; (vii) inability to engage in contractual relationships with local government and private sector; and (viii) lack of national policy analysis on rural development and poverty reduction.

70. In Ghana, RTIMP was designed to focus on building commodity chain linkages and value addition through processing and marketing support. In reality, RTIMP was implemented as a production-oriented programme. While the objectives related to production were largely achieved, the objectives related to R&T (Roots & Tubers) value chain development and processing were underachieved. This was partly due to the insufficient marketing knowledge and experience among the original and new PMU staff to implement the programme or take it in a new direction.

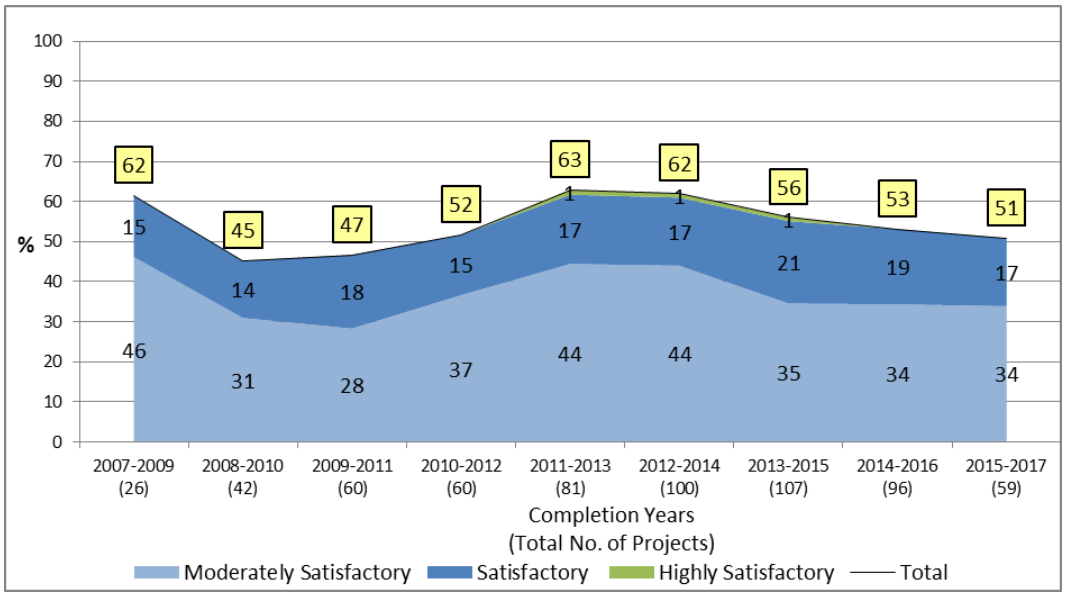
Box 5
Effectiveness – Common factors in 2018 evaluations

Positive	Negative
• Increased range of financial services • Strengthening of capacity and knowledge • Vocational training and sustainable management • Strengthening of rural institutions • Linkage with business enterprises	• Inadequate access to financial services and insufficient budget allocation • Delays in input supply and supplementary financing • Programme not suitable to changing political context • Uneven distribution of geographical results • Lack of synergies with previous interventions

71. **Efficiency**. Performance in operational efficiency remains the weakest with only **51 per cent** of projects in 2015-2017 rated moderately satisfactory or better. This is slightly worse than the average share of 54 per cent of positive ratings on a ten-year basis (2007-2017). The steady declining trend started in 2011-2013, when the peak of 63 per cent of moderately satisfactory or better was reached. The underperforming trend is marked by declines in both moderately satisfactory (10 points) and satisfactory ratings

(4 points) from 2012-2014 and 2013-2015 respectively. Among the regions, APR has the highest share of positive ratings (79 per cent), followed by LAC (60 per cent), NEN (45 per cent), ESA (36 per cent) and WCA (31 per cent). Performance declined compared to the previous period in all the regions except LAC which improved. The overall mean rating for efficiency in all regions, except APR, is below moderately satisfactory. The trend in IOE and PCR mean ratings for efficiency are aligned and flat from 2011-2013 and the average disconnect in 2007-2017 was -0.30 in line with the overall average disconnect for all criteria.

Chart 7
Project efficiency (2007-2017)
Percentage of projects rated moderately satisfactory or better by three-year moving period

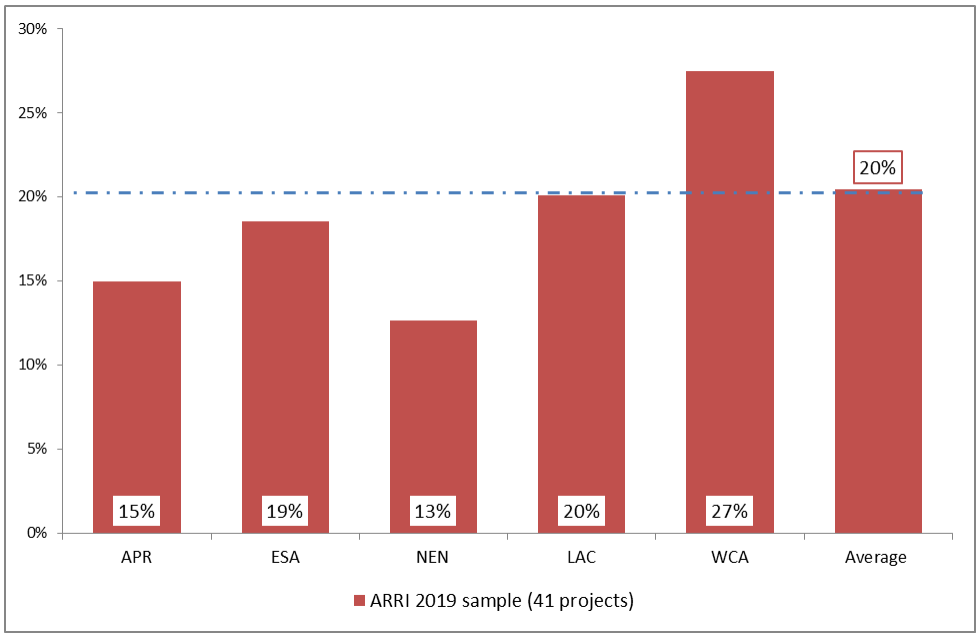


Source: IOE evaluation database (PCRV/PPE), April 2019.

72. **Qualitative analysis for Efficiency.** The most common key factors inhibiting efficiency in the 2018 evaluations are related to: (i) delays in start-up, implementation and long procurement processes; (ii) high turnover in programme management units, as well as the absence of key specialists and qualified personnel; (iii) lack of harmonization of donor funds and late mobilization of co-financiers; (iv) high project management cost ratios, in some cases because of remoteness of communities; (v) limited awareness of the programme amongst partners; (vi) unrealistic project duration at design; (vii) limited outreach of microfinance institutions to beneficairies; and (viii) low government contributions. For MOSAP in Angola, the main implementation challenges were linked to the lack of a field technical team provided in a timely manner, lack of supply chain service providers (including the high cost of doing business in Angola) and lack of experience in engagement with local producers' organizations.

73. With regard to the high management cost ratios, it can be noted that the average project management cost in the sample of 2018 evaluations was 20 per cent, which means that for every dollar spent, 20 cents were spent on project management. When looking at the performance by region, the average percentage of project management costs was above average in WCA (27 per cent) and below average in LAC (20 per cent), ESA (19 per cent), APR (15 per cent) and NEN (13 per cent). Within the 2019 ARRI project sample, 34 per cent were implemented in WCA and amongst these 71 per cent in fragile situations. Some of the main causes for high project management costs in WCA were mainly related to high staff turnover (Gambia, Burkina Faso and Ghana), low performance of key project staff requiring external service providers (Burkina Faso, Gambia and Ghana), vast and dispersed project areas (Congo) and lack of rigor in the planning of activities (Congo).

Chart 8
Project efficiency
Percentage of project management costs at completion by Region



Source: IOE evaluation database (PCRV/PPE), April 2019.

74. The Rural Business Development Services Programme in Burkina Faso faced programme management issues which hampered project implementation. The efficiency indicators were the weakest among IFAD-funded projects implemented in the country for the past decade. Important issues regarding human resources management, with high staff turnover and low performance of some key project staff, affected the achievement of results. The programme was implemented without a technical implementation manual and, despite technical assistance to improve programme management, its operating costs were still much higher than expected at design.

75. The 2018 evaluations found that good project efficiency is overall based on: (i) smooth project management processing mechanisms, as well as low project management costs; (ii) staff retention; (iii) timely project implementation; (iv) good partnership arrangements and integration within the government; (iv) efficient geographical coverage to avoid dispersion and higher programme management costs; (v) adoption of new techniques, as well as local training; and (vi) high disbursement rates and financial return.

76. The Pro-Poor Partnerships for Agroforestry Development Project in Viet Nam maintained a reasonable level of project management costs (14 per cent) thanks to decentralization at the district level. Technical assistance was substantially reduced compared to project design (by 50 per cent overall and 80 per cent for international technical assistance) and the substantial savings (around 15 per cent of project costs) were reallocated to training.

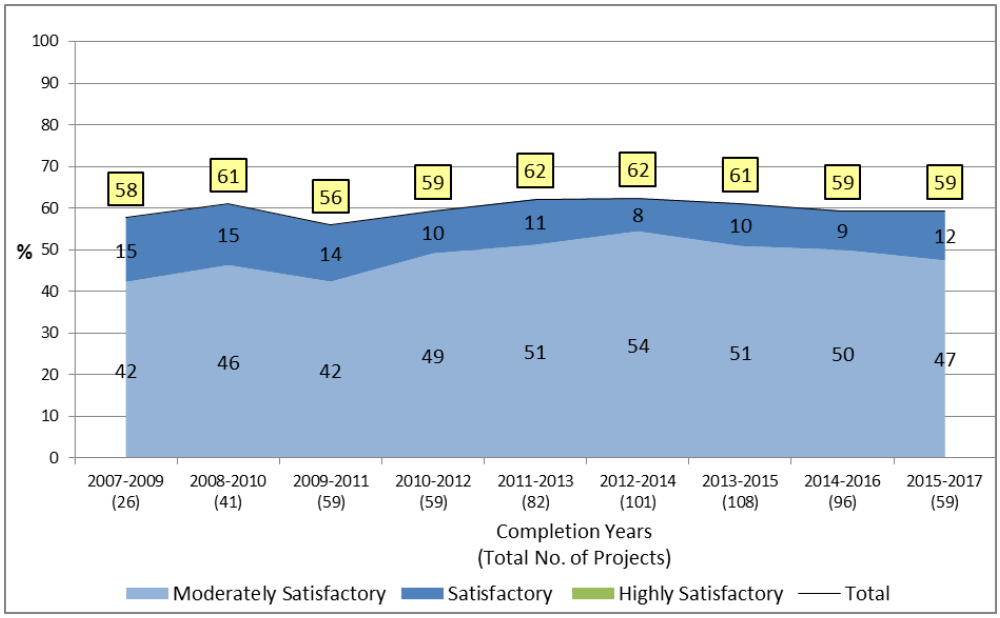
77. The satisfactory rating in efficiency for the Rural Financial Services and Agribusiness Development Project in Moldova is mainly linked to the low project management costs related to: (i) the country programme implementation unit arrangements, with all IFAD projects under one umbrella; (ii) the small geographical area of the country; (iii) larger than estimated contribution by borrowers and participating financial institutions which lowered the share of project management costs in the total financing; and (v) efficient processing, as well as Government's high interest in maximizing the project funds going to investments (i.e. credit fund) rather than recurrent costs or technical assistance. The country programme implementation unit approach also contributed to the retention of trained staff with institutional memory familiar with the procedures and systems required which saved time and resources for staff recruitment for each project, thus contributing to a smooth start-up process and timely implementation.

Box 6
Efficiency – Common factors in 2018 evaluations

Positive	Negative
• Smooth project management mechanisms • Staff retention • Timely implementation • High disbursement rate and financial return • Good partnership arrangements and good integration with governments	• Delay in start-up, implementation and long procurement processes • Lack of harmonization with donor funds and co-financiers • Unrealistic project duration estimated at design • High turnover of programme management and lack of key specialists • Overestimated Economic Internal Rate of Return

78. **Sustainability of benefits**. In 2015-2017, **59 per cent** of projects were rated moderately satisfactory or better, making sustainability the second weakest performance criteria after project efficiency. Although the share of positive ratings remains the same, performance in sustainability shows some improvement as the share of satisfactory ratings increased to 12 per cent. Although APR again performs best in sustainability of benefits, its 86 per cent of positive ratings is a decline from 95 per cent in 2014-2016. In contrast, NEN improved by 12 points to achieved 73 per cent in positive ratings followed by ESA (64 per cent), LAC (40 per cent) and WCA (31 per cent). Mean ratings for sustainability are below 4 in all regions. The trend in PCR mean ratings for sustainability has been slowly declining since 2012-2014, unlike IOE mean ratings which have maintained a more stable trend. Nonetheless, the IOE-PCR disconnect is -0.34 over the 2007-2017 period.

Chart 9
Project sustainability (2007-2017)
Percentage of projects rated moderately satisfactory or better by three-year moving period



Source: IOE evaluation database (PCRV/PPE), April 2019.

79. **Qualitative analysis of Sustainability of benefits.** The flat trend in sustainability is driven by an increase in satisfactory ratings within the 2015-2017 cohort of data series. Common key drivers for positive results in sustainability are: (i) strong sense of involvement and ownership by local authorities; (ii) successful lending mechanisms; (iii) secured maintenance schedule to secure sustainability; (iv) management capacity in favour of training and mobilizing contributions; (v) involvement of women in executive positions; and (vi) profitability of promoted products and sustainable financial mechanisms.

80. In Rwanda, KWAMP is a positive example of sustainability and a valid exit strategy. The main reasons for considering this project sustainable are related to: (i) the involvement of the district, sectors and cells, generating strong ownership; (ii) the availability of an exit strategy and formal handovers of irrigation schemes; (iii) the proven ability of the district to substitute KWAMP staff and to perpetuate activities, such as reforestation, heifer distribution and artificial insemination; (iv) the management capacity of Farmer Organizations and hands-on and inclusive training; (v) the fact that KWAMP was complementary to mainstream district interventions, such as livestock distribution, reforestation and soil and water conservation measures; and finally (vi) considerable involvement of women and their presence in executive positions.

81. Some common key drivers that contribute to moderately unsatisfactory or below ratings for sustainability can be linked to: (i) lack of long-term planning in approach to rural finance for income-generating activities; (ii) absence of a long-term exit strategy; (ii) lack of technical assistance services and follow-up training to support producers; (iii) absence of private sector involvement in value chain development; (iv) missing linkages and synergies with other complementary projects in the country; (v) limited government commitment to provide policy and financial support in the future; and (vi) late disbursements causing projects to become operational only towards the closing date.

82. The Rural Economic Growth Support Project in Benin did not develop an exit strategy, despite midterm review (MTR) recommendations. Significant sustainability risks were associated with infrastructure maintenance and management, the quality of support services for small-scale enterprises and income-generating activities, the capacity of producer organizations to deliver services and become independent and sustainable organizations, the sustainability of micro-projects and the availability of micro-credit.

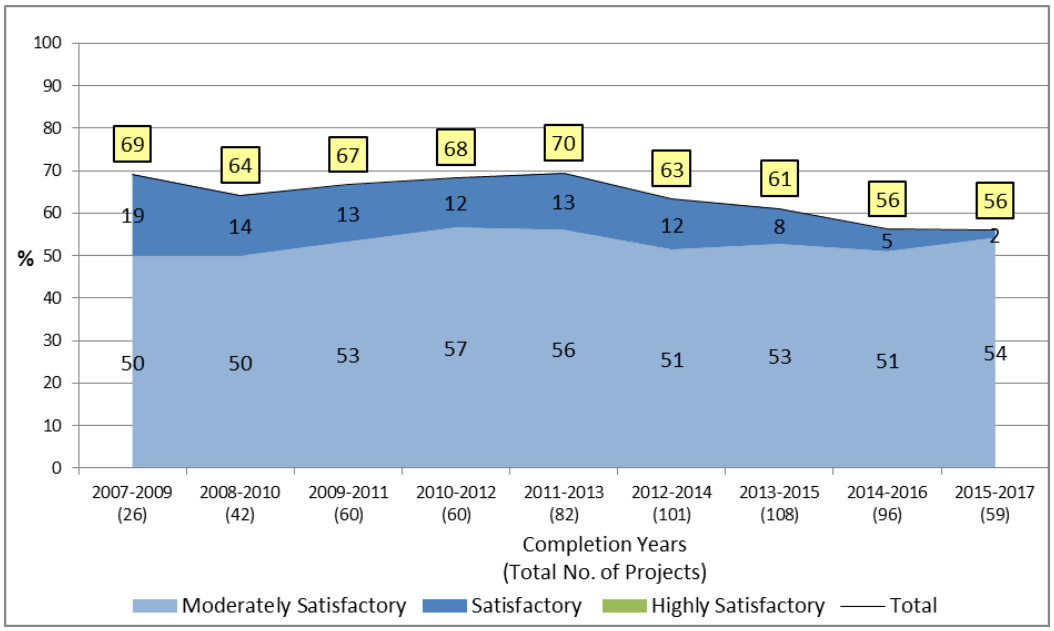
Box 7
Sustainability – Common factors in 2018 evaluations

Positive	Negative
• Strong involvement and ownership by authorities • Targeted and sustainable financial mechanisms • Valid exit strategy • Training processes and exchange of expertise • Staff continuity	• Absence of private sector involvement in value chain development • Missing linkages and synergies with other complementary projects in the country • Late disbursements • Assumptions of trickle-down effects • No valorisation of old projects into new ones

83. **Project performance**. This composite criterion is an arithmetic average of the ratings for relevance, effectiveness, efficiency, and sustainability. A proportion of **56 per cent** of projects completed between 2015 and 2017 were rated moderately satisfactory or better. Overall, IFAD operations remain below historical levels in terms of project performance. Notably, while the share of moderately satisfactory ratings remains steady in the ten years between 2007 and 2017, satisfactory ratings have significantly diminished from 19 per cent to 2 per cent in 2015-2017. Within the new cohort of projects included in the 2019 ARRI, 21 (out of 41 in total) showed less than moderately satisfactory ratings for project performance (ten in WCA alone). Project performance in 2015-2017 is decreasing in NEN and APR, which still has the highest percentage of moderately satisfactory ratings compared to other regions. All mean ratings for the regions are below 4, with the exception of APR (4.26).

84. **Qualitative analysis for Project Performance.** The 2018 evaluations find several issues and constraining factors in project performance, mainly driven by the negative trends of efficiency and sustainability. Lack of exit strategies, unsustainable financial mechanisms, long implementation processes and slow disbursement rates are some of the key reasons why the criterion shows negative performance.

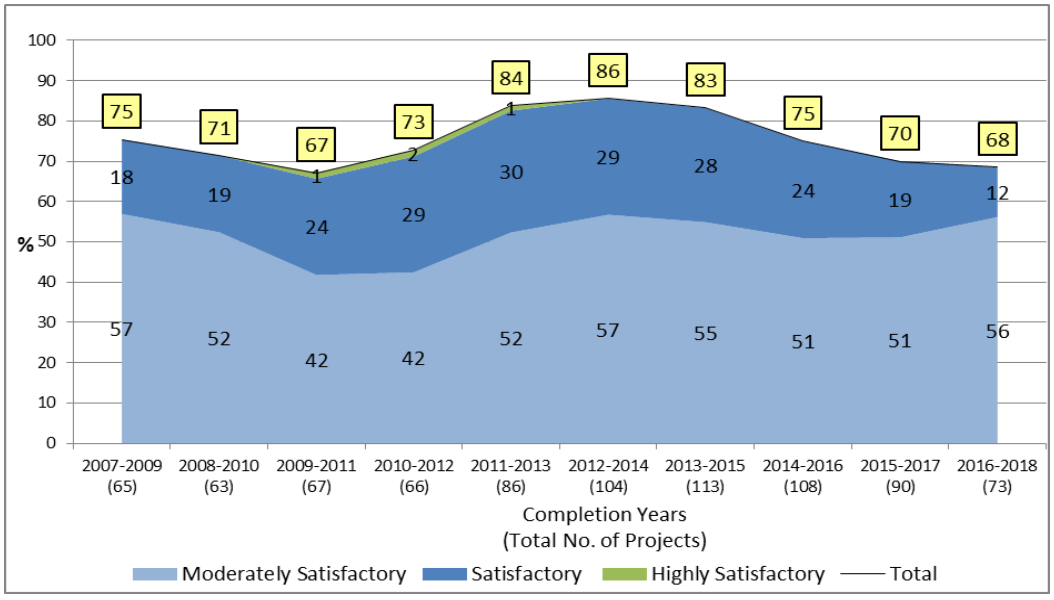
Chart 10
Project performance (2007-2017) - IOE ratings
Percentage of projects rated moderately satisfactory or better by three-year moving period



Source: IOE evaluation database (PCRV/PPE), April 2019.

85. **Declining trends are reflected in PCR ratings as well.** Management's PCR ratings of completed projects show similar trends as IOE's PCRV/PPE ratings of completed and evaluated projects. Project performance reached a peak in 2012-2014 at 86 per cent, but has declined to **68 per cent in 2016-2018**. The percentage of satisfactory or better ratings are also shrinking particularly in this last period. The trend in IOE and PCR mean ratings for project performance are also aligned and show a declining trend since 2011-2013 and the average disconnect is -0.34. While the inclusion of sustainability of benefits contributed to the downturn from 2011-2013, the decline in subsequent years relates to declines in relevance and efficiency.

Chart 11
Project performance (2007-2018) – PCR ratings
Percentage of projects rated moderately satisfactory or better by three-year moving period



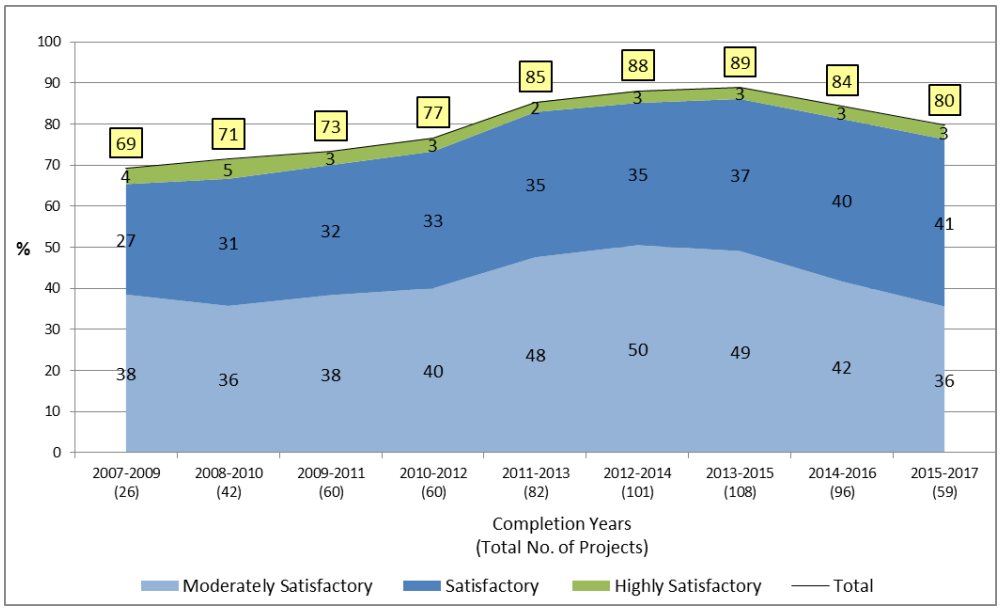
Source: PMD PCR ratings, April 2019.

C. Other performance criteria

86. This section analyses innovation, replication and scaling-up, gender equality and women's empowerment, environment and natural resources management, and adaptation to climate change.

87. **Innovation.** Evaluations conducted from 2017 rate innovation and scaling up separately, following the harmonization agreement with management. In conducting trend analysis on the separated criteria, the 2019 ARRI assigns the rating given for the combined criteria for past evaluations. The separate ratings begin to appear in the trend line from 2011-2013 based on the completion year of the projects. The percentage of projects rated moderately satisfactory or better in innovation is equal to **80 per cent** in 2015-2017. Starting in 2007, the performance of IFAD's contribution to promoting innovation shows an upward trend until it plateaus in 2013-2015, followed by a slow decline until 2015-2017. While the share of projects rated moderately satisfactory declined steadily since 2013-2015, overall performance has been sustained by a steady increase of satisfactory ratings. In the latest period, all ESA projects received positive ratings in innovation, followed by LAC (80 per cent), APR (79 per cent), WCA (77 per cent) and NEN (64 per cent). This represents improved performance for ESA, LAC and WCA versus declines in APR and NEN. The trend in IOE and PCR mean ratings for innovation decline across time periods; with a more pronounced decline of PCR mean ratings than IOE average ratings. Innovation is the criteria with one of the lowest level of disconnect in 2015-2017 (-0.21).

Chart 12
Innovation (2007-2017)
Percentage of projects rated moderately satisfactory or better by three-year moving period



Source: IOE evaluation database (PCRV/PPE), April 2019.

88. **Qualitative analysis for Innovation**. The assessment of innovation by IOE focuses on the extent to which IFAD development interventions have introduced innovative approaches to rural poverty reduction. The 2018 evaluations found that projects were successful in introducing innovative approaches such as: (i) promoting Farmers Field Schools as a participatory agricultural extension method; (ii) introducing improved production techniques to manage resources both horizontally and vertically;(iii) using the Market-oriented Participatory Socio-Economic approach Development Planning processes, emphasizing individual participation from the very beginning of project implementation; (iv) combining productive plans with access to financial services, i.e. engaging poor households into value-chain-based common interest groups with support from community development funds in capacity development; (v) inserting Tribal

Committees in investment initiatives; and (vi) supporting land reform at local and national levels.

89. The Western Sudan Resources Management Programme in Sudan introduced a number of pivotal innovations. Whereas the use of cooking gas and fisheries was not innovative per se and only new to the geographic area, other innovations aimed at reducing conflicts between nomadic pastoralists and settled farmers were unique. The State Ministries of Agriculture and concerned localities pooled staff and resources to carry out a joint survey and planning for the demarcation and development of stock routes using participatory Geographic Information System to prepare community environmental action plans. Mixed mobile extension teams – with members from both North and South Kordofan – accompanied nomads along the migratory routes. The innovation of co-management of natural resources and stock routes resided in the opportunity to plan and implement the management of resources not only horizontally (among communities) but also vertically (linking communities with their respective government levels). Pastoralist Field Schools also enhanced social harmony by contributing to integrating nomads in the development process.

90. In Madagascar, AD2M proposed and realized the concept of development poles and was a pioneer in securing secondary land rights. AD2M has constituted a real school and a pool of innovations in terms of approach, tools, implementation methods and content of activities, namely: (i) the introduction of FFS simplified, with peasant leaders; and (ii) conservation agriculture bringing co-benefits. The deployment of the simplified FFS is probably one of the key ingredients of this innovative success.

91. Some "new-to-the-context" innovative approaches were successfully implemented in Viet Nam's Agriculture, Farmers and Rural Areas Support Project (TNSP), including: (i) socio-economic management, decentralization and bottom-up planning; (ii) agricultural extension through farmer-to-farmer and enterprise-led training method; (iii) value chain development based on market/value chain analysis, containing various (funding) instruments for private sector and common interest group investments, and connecting poor, ethnic minority households to market opportunities; and (iv) engaging poor households in value-chain-based common interest groups with support from a community development fund in public infrastructure, human capacity development and productive infrastructure.

92. In Senegal, PAFA helped increase production and supported the shift from subsistence agriculture to market production with two important methodological innovations: (i) the promotion of agricultural value chains with high socio-economic potential and (ii) the inclusive approach based on strengthening and empowering producers and putting them at the centre of the intervention through producer organizations, marketing boards, and national inter-professional organizations for value chains.

93. Adapted approaches, delayed implementation, limited technical support and underperformance of innovations planned at design are all constraining factors inhibiting real innovative contributions. The Rural Asset Creation Programme in Armenia conceived a major innovation at design with the creation of Fruit Armenia (a Joint Stock Company) as an institutional modality for achieving value chain development in the economic interests of smallholder agriculture. A company driving the fruits and nuts market and implementing the main component of the programme in the form of a private sector company was innovative and worthwhile as long as it was managed by the private sector and not by government institutions. However, the chosen institutional model was a technology-driven approach that had been hardly tested in a similar environment and was not taking the needs of smallholders into consideration.

Box 8
Innovation – Common factors in 2018 evaluations

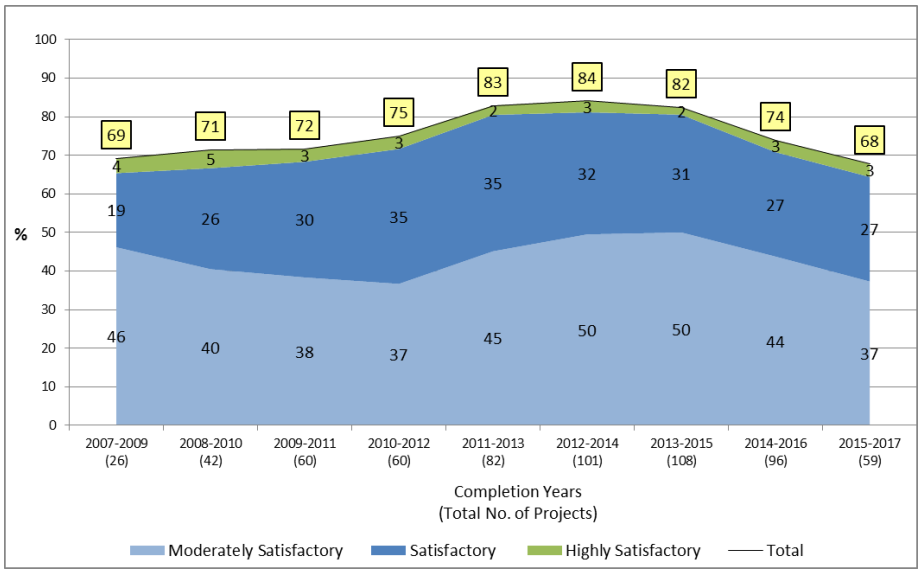
Positive	Negative
• Mainstreaming and strengthening integrated innovative agricultural approaches into government practice • Participatory approaches (Farmers Field Schools, common-interest groups, Market-oriented Participatory Socio-Economic approach Development Planning) as agricultural extension methods • Horizontal and vertical integration of production techniques • Coordination of local-level organizations of producers to scale-up access to larger markets and bulk-source inputs • Co-management of natural resources not only horizontally but also vertically	• Updated and adapted approaches not really innovative • Lack of contextual analysis in design • Small scale initiatives with very little assessment learning or dissemination of experiences • Introduction of innovative concepts not supported by implementation • Weak partnerships and involvement of researchers

94. **Scaling Up**. Performance in scaling up declined to **68 per cent** in positive ratings in 2015-2017,[14] representing a six-share point decline from the previous period. Moderately satisfactory projects are the main contributors to this downward trend, declining 7 percentage points in 2015-2017. Satisfactory ratings remained the same. When comparing scaling up with innovation, shares of highly satisfactory projects and moderately satisfactory projects are similar. However, the overall performance of scaling up is weaker due to the low share of projects rated satisfactory. Compared to the previous period, performance improved only in WCA with only 54 per cent of positive ratings. The better performers, ESA (82 per cent), APR (79 per cent), LAC (70 per cent), NEN (64 per cent) all declined.

95. The trend in IOE and PCR mean ratings for scaling up is aligned across time periods and has declined since 2012-2014. Scaling up has the second highest disconnect between IOE and PCR ratings at -0.43 overall and -0.55 in NEN and -0.67 in WCA.

[14] Though scaling up and innovation have been rated separately in evaluations since 2017, 85 projects which completed between 2008 and 2017 have separate ratings. The trend in scaling up is particularly different from innovation from 2012-2014 onwards. In 2015-2017, if we just take the 54 projects with separate ratings, we find 70 per cent received positive ratings in terms of scaling-up, while 81 per cent received positive ratings for innovation.

Chart 13
Scaling up (2007-2017)
Percentage of projects rated moderately satisfactory or better by three-year moving period



Source: IOE evaluation database (PCRV/PPE), April 2019.

96. **Qualitative analysis for Scaling Up.** This criterion is critical as a means for augmenting the impact of IFAD's country programmes to reduce rural poverty and the extent to which project interventions have been (or are likely to be) scaled up by government authorities, donor organizations, the private sector and others agencies. Scaling up also requires extended support from IFAD, often through several project phases. Unlike in the 2018 ARRI where only nine of the previous year's evaluations register a moderately unsatisfactory or below rating, in this year's cohort there are 16 projects with ratings lower than moderately unsatisfactory. The decline in scaling-up ratings in the 2019 ARRI is mostly driven by: (i) absence of a specific strategy for scaling up in project designs and/or projects being replicated rather than scaled up; (ii) lack of ownership by beneficiaries; (iii) absence of operational guidelines; and (iv) lack of technical support from qualified service providers.

97. Within the Rural Economic Growth Support Project in Benin, knowledge generated by the project was not adequately captured. The value chain fund was expected to generate a financial intermediation system regulated by the market with the permanent availability of adapted financial services for rural entrepreneurs. However, the contribution by financial institutions was not as expected and serious issues were experienced affecting the value chain fund's capacity to deliver financial services.

98. The 2018 evaluations highlight how and why some projects are likely to be scaled up by: (i) sharing experiences with government officials and Non-Governmental Organisations, as well as neighbouring countries to integrate agricultural development approaches into common practice; (ii) bottom-up planning processes to be scaled up through ongoing government programmes; (iii) training producers in the development and use of business plans and access to information systems; and (iv) broadening project interventions across other geographical areas (horizontal scaling up), as well as linking communities with their respective government levels (vertical scaling up). One of the main assumptions that guarantee a successful scaling up outcome is the preparation of an exit strategy, outlining concrete proposals on how to replicate and scale up the programme with preliminary cost estimates and involvement of governments and donors. In some instances, projects have influenced government sectoral policies and future projects with their methodology and initiatives, leading to project replication rather than scaling up.

99. In India, NERCORMP II shows how the project has been scaled up by the government and the World Bank. To begin with, the government continued financing the project's

first phase after it was completed, and later financed NERCORMP III in additional districts, including conflict-prone zones. The World Bank, on the other hand, used a similar approach in its North East Rural Livelihoods Project in different states. Some activities have been replicated with non-beneficiaries by community-based organizations. Finally, experiences of NERCORMP II were shared with government officials and Non-Governmental Organizations from Bhutan, Bangladesh and Myanmar.

Box 9
Scaling up – Common factors in 2018 evaluations

Positive	Negative
• Preparing an exit strategy • Establishing functional public-private partnerships across value chain stakeholders • Sharing experiences with government officials and Non-Governmental Organizations as well as neighbouring countries • Broadening project interventions across other geographical areas (horizontal scaling up), as well as linking beneficiaries to respective government levels (vertical scaling up) • Promoting diversified rural finance mechanisms	• Lack of ownership by beneficiaries and governments • Absence of specific strategies for scaling up (no exit strategy) • Insufficient long term financial support • Absence of a clear legal framework and a specific engagement plan with government or other partners • Need to strengthen the capacity of technical services to be scaled up at national level

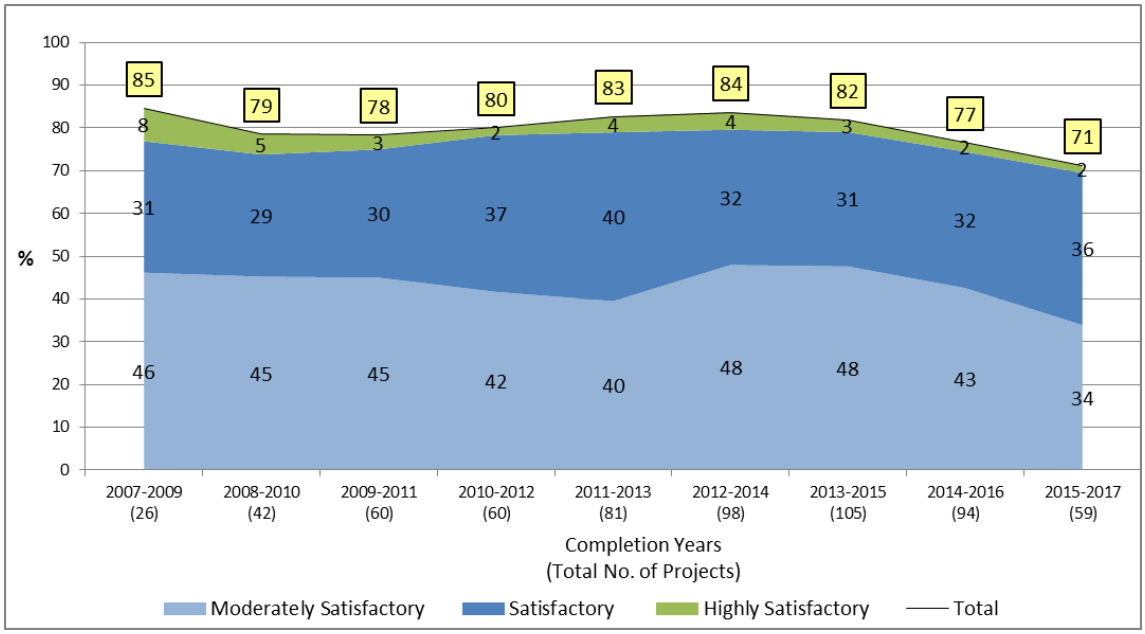
100. **Gender equality and women's empowerment (GEWE).** On average, 80 per cent of projects between 2007 and 2017 are rated as moderately satisfactory or better. Although this criterion is among the highest performing criteria, it has been trending downward in recent periods. Moderately satisfactory ratings represented **71 per cent** of projects in 2015-2017 (-6 share points versus 2014-2016). While satisfactory ratings increased to 36 per cent in 2015-2017, this did not compensate for an overall decline in gender equality and women's empowerment. The decline in performance is driven by performance in all regions, but especially NEN where performance declined 18-share points to 36 per cent in positive ratings. This was balanced by good performance (though declining) in APR (86 per cent), WCA (85 per cent), ESA (73 per cent) and LAC (70 per cent).

101. The trend in IOE and PCR mean ratings for GEWE are not fully aligned, with IOE ratings decreasing since 2011-2013 and PCRs initially decreasing at the same time but then increasing in 2015-2017. The overall disconnect with PCR ratings has increased slightly from -0.27 to -0.29 in 2007-2017.

Chart 14

GEWE (2007-2017)

Percentage of projects rated moderately satisfactory or better by three-year moving period



Source: IOE evaluation database (PCRV/PPE), April 2019.

102. **Qualitative analysis of GEWE.** Historically, IFAD has performed well in gender equality and women's empowerment which is a principle of engagement of IFAD's strategic framework. For IFAD11, a new division Environment, Climate, Gender and Social Inclusion division is tasked with the mainstreaming of climate, gender, nutrition and youth. Specifically, IFAD has recently revised its Gender Action Plan 2019-2025 to mainstream gender-transformative approaches at IFAD in order to reach its IFAD11 commitment for 25 per cent of its projects to be gender transformative and heighten its contribution to the 2030 Agenda's SDG 5 – Achieve gender equality and empower all women and girls.

103. Practices considered more effective for GEWE in projects evaluated in 2018 are linked to; (i) promoting women's participation in selected value chain activities and leadership in social roles; (ii) training women in business management and encouraging technology transfer for managing productive and profitable enterprises; (iii) including gender strategies at project design; (iv) hiring a gender specialist; and (v) empowering women by including them in self-help groups and farming groups to facilitate access to microfinance.

104. The Rural Finance Programme in Belize had an overall gender goal of promoting the socio-economic empowerment of the poorest women and girls by granting them access to financial services and providing them financial literacy training. Specific issues were addressed, including improving the productive capacity of women-led enterprises and increasing their bargaining power within their households. To fulfil these goals, a gender strategy was developed with gender targets and a gender/youth consultant was hired to implement it resulting in the successful integration of gender issues in the programme's core activities, including communications and training materials.

105. Examples of shortcomings in gender equality and women's empowerment found in the 2018 evaluations include: (i) failure to address structural challenges limiting access to sustainable financial services; (ii) absence of a specific gender approach; (iii) lack of specialists on gender mainstreaming or inadequate operational measures to implement gender strategy despite being included in design; and (iv) lack of dialogue with relevant sectoral ministries where the need for social services and women's involvement in institutions is most needed.

106. Within the Rural Development Project in the Eastern Middle Atlas Mountains in Morocco, women were one of the priority targets of the project. The project's actions in their favour focused mainly on functional literacy and microenterprise financing, particularly in the fields of crafts and livestock. However, this support was limited in relation to the local needs and initial objectives of the project. The poor performance of the rural finance component has not created sustainable opportunities for women's empowerment, and the income-generating activities financed were fragile and concentrated mainly in low-value-added areas.

Box 10
GEWE – Common factors in 2018 evaluations

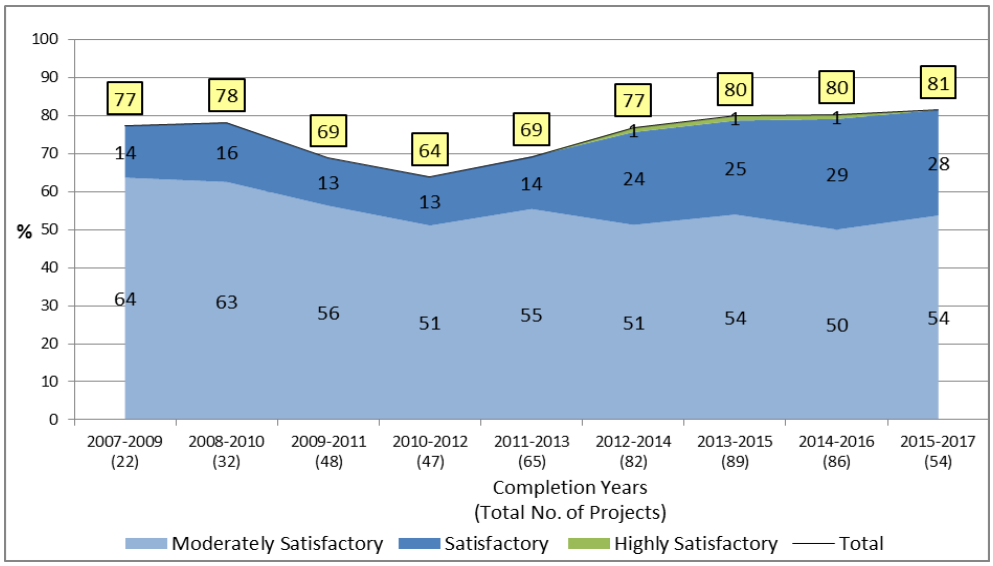
Positive	Negative
• Gender-sensitive project design • Promoting women's participation in value chains activities and leadership roles • Training women in business management and technology transfer • Including women in self-help and farming group to facilitate access to resources, assets and services	• Absence of gender strategy at design • Lack of gender specialist during implementation • Limited women's access to sustainable financial services • Lack of disaggregated data to evaluate actual impact on women's empowerment • Missing dialogue with local institutions to encourage women's participation and free them up from their traditional roles

107. **Environment and natural resources management**. ENRM and adaptation to climate change have been rated separately for the past three years. In 2015-2017, **81 per cent** of projects completed performed moderately satisfactory or better in terms of environment and natural resources management. This is strong performance compared to the lowest level of 64 per cent observed in 2010-2012, when ERNM was still rated with adaptation to climate change. While moderately satisfactory ratings maintain a steady trend, the criterion is sustained by a consistent increase in satisfactory ratings which drive the high level of positive performance. Yet, there were no highly satisfactory projects in 2015-2017.[15] With the exception of ESA (67 per cent), all the regions show improved performance in ENRM with all projects in APR rated positively, followed by NEN (91 per cent), WCA (75 per cent), and LAC (70 per cent).

108. The trend in IOE and PCR mean ratings for ENRM are aligned and flat in the last three time periods, after being unaligned from 2009-2011 to 2013-2015. Whereas IOE ratings increased, PCR ratings remained flat. The overall disconnect from 2007-2017 is -0.21.

[15] In comparison with the 2018 ARRI, it is noticeable that no highly satisfactory projects has been reported in the 2010-2012 and the 2011-2013 period in the 2019 ARRI. This is due to a change of the ENRM rating of the "Mount Kenya East Pilot Project for Natural Resource Management" in Kenya by the CSPE conducted in 2018.

Chart 15
ENRM (2007-2017)
Percentage of projects rated moderately satisfactory or better by three-year moving period



Source: IOE evaluation database (PCRV/PPE), April 2019.

109. **Qualitative analysis for ENRM**. IFAD's third strategic objective is to strengthen the environmental sustainability and climate resilience of poor rural people's economic activities. IFAD's results in ENRM contribute in part to SDG 15 – Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity.

110. The 2018 evaluations indicate an overall positive impact on environment from IFAD-funded activities and highlight the following facilitating factors: (i) raising farmers' awareness of their contribution to protecting forest and water resources, i.e. supporting households in applying good practices and training on environmental education; (ii) involving local institutions in the implementation of long-term environmentally sustainable farming methods; (iii) acknowledging in the project design the presence of fragile eco-systems; and (iv) generating income alternatives while encouraging communities to preserve their natural resources.

111. in India, NERCORMP II is an example of how the sustainable management of natural resources can be effectively combined with poverty reduction efforts. The project design included one component on community-based bio-diversity conservation and forestry development. This avoided natural resources degradation and made communities more resilient for sustainable natural resources management. Furthermore, a consultation process with local tribes was undertaken, so they could develop rules to manage their territory.

112. Notwithstanding overall improvement, the performance of IFAD's operations in this area shows limitations in some areas, such as weak legal and institutional frameworks to build capacity of local institutions in order to impact sustainability of environmental impact. There is an ongoing need for an integrated development approach and environmental impact assessment in the project design. It is also necessary to address efforts towards the inclusion of human capital and technical capacity in environmental management.

113. The Participatory Integrated-Watershed Management Project in Gambia showed insufficient provisions for environmental and social sustainability, compromised environmental resilience of communities and lacked documented environmental risk management procedures. In Angola, MOSAP suffered from limited staff to cover environmental issues as well as limited technical capacity. There were significant issues that were not properly addressed by the project such as water scarcity, soil fertility and types of fertilizers proposed.

Box 11
ENRM – Common factors in 2018 evaluations

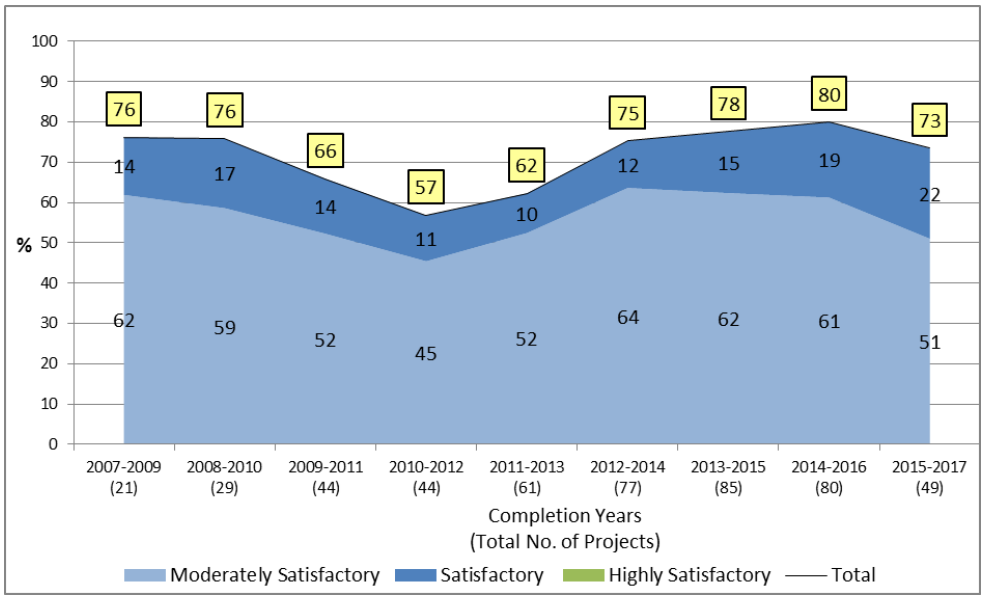
Positive	Negative
• Acknowledging the presence of a sensitive ecosystem in the design phase • Implementation of long-term environmentally sustainable farming methods • Adopting legal frameworks providing guidelines preventing implications for environment • Supporting groups and organizations in alternative income generating activities to encourage environment preservation • Increasing farmers' awareness (trainings) of their contribution to the protection of forest and water resources	• Lack of environmental strategy or insufficient integrated development approach at design • No focus on human capital and technical capacity in environmental management • Need for data to monitor processes supporting results on environmental impact • No concrete actions taken despite the presence of environmental issues in design • Indirect/unplanned effects on environment but not monitored or followed up

114. **Adaptation to climate change**. In the period 2015-2017, **73 per cent** of projects[16] report moderately satisfactory or better ratings, after reaching a peak of 80 per cent in 2014-2016. Moderately satisfactory projects contributed the most to this decline. Their weight has decreased from 61 per cent in 2014-2016 to 51 per cent in 2015-2017. The three-point increase in the share of satisfactory projects was not sufficient to offset the decline in positive ratings overall. There have been no highly satisfactory projects in adaptation to climate change between 2007 and 2017.[17] The increase in moderately satisfactory or better ratings in 2015-2017 (versus 2014-2016) occurs only in ESA (78 per cent). In WCA (71 per cent) performance is flat, while APR (69 per cent), LAC (67 per cent) and NEN (73 per cent) show decreases of between 10 and 20-share points.

115. The overall IOE-PCR disconnect is low at -0.23 in 2007-2017. The trend in IOE and PCR mean ratings for adaptation to climate change shows a flat and constant alignment in the last three time periods. The overall disconnect from 2007-2017 is -0.21. The overall highest disconnect with PCR ratings is in APR and the lowest in ESA. NEN presents the only case where the disconnect with PCR ratings is actually positive (+0.1).

[16] Starting in evaluation year 2016, IOE rated ENRM separately from adaptation to climate change. Notably, of the 46 projects with separate ratings for both criteria in the PCRV/PPE database and completed in the period 2015- 2017, 74 per cent received positive ratings in terms of adaptation to climate change, while 80 per cent received positive ratings for ENRM.
[17] In comparison with the 2018 ARRI, it is noticeable that no highly satisfactory projects have been reported in the 2010-2012 and the 2011-2013 period in the 2019 ARRI. This is due to a change of the Adaptation to climate change rating of the "Mount Kenya East Pilot Project for Natural Resource Management" in Kenya by the CSPE conducted in 2018.

Chart 16
Adaptation to climate change (2007-2017)
Percentage of projects rated moderately satisfactory or better by three-year moving period



Source: IOE evaluation database (PCRV/PPE), April 2019.

116. **Qualitative analysis for Adaptation to climate change.** IFAD's work in this area contributes to its strategic objective 3 as well as SDG 13 to take urgent action to combat climate change and its impact including to mobilizing financing for developing countries. IFAD has expanded its use of environmental and climate cofinancing resources. Approximately US$500 million has been mobilized for 62 countries,[18] mostly through the Adaptation for Smallholder Agriculture Programme (ASAP) launched in 2012, Global Environment Facility, Least Developed Countries Fund, Special Climate Change Fund and Adaptation Fund. This has made IFAD one of the largest recipients of smallholder agriculture adaptation resources.

117. ASAP was designed to build on IFAD's long history of work in natural resources management by incentivizing the inclusion of risk factors related to climate change, more explicitly in IFAD-supported project designs and implementation. As of May 2018, the cumulative disbursement for ASAP was US$80 million (37 projects); however, despite the adoption of this approach in country strategic opportunities programmes (COSOPs), the RIDE 2018 analysis suggested that about one-third of new projects were still not sufficiently assessing and protecting themselves from climate risks.

118. As a result of IFAD10 commitment to mainstream climate change into 100 per cent of COSOPs, adaptation to climate change has been separately rated from natural resources management and environment for the past three years. Of the 41 projects included in the 2018 evaluation sample, nine had no information or data on the assessment of adaptation to climate change and only five reported a satisfactory (5) rating. Key common elements to the best performing projects are linked to: (i) introducing practices and technologies conducive to communities developing climate change resilience; (ii) adopting diversified crop production (i.e. plant drought tolerant crops) or rehabilitating irrigation infrastructure leading to more sustainable and effective resource management; (iv) applying mobile farming systems as an effective response of transhumant communities to climate change; and (iv) training to develop awareness of beneficiaries regarding methods of farming under circumstances of resource scarcity.

119. The interventions of the Pastoral Water and Resource Management Project in Sahelian Areas in Chad, particularly in the field of pastoral hydraulics, have made it possible to support the resilience of transhumant livestock farming and the endogenous strategies of

[18] Ride 2018, page 19.

adaptation to climate change implemented by pastoral communities. The impact of the project in this area is linked, for example, to the adoption of drainage and rainwater collection methods to increase the availability of water. .

120. Factors that constrained adaptation to climate change activities were: (i) lack of a specific climate change strategy at design and during implementation; (ii) missing project alignment with IFAD policies; (iii) weak support from local governments in adopting policies addressing climate change threats and (iv) no assessment conducted on the actual impact of climate change.

121. For example, the project Enhancing the Rural Economic Competitiveness of Yoro in Honduras identified climate change as a significant challenge for the country at design, based on the fact that Honduras is ranked third for highest climate change vulnerability due to extreme climatic events such as hurricanes, droughts and intense rains. However, the priority identified in the 2012 COSOP to promote territorial classification based on climate, poverty and vulnerable groups was never implemented. Municipalities had no land management plans and received insufficient technical training, while the access to environmental licenses, as a crucial element to execute environmental practices and solutions towards climate change, was only partially achieved.

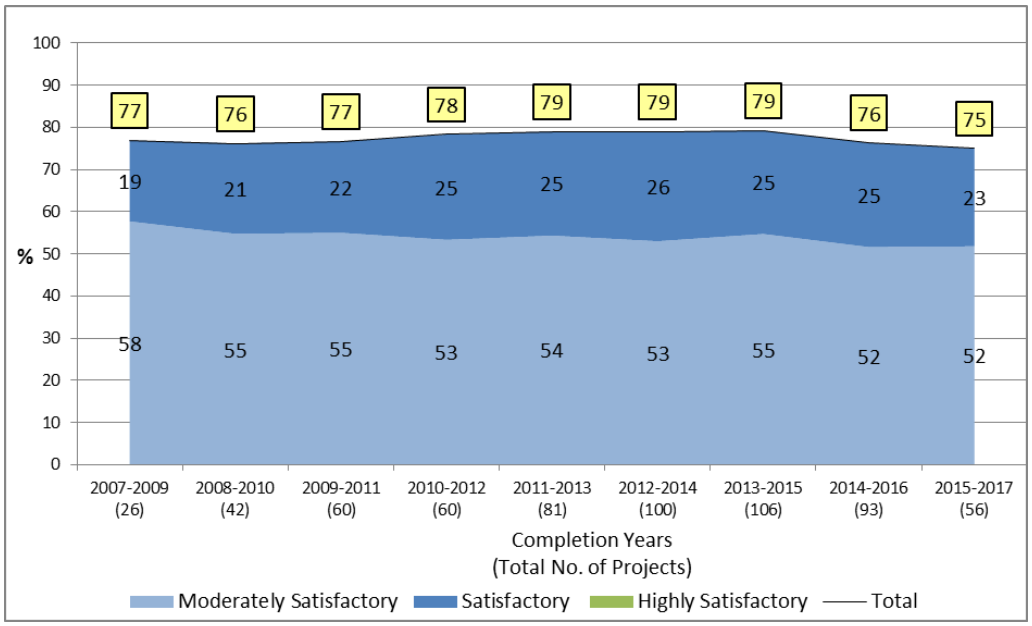
Box 12
Adaptation to climate change – Common factors in 2018 evaluations

Positive	Negative
• Including a climate change strategy at design for countries with fragile ecosystems • Strengthening legal and regulatory frameworks of vulnerable economic sectors • Training to develop awareness of beneficiaries regarding methods of farming under circumstances of resource scarcity • Supporting practices and technologies conducive to communities development of climate change resilience • Adopting diversified crop production and irrigation infrastructure leading to more sustainable and effective resource management	• Lack of a specific climate change strategy at design • Alignment with IFAD's policies and weak support from local institutions to address climate change • Planned interventions at design related to adaptation to climate change never undertaken during implementation • Need of synergy between climate change related activities and ENRM priorities

D. Overall project achievement

122. On average, 77 per cent of IFAD projects are rated moderately satisfactory or better between 2007 and 2017, showing an overall flat trend over time and a slightly lower share of **75 per cent** of projects in 2015-2017. Among the projects completed between 2015 and 2017, 52 per cent are rated moderately satisfactory, while 23 per cent show satisfactory performance, with both shares consistently flat over the last ten years. Performance in 2015-2017 improves only in ESA (70 per cent) and WCA (69 per cent), thanks to a significant increase in moderately satisfactory ratings in many criteria. The better performers, APR (92 per cent) and NEN (73 per cent), declined compared to 2014-2016 along with LAC (67 per cent), the weakest.

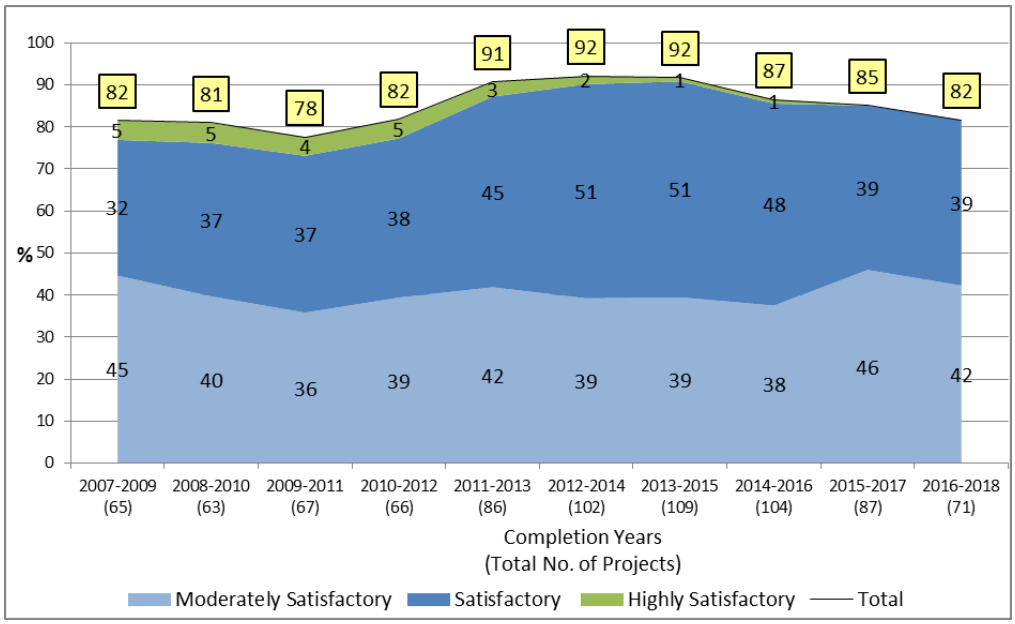
Chart 17
Overall project achievement (2007-2017)
Percentage of projects rated moderately satisfactory or better by three-year moving period



Source: IOE evaluation database (PCRV/PPE), April 2019.

123. **Declining trends more pronounced in PCR ratings.** Based on the percentage of positive ratings, both IOE and PCR ratings peak between 2011-2013 and 2013-2015 at 79 per cent versus 92 per cent respectively. While they both decline, the trend is more pronounced in Management's PCR ratings which are **82 per cent in 2016-2018**. The trend in average mean ratings are initially aligned from 2008-2010 and 2010-2012, but diverge with improvement in PCR ratings from 2010-2012 until 2012-2014 followed by a decline from 2013-2015 until 2015-2017. As IOE mean ratings remain flat throughout, the recent decline in PCR ratings has resulted in a lower average disconnect of 0.3. Overall project achievement is an overall assessment of the 10 evaluation criteria, not an average of rating. With regards to the PCR ratings, the decline in ratings may be related to the increased candour exhibited in PCRs during the same period.

Chart 18
Overall project achievement (2007-2018) – PCR ratings
Percentage of projects rated moderately satisfactory or better by three-year moving period



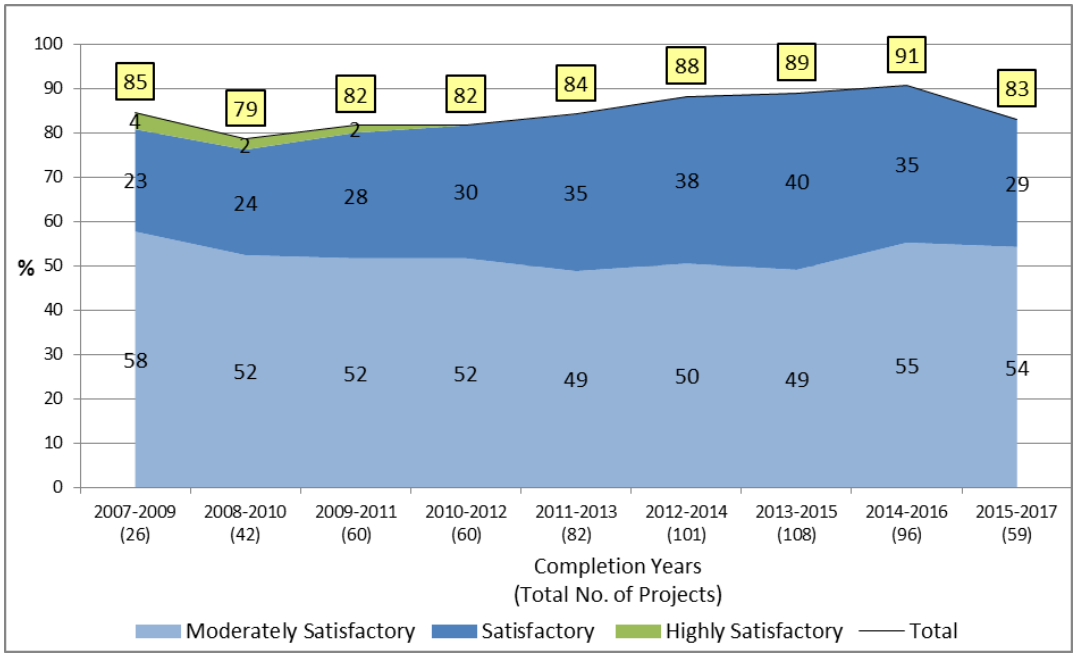
Source: PMD PCR ratings, April 2019.

E. Performance of partners

124. The following paragraphs assess the contribution of two key partners (IFAD and the government) to project design, monitoring and reporting, supervision and implementation support.

125. **IFAD's performance as a partner.** IFAD's performance as a partner was evaluated moderately satisfactory or better in **83 per cent of projects in 2015-2017**, slightly lower than the average of 85 per cent between 2007 and 2017. The downward trend is mainly due to the significant drop in satisfactory ratings between 2014-2016 and 2015-2017, while moderately satisfactory ratings maintain a flat trend. Highly satisfactory ratings have not appeared in the overall trend since 2009. Performance in the regions declined across the board though levels of IFAD performance as a partner remained high for LAC (90 per cent), APR (86 per cent), WCA (85 per cent) NEN (82 per cent) and ESA (73 per cent). Yet, IFAD performance as a partner is the only criterion in the 2015-2017 time period, together with relevance, showing mean ratings for all regions above 4. The trends for IOE and PCR mean ratings for IFAD performance as a partner are aligned, both declining in the last three time periods with an IOE-PCR rating disconnect from 2007 to 2017 of -0.33.

Chart 19
IFAD performance as a partner (2007-2017)
Percentage of projects rated moderately satisfactory or better by three-year moving period



Source: IOE evaluation database (PCRV/PPE), April 2019.

126. **Qualitative analysis for IFAD as a partner.** The 2018 evaluations confirm that IFAD is valued and trusted by governments for the quality and timeliness of its support, for its focus and flexibility and responsiveness. In many instances, IFAD has proven its strength by: (i) adapting design to implementation progress, evolving contexts and government priorities; (ii) learning from previous project designs and good practices; (iii) ensuring presence at country level with ongoing support, close supervision and flexibility in re-allocating financial resources; (iv) granting project extensions to help prioritize activities and improve disbursement rates and effectiveness; (v) encouraging partnerships and developing synergies with other agencies; and (vi) ensuring high quality knowledge management in project units and proposing investment alternatives to increase profitability.

127. IFAD followed NERCORMP II in India very closely. Annual supervision missions were undertaken for the entire project duration and, despite the Country Programme Manager

(CPM) turnover, the project's performance was not affected because of the country presence of IFAD. Clear definitions of responsibilities and deadlines, as well as comments and timely follow-up, were provided throughout the project's implementation process. Moreover, high quality knowledge management led to an accurate analysis of fiduciary aspects and compliance with financing agreement covenants. IFAD's role as a neutral actor was key in contexts where government intervention would not have been accepted by local communities.

128. The Government of Nicaragua has considered IFAD as an important partner for supporting and developing agricultural and rural initiatives because of its specialization and experience in the country, particularly in engaging small and medium producers in value chains and markets. Within PROCAVAL in Nicaragua, IFAD offered crucial flexibility for the development of the project. The approval of additional IFAD funds had a positive impact on the results achieved. IFAD's capacity to analyse problems and propose solutions during implementation contributed to the project's success. Even though Nicaragua did not have a country office, the project was supported by a team of consultants formed by a liaison officer, a rural development specialist, a finance specialist and a procurement specialist; all of them under the supervision of the CPM.

129. On the other hand, some key aspects have been identified as the main causes for lower ratings for IFAD performance as a partner. Besides the most common factor of high staff and CPM turnover, other reasons for low performance are linked to: (i) absence of gender or rural finance specialists in supervision missions; (ii) disconnect between geographic spread/number of activities and actual capacities on the ground to implement programmes; (iii) weak M&E and lack of consideration of lessons from past projects; (iv) absence of quantitative indicators in the logical framework; (v) low quality and frequency of supervision missions; (vi) lack of dialogue with other development agencies in the same territory; and (vii) inaccurate funding at design and estimation of project costs.

130. In Eswatini, within the Rural Finance and Enterprise Development Programme, consistent and strong support throughout the programme would have been crucial given it was the first sector-wide intervention in rural finance in Eswatini. To that end, IFAD did not provide dedicated and continuous technical support to the programme nor was it requested by the government. In Sri Lanka, the evaluation on the Iranamadu Irrigation Development Project highlights how an inappropriate estimation of the project costing and underestimation of the implementation period affected the full achievement of expected outcomes.

Box 13
IFAD performance as a partner – Common factors in 2018 evaluations

Positive	Negative
• Flexible design and adaptability to changing contexts • Capability of learning from previous experiences • Ensuring high quality of knowledge management in project unit and proposing investment alternatives to increase profitability • Ensuring presence at country level to establish valuable partnerships with governments and private sector • IFAD country office (ICO)-based consultations effective and efficient for problem-solving measures	• Limited budget for supervision missions • Absence of specialists in supervision missions • Disconnect between geographic spread/number of activities and implementation capabilities • Low and delayed disbursements • High staff turnover and need for improved M&E system

131. **Government performance.** The performance of government as a partner shows a slowdown for projects rated moderately satisfactory or better in 2015-2017 versus 2014-2016, reinforcing the downward trend of the last five years (since 2012). The percentage of projects rated moderately satisfactory or better is **61 per cent** in 2015-2017, a

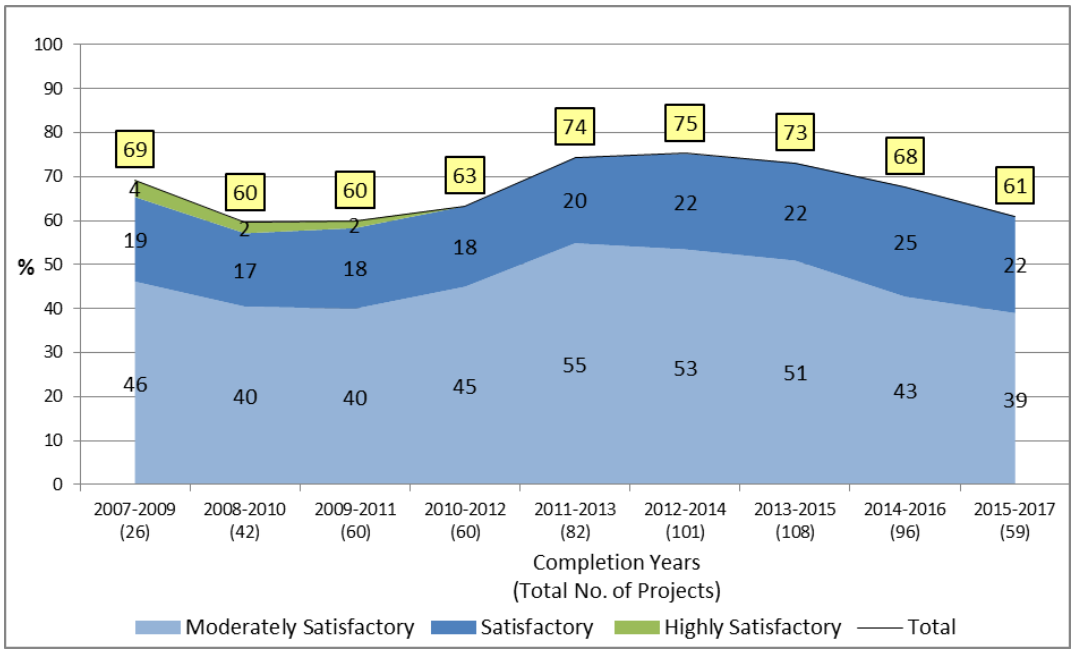
decline of 7-share points. The share of both moderately satisfactory projects and satisfactory projects declined 3 to 4 percentage points versus 2014-2016. Highly satisfactory ratings have not appeared in the overall trend since 2010, perhaps due to higher scrutiny resulting from direct supervision and the first edition of the Evaluation Manual. Performance slowed in all regions, driving the overall decreasing trend for the criteria. Though NEN and APR showed the highest declines, they remain among the better performers: APR (86 per cent), LAC (70 per cent), NEN (55 per cent), WCA (46 per cent) and ESA (45 per cent).

132. The trend in IOE and PCR mean ratings for government performance as a partner are slightly aligned, although trend is flatter for IOE than for PCRs. Both mean ratings are declining in 2015-2017 with an overall IOE-PCR disconnect of -0.32 in 2007-2017. Mean ratings for the criteria are below 4 in all regions, except for APR. NEN shows the highest disconnect with PCR ratings (-0.51).

Chart 20

Government performance as a partner (2007-2017)

Percentage of projects rated moderately satisfactory or better by three-year moving period



Source: IOE evaluation database (PCRV/PPE), April 2019.

133. **Qualitative analysis of Government as a partner.** The 2018 evaluations found that positive government performance as a partner can be linked to: (i) well-functioning PMUs; (ii) support and training of officers and resource centers; (iii) government adopting good practices; (iv) high commitment at provincial and national level, with a good degree of appropriation and participation from design to completion; (v) timely implementation of IFAD's recommendations; (vi) availability to provide funding and extend mandate to continue policy work; and (vii) partnerships with state and parastatal structures for project implementation.

134. In Viet Nam, TNSP was based on good commitment, support and improved capacity from the government. Since the MTR, with the assistance of additional technical experts, the implementation capacity in project districts and communes was significantly improved. At the local level, the Province Peoples' Committees made a timely direction to implement IFAD's recommendations and supported decentralization of investment ownership to districts and communes. As a result, different resources were integrated, the business environment was improved, and the project's innovative practices were institutionalized.

135. The 2018 evaluations include cases of weak government performance. Common elements for negative ratings are mainly linked to: (i) governments not capable of

settling inter-state coordination mechanisms for harmonising human and financial resources; (ii) no continuity in monitoring activities; (iii) delays in financial execution and implementation of activities; (iv) staffing issues or no traditional PMU in charge of the project; (v) insufficient procedures and structural adjustment policies; (vi) low accuracy and timeliness of government statistics; and (vii) changing political context leading to constant changes in programme coordination, limiting the stability of activities and resulting in serious delays.

136. The evaluation of the Small-scale Irrigation Development Project in Haiti reported low managerial quality of the project, leading to significant losses in terms of effectiveness and efficiency. The project's success was inhibited by weak coordination, strong compartmentalization between the different units and managers, non-transparent approaches and working methods, delays or partial implementation of the recommendations made by supervision missions. The lack of an appropriate accounting and financial management framework made it impossible to reconcile IFAD disbursements with project expenditures and caused IFAD to suspend the project.

Box 14
Government performance as a partner – Common factors in 2018 evaluations

Positive	Negative
• Timely implementation of IFAD's recommendations • Well-functioning PMUs and training of officers and resource centre • Provision of additional funding and extending mandate to continue policy work • Strong government ownership and oversight of projects and ability to scale up projects • Establishment of partnerships for implementation	• Government's weak supervision of projects • Low capacity and high-turnover of PMU staff • Delays in financial execution and implementation of activities • Poor fiduciary management capacity

III. Country strategy and programme performance (2006-2018)

137. **Background.** Country Strategy Programme Evaluations (CSPEs) provide a broader assessment of the IFAD-government partnership in the reduction of rural poverty and serve to inform the development of new country strategies and IFAD-supported activities in the country.

138. This chapter on CSPEs analyses and reports **on performance beyond the project level and identifies lessons that cut across IFAD country programmes**. In accordance, this chapter outlines IFAD's performance in relation to: (i) non-lending activities (i.e. country-level policy engagement, knowledge management [KM], and partnership-building); (ii) country strategies (i.e. the COSOP) in terms of relevance and effectiveness; and (iii) cross-cutting issues of importance to ongoing and future IFAD country strategies.

139. Historically, a total of 72 CSPEs have been undertaken by IOE since the product was introduced in the 1990s (see Annex III for complete list). Of these, 50 CSPEs have been completed since 2006 based on a consistent methodology including the use of ratings, which allows for aggregating results across country programmes. This year's ARRI include five new CSPEs carried out in Angola, Burkina Faso, Kenya, Sri Lanka and Tunisia.

A. Performance of non-lending activities

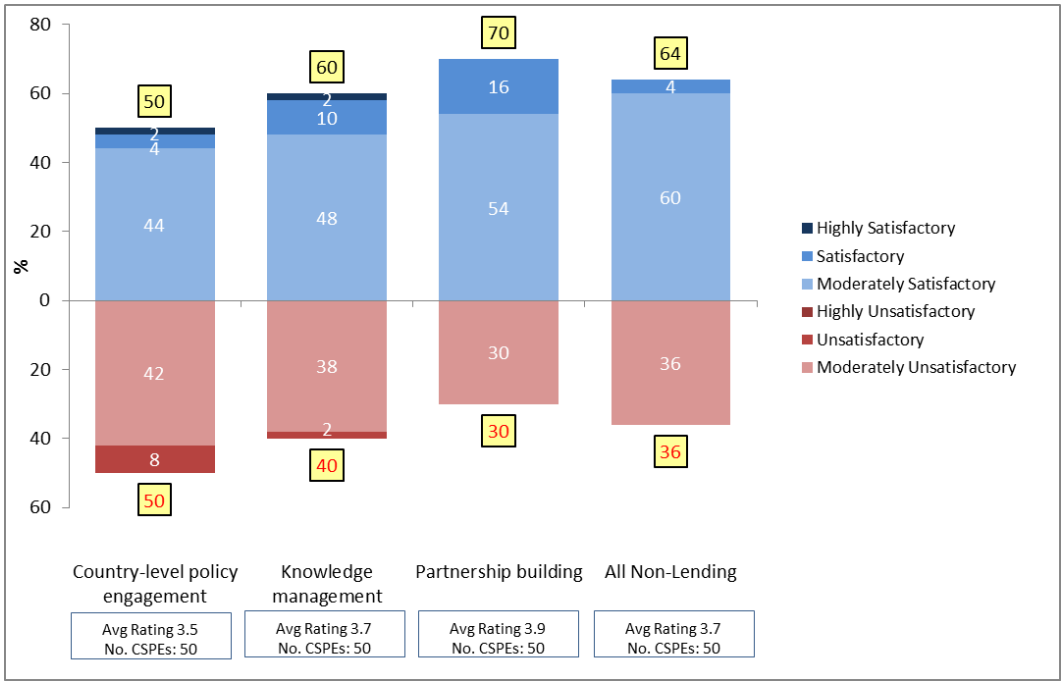
140. Knowledge management, partnership-building and country-level policy engagement are mutually reinforcing actions to complement IFAD's investment projects. They are

increasingly recognized as essential instruments to promote institutional and policy transformation at country level and scale up the impact of IFAD operations for deeper results in rural poverty reduction. Given the limited number of CSPEs, past ARRIs presented ratings for non-lending as an aggregate only in terms of moderately satisfactory or better. However, in response to Management's request, the 2019 ARRI presents the breakdown of the ratings for non-lending activities by replenishment blocks in line with the special chapter. Performance during these replenishment periods reflect primarily the CSPEs, rather than general trends, therefore, emphasis is placed on the qualitative analysis.

141. Chart 21 is a consolidated summary of the performance of 50 country programmes evaluated since 2006. The total percentage of country programmes considered moderately satisfactory for the overall non-lending activities is 60 per cent in 2006-2018, which is slightly less than the 64 per cent in 2006-2017 and 65 per cent reached in 2006-2016. Satisfactory ratings remain at 4 per cent of programmes compared to last year but are slightly lower than the 5 per cent in 2006-2016 period. No highly satisfactory ratings have been reported. A total of 64 per cent of the 50 programmes since 2006 is considered to be performing positively versus 68 per cent last year and 70 per cent two years ago.

142. In 2006-2018, partnership building shows the highest percentage of positive ratings (70 per cent), followed by knowledge management (60 per cent) and country-level policy engagement (50 per cent). The average rating is below 4 for all three non-lending activities throughout the period, with partnership building showing the highest average rating at 3.9.

Chart 21
Performance of non-lending activities
Percentage of evaluations by rating, 2006-2018 (year of evaluation)



Source: IOE CSPE database (50 evaluations), March 2019.
Note: totals may not add up due to rounding.

143. Thirty-three of the total 50 CSPEs were conducted in middle-income countries (MICs) and 17 in low-income countries (LICs). Of the CSPEs included in the 2019 ARRI, one was done in LICs (Burkina Faso) and four in lower MICs (Angola, Kenya, Sri Lanka, Tunisia). In addition, all other 2019 ARRI's CSPEs have been done in the country for the first time, except for Kenya. Analysis was conducted comparing the proportion of satisfactory and unsatisfactory ratings for LICs and MICs across the four non-lending evaluation criteria. While average ratings across non-lending criteria are similar, MICs received a higher

percentage of positive ratings for country-level policy engagement (52 versus 47 per cent) and knowledge management (64 versus 53 per cent). LICs have more positive ratings for partnership (82 versus 64 percent) and higher average ratings of 4.2 versus 3.7; this is consistent with past evaluation findings that there is more opportunity for partnership in LICs where a greater number of bilateral and multilateral agencies operate and given some MICs do not promote international co-financing. Nonetheless, MICs continue to have a high demand for financing and knowledge partnerships to not risk their poverty-reduction gains and to maintain their track record for promoting growth and addressing climate change.[19] South-south triangular cooperation offers another opportunity for IFAD to build partnerships with MICs as well as LICs as illustrated in the box below.

Box 15
South-south triangular cooperation - Role in partnership building

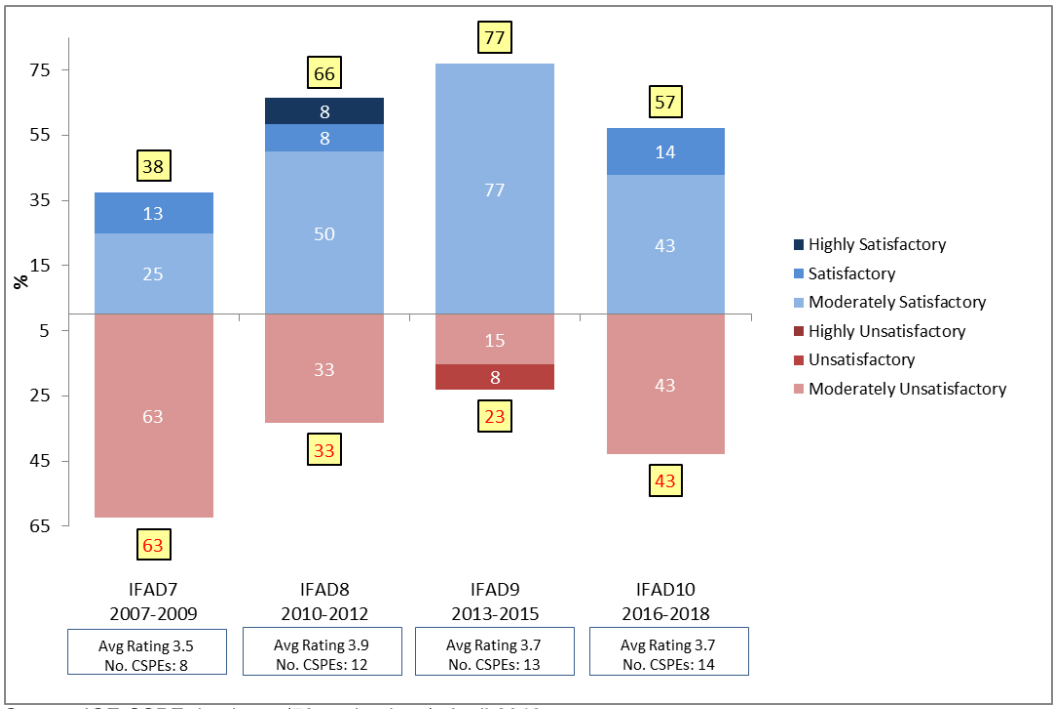
- In **CSPE Angola** steps have been taken under the umbrella of the South-South and Triangular Cooperation with other lusophone countries: (i) **with Brazil**, contacts were only at a very incipient stage; (ii) **with Mozambique**, in July 2017 an IDPAA and AFAP delegation visited some of the PROAQUA and ProPesca activities in the country. Overall, the visit was considered useful, but did not lead to any plan of further exchange or collaboration.
- In the view of the CSPE, there could be opportunities to be explored in future with Brazil and its agricultural research organization, on themes such as agro-ecology, water-harvesting, soil fertility conservation and restoration, in tropical edaphic and climatic conditions.
- In **Kenya**, the promotion of south-south cooperation was achieved through the learning route methodology and the design of innovation plans under the PROCASUR grant.
- In **Sri Lanka**, both COSOPs presented a long list of institutions with potentials for partnerships, complementarities and synergies. While the 2003 COSOP limited the discussion largely to donor agencies and Non-Governmental Organizations, the 2015 COSOP is more diversified and includes the private sector, "partnership with non-traditional donors", and South-South cooperation by supporting knowledge sharing covered by grants.

144. The following sections examine more closely performance for each of the non-lending activities. The analysis focuses on the period 2016-2018 and the factors of good and weaker performance emerging from CSPEs included in the 2019 ARRI.

145. **Knowledge management.** IFAD's strategic framework 2016-2025 clearly recognizes the importance of KM as a key activity for strengthening the organization's development effectiveness. Knowledge generated by IFAD programmes is a key resource to further the organization's mandate of sustainable and inclusive rural transformation. The strategic framework states that a core purpose of IFAD's KM must be to "identify, develop and promote successful and innovative approaches and interventions that have demonstrated potential to be scaled up." While KM performance rose considerably from 2007-2009 up to 2013-2015, in 2016-2018 the trend inverts and declines to 57 per cent moderately satisfactory and above, though there are more satisfactory ratings. The qualitative analysis below presents examples from the sample of CSPEs conducted during IFAD10.

[19] CLE on Financial Architecture/The World Bank Group's vision to 2030.

Chart 22
Knowledge management
Percentage of evaluations rated moderately satisfactory or better, 2006-2018 (year of evaluation)



Source: IOE CSPE database (50 evaluations), April 2019.
Note: totals may not add up due to rounding

146. In **Burkina Faso**, the COSOP 2007-2012 planned to build on a "strategy for innovation, communication and knowledge" to inform the framework for policy initiatives and to regularly disseminate lessons learned at national, regional and international levels. IFAD needed to add value through its experience in areas such as rural micro-enterprises, irrigation and management of natural resources and community development. The COSOP mentioned the need for a "holistic" approach to KM and communication, by integrating the educational dimension and recommending technical, logistic and human partnerships. Despite the significant amount of knowledge generated, developed or tested, most projects in Burkina Faso did not have a clear approach to KM and project designs only partially benefited from the lessons learned from past and ongoing projects. Without an adequate budget and a clear definition of responsibilities, KM has been weak at national level and still far from the ambitious interventions mentioned in the COSOP.

147. The **Angola** CSPE noted a good degree of implicit knowledge management in the integration of lessons learned from past projects in Angola as well as other regions (i.e., APR). MOSAP I developed its systems of KM, with common indicators and specific annual targets at the provincial level: data were collected, analysed and consolidated by the central PMU. However, despite the recognized efforts, the data was not systematically used as a management tool or KM, resulting in a lack of evidence on poverty reduction or food security. The expanded IFAD portfolio in Angola will require specific efforts across the different interventions, in terms of: (i) exchanging experiences and lessons learned; (ii) harmonizing monitoring indicators; (iii) defining methods of data collection; (iv) coordinating and planning communications and KM milestones, product and events.

148. Regional grants account for most of the grants in the **Kenya** portfolio. Except for grants that focused on knowledge management there was lack of a clear framework to engage with the country programme. This resulted in knowledge being disseminated through regional workshops as opposed to country-level workshops, which would have been more effective. The country portfolio could have benefited from more country-specific grants.

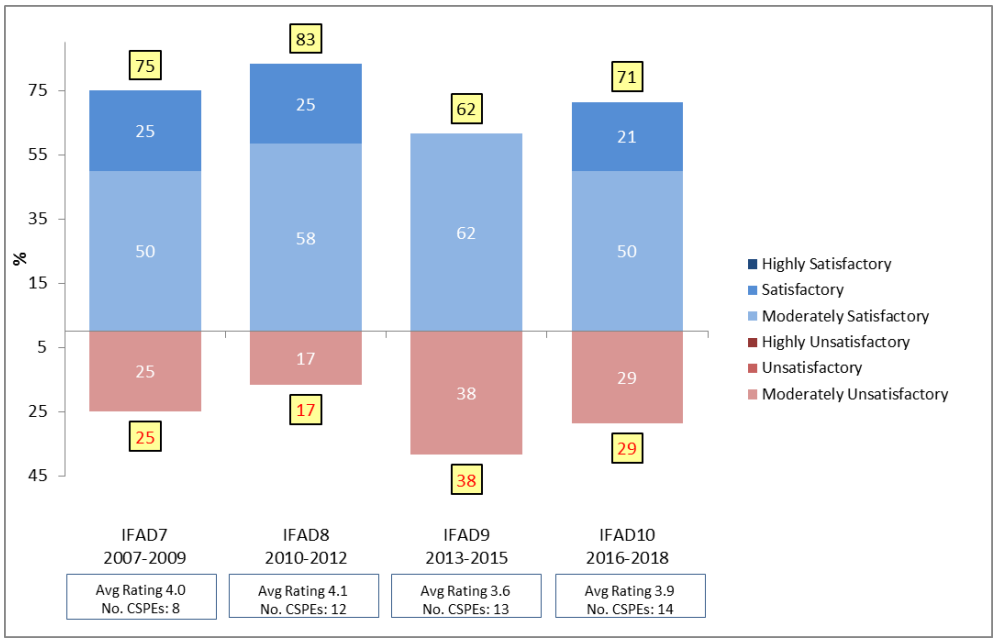
Box 16
Grants – Facilitating knowledge management

- In **Sri Lanka CSPE**, **the grant-funded activities made little contribution to knowledge management.** The use of grant instruments has been limited and there is little evidence that grant-funded activities helped generate knowledge and lessons that could be taken up for the Sri Lanka country programme. Some grants **marginally contributed to knowledge exchange and learning by project staff**.
- The **Angola COSOP** refers to **provisions for a number of small self-standing grants**, through which studies or action-research small initiatives would be carried out and contribute to building a knowledge-base about various aspects of rural development. The CSPE, however, found no reference to the outcomes of these grants, although the possibility of this happening in the MOSAP I project in an informal manner is not excluded.

149. The **Tunisia** CSPE found that there were no KM strategies at either the programme or project levels and only ad hoc efforts to disseminate innovative experiences on territorial development and rangeland management. The obstacles concerning the capitalization and dissemination of project achievements were multiple: (i) lack of real strategies; (ii) weak communication and KM culture with technical services; (iii) lack of dedicated human and material resources; (iv) weak M&E systems and lack of partnerships with the media. Weak capitalization of the acquired knowledge by the projects limited the promotion of the good practices and innovative experiences in several domains, such community development, natural resources management, transformation of agricultural production systems and promotion of entrepreneurial initiatives in rural areas.

150. **Partnerships.** Effective partnership building and results depend on a number of factors, but IFAD country presence and government capacity are among the most important. Where IFAD established country presence, the frequency and quality of interactions with national government counterparts improved and enabled IFAD's participation in sectoral donor and other partner coordination groups. That said, partnership building performance has been uneven across the different time periods with higher performance in 2007-2009 and 2010-2012, lower performance in 2013-2015 and slightly better performance in 2016-2018 to 71 per cent of moderately satisfactory or better ratings.

Chart 23
Partnership building
Percentage of evaluations rated moderately satisfactory or better, 2006-2018 (year of evaluation)



Source: IOE CSPE database (50 evaluations), April 2019.
Note: totals may not add up due to rounding

151. The 2018 CSPEs report different levels of partnership-building between IFAD and government, multilateral organizations and the private sector. In **Angola**, the 2005 COSOP identified "strategic links with partner agencies" as a central element of its support to agricultural and rural development in the central highlands and in the rehabilitation and reconstruction of social infrastructures. Solid evidence was found by the CSPE of IFAD being valued by the Government as a trustworthy partner able to adjust to various circumstances (i.e. extending loans to avoid delays in implementation). In addition, IFAD's commitment to the rural poor was widely recognized and appreciated across all ministries concerned. MOSAP I in Angola was particularly successful in establishing partnerships among the World Bank, IFAD and the Food and Agriculture Organization (FAO), leading to good results at policy, institutional and community levels and laying the foundation for sustainable good practices for future relevant projects in the country.

152. During the fifteen years covered by the **Tunisia** CSPE, partnerships between projects and public services, research institutions, private providers and civil society organizations have been very important, despite the low interest of some partners in the past. IFAD has not diversified its partnerships at the government level, and partnerships with other donors and development agencies have remained very modest at the operational level, despite various medium-scale co-financing. Collaboration and synergies between projects were rare and not organized in a specific framework, mostly due to interventions' different geographical location and the absence of concrete incentives and opportunities for collaboration.

153. Cooperation with the private sector has become even more important with the value chain approaches promoted by IFAD. In the **Sri Lanka** CSPE, it is noted how IFAD has maintained good working relationships at central government level and with multiple project implementing agencies. Collaboration and partnerships with other development agencies have been limited and co-financing has been drastically reduced compared to the period 1978-2002. Partnerships with non-governmental organizations or farmers' organizations have also been limited. On the positive side, in recent years partnerships with the private sector have become a prominent feature of the country programme. However, the CSPE highlighted the need to pay greater attention to enhance the additionality of public-funded support, for example, by exploring the scope for cost/risk-sharing mechanisms or complementary investments in public infrastructure to encourage agribusiness partners to invest in and/or test innovative solutions.

154. In contrast, the **Kenya** CSPE highlights how private sector partnerships have continued to be weak, despite the 2011 country evaluation recommendations. The role of the private sector was not effectively built at design for the horticulture, dairy and cereal value chain projects, and private sector actors were seen to have complementary though secondary supporting roles as service providers or for leveraging. Only in some recent operations, certain private sector actors (particularly banks, agro-dealers and traders) have taken a more active role and their involvement is likely to expand further in the future.

155. The **Burkina Faso** CSPE reported a strong partnership with the government, while remaining restricted at the level of the ministry in charge of agriculture from a strategic point of view. The mobilization of co-financing with technical and financial partners has been important, as illustrated in box 18 in general, and particularly with the OPEC Fund for International Development and AfDB in Tunisia. However, technical partnerships remained weak, especially with FAO. At the project level, many operational partnerships have been established with state, Non-Governmental Organizations and private institutions for technical assistance, research and development. These partnerships have been very effective with research institutions, grassroots operators and producer organizations, but have suffered with other institutions, mostly because of lack of expertise, commitment and project approaches.

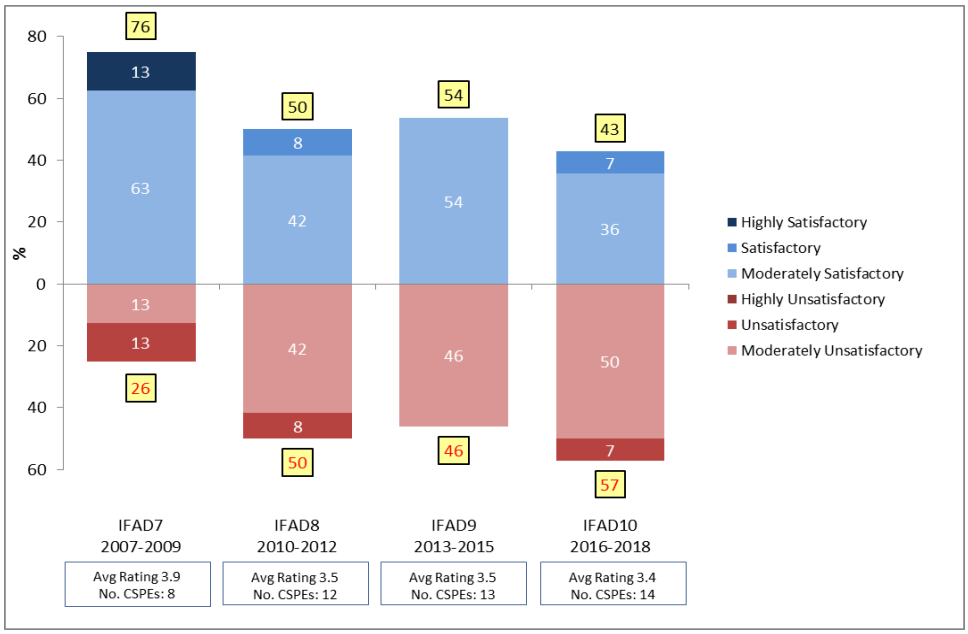
Box 17
Corporate-level evaluation (CLE) on financial architecture

- IOE identifies **three main categories of partnerships**[20]: (i) co-financing and other financial arrangements, (ii) knowledge and learning, and (iii) coordination and cooperation for various purposes and partnership outcomes.
- Co-financing and national counterpart financing combine the financial resources of partners to support development efforts and **are essential for scaling up.**
- On the basis of IFAD's reported data, over the 12-year period from 2007 to 2018, there was a slight tendency for the ratio of **international co-financing to decline** and that of **domestic counterpart funding to increase.**
- Between 2007 and 2018, **domestic** counterpart funding has formed **66 per cent** of total co-financing, while the i**nternational** co-financing accounts for **47 per cent** of total co-financing.
- This was **in line with the target** for the overall co-financing ratio under IFAD9 and IFAD10 (1.2:1), although the target will be raised to 1.4:1 under IFAD11.
- **LAC** is the region with the **highest domestic co-financing** as a ratio to IFAD investment. **APR** is **surprisingly low**, comparable with **ESA**, and **NEN** has a **less favourable ratio** of domestic co-financing to IFAD investment.
- There is scope for **increasing** international co-financing from **multilateral DFIs.** In particular, opportunities may arise **in connection with climate-related funding**.

156. **Country-level policy engagement.** IFAD's Action Plan for Country-level Policy Dialogue defines "country-level policy dialogue as a process to engage, directly and indirectly, with IFAD's partner governments and other country-level stakeholders, to influence policy priorities or the design, implementation and assessment of formal institutions (e.g. laws, administrative rules), policies and programmes that shape the economic opportunities for large numbers of rural people to move out of poverty." Currently, IFAD uses the broader concept of country-level policy engagement, which adds to the above definition the notion of collaboration and consideration of a range of approaches that IFAD adopts to engage in the policy process. However, performance across time periods shows a decline from 75 per cent in positive ratings in 2007-2009 to only 43 per cent in 2016-2018.

[20] ESR on "Building partnerships for enhanced development effectiveness" from 2017.

Chart 24
Country-level policy engagement
Percentage of evaluations rated moderately satisfactory or better, 2006-2018 (year of evaluation)



Source: IOE CSPE database (50 evaluations), April 2019.
Note: totals may not add up due to rounding

157. The 2005 COSOP acknowledged that IFAD had had limited leverage in **Angola** through policy dialogue and committed to focusing on pro-poor agricultural development policies, in partnership with the UN and other agencies in the country. During the implementation of MOSAP I, key decisions had to be made, such as the selection of the FFS approach as the extension methodology to be adopted by the project, with FAO as a service provider.

158. National high-level policies and plans for agricultural and rural development did exist, but there were gaps at the level of policy implementation, with respect to both institutional capacity and ground-validated knowledge about what would work better to achieve the established goals. A very pragmatic approach, in collaboration with other partners, allowed the development of new opportunities within projects to test different implementation options and learn lessons that could feed into strategic decision-making and eventually inform new policies.

159. IFAD's policy engagement was largely linked to design, supervision/MTR missions and steering committees, when exchanges took place with the central and decentralized institutional structures on the priorities, the targeting and the methods of IFAD interventions in rural **Tunisia**. The Tunisia CSPE highlighted, in the absence of IFAD representation, the weak coordination and dialogue between the donors and the government. Additional factors contributing to weak performance in policy engagement included limited efforts to capitalize on successful project-level experience, low representation of apex farmers' organizations and the general political instability in the country.

160. The lack of a dedicated budget for policy dialogue in **Burkina Faso** has been an important handicap to effective engagement. Prior to the establishment of the country office in Burkina Faso in October 2010, IFAD was represented by a focal point in the donor group, building on the projects. The PDRD was considered a "leader" for land issues, including the political dialogue on land tenure security in rural areas. The Agricultural Commodity Chain Support Project and PIGEPE were to be considered as "lead" projects for the development of value chains and policy dialogue on pro-poor water management and water irrigation technologies.

161. However, the country team has not sufficiently used the opportunities posed by project activities to engage in policy advocacy to enable the integration of effective pro-poor

measures into government strategies. Given Burkina Faso's current budgetary difficulties, the government's decision to focus on increasing agricultural production through the mobilization of private investment seems to favour medium and large farms for their greater responsiveness to incentives, making it difficult to shift the policy towards addressing the needs of small family farms, especially the poorest.

162. **Key factors for non-lending activities**. The 2018 CSPEs highlight the importance of non-lending activities as vehicles for enhancing the overall impact of results from IFAD's country programmes.

163. IOE evaluations frequently highlight the importance of **capitalizing on the sharing of good practices, innovations and lessons learned from projects**. IFAD needs to value its experience and important achievements by promoting their dissemination, also in national languages. Lack of resources at country level as well as limited capacity in human resources and technical knowledge often interfere with an effective launch of a knowledge management process.

164. Country-level policy engagement can achieve important results by increasing focus on the rural poor and adopting an extensive methodology that provides **common pathways for dialogue and accountability** between government and other stakeholders. Successful projects relied on IFAD being able to draw from project experiences to influence policy making as a starting point for policy advocacy and enhanced capacity for marginalized groups.

165. At the same time, **political instability, as well as the absence of functional frameworks, clear objectives within the country strategies, dedicated resources and adequate levels of representation of stakeholders**, remain amongst the main causes of ineffective policy dialogue. Notably, country programmes often include project-supported activities that do not provide inputs or a basis for IFAD to engage in policy issues and are merely confined to the operational/project level without the prospect of follow up.

166. Partnerships with governments have been successful particularly in instances where IFAD has been considered an **important and trustworthy partner**, able to adjust to varying circumstances and to show flexibility and willingness to find alternative solutions to changing contexts. It also has been assessed that strategic and operational partnerships with multilateral development banks, Rome-based Agencies and civil society have been effective in leveraging policy influence, especially when **competence and expertise co-existed** to meet project requirements.

167. However, common limitations for great outreach and complementarity of results in partnerships are often linked to the **absence of engagement** by actors to go beyond the project's life, the availability of **material and human resources** and the **clarification of respective roles**. Co-financing partnerships are necessary, but not sufficient for achieving key partnership goals: while they enable policy engagement and synergies, there also can compromise the quality of operations (i.e. slow or unequal disbursements between donors).

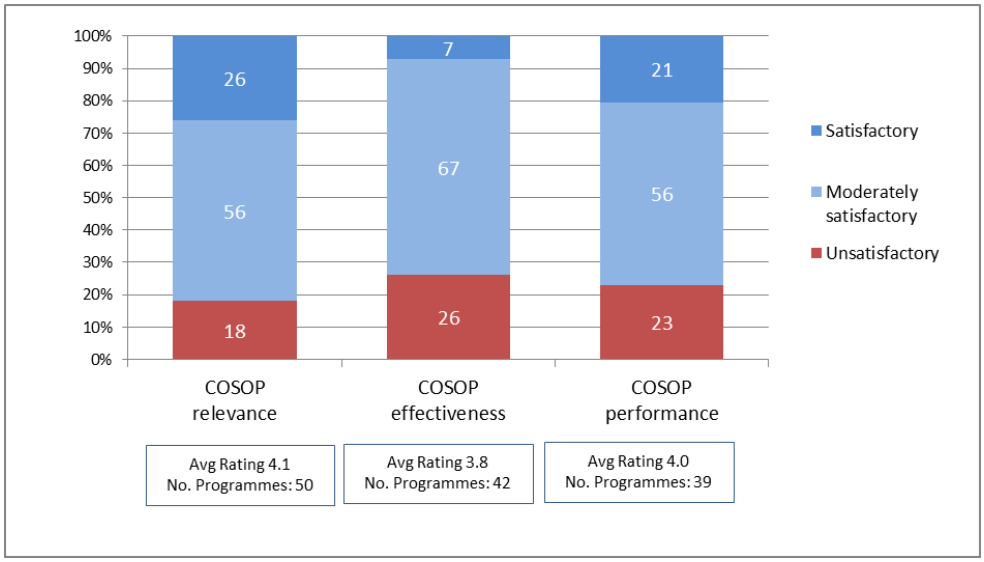
168. Synergies between lending and non-lending activities need to be addressed as a main priority for IFAD operations. IFAD will improve the relevance of its strategies and the effectiveness of its operations only where there is more capacity to undertake analytical work to inform policy engagement, partnerships and knowledge management,

B. Country strategies

169. Country strategic opportunities programmes (COSOPs) are fundamental instruments to determine IFAD's strategic positioning in the country and to articulate the mix of interventions that will contribute to rural poverty reduction. Results-based COSOPs were introduced in 2006, which sharpened their results orientation. Each CSPE includes an assessment and ratings for COSOP performance, which entails the review of relevance and effectiveness of IFAD country strategies. Based on these ratings, CSPEs also generate an overall rating for COSOP performance.

170. Chart 25 summarizes the ratings from the 50 CSPEs done between 2006 and 2018. COSOP relevance is assessed as moderately satisfactory or better in 82 per cent of IFAD country strategies, effectiveness in 74 per cent and COSOP performance in 77 per cent. The majority of the ratings fall in the moderately satisfactory zone (more than half), while none of the country strategies is found to be highly satisfactory for any criteria. COSOP effectiveness has the highest percentage (67 per cent) of moderately satisfactory rating and the highest percentage of unsatisfactory ratings (26 per cent), as well as the lowest average rating overall (3.8).

Chart 25
Results of COSOP relevance, effectiveness and performance
Percentage of country programmes rated moderately satisfactory or better, 2006-2018 (year of evaluation)



Note: COSOP performance is a composite rating based on the individual ratings for COSOP relevance and COSOP effectiveness based on the available evidence and the objective judgement of the evaluations.
Source: IOE CSPE database, April 2019.

171. **Cross-cutting issues.** CSPEs conducted in 2018 identified several cross-cutting issues that merit attention for improving ongoing and future IFAD country strategies. However, one-size does not fit all and the measures to address the issues need to be differentiated based on the fragility or income status of the country.

172. IOE evaluations have frequently underlined the need for IFAD to strengthen and support its **competitive advantage**, where present, as a champion for sustainable and pro-poor agricultural and rural development. By creating an enabling environment and directly supporting small-scale producers to improve their livelihoods and rise out of poverty, new sustainable market opportunities will emerge and reduce the vulnerability of rural communities.

173. In order to do that, IFAD-supported projects should first include a stronger focus on **women's empowerment and youth inclusion**. Projects' targeting strategy and implementation approaches should fully integrate a gender equality perspective and aim to generate sustainable and attractive opportunities in the rural areas to include women and youth in accessible capacity development opportunities, rural financial resources and sustainable livelihoods. Dedicated staff resources in project coordination units, also shared across interventions, are likely to be the most successful approach.

174. In those instances where **COSOPs have focused on an intervention strategy** on supporting the rural poor, including women and youth, to re-establish their productive capacity and their progress towards food security and better livelihoods, some empowering methodologies have been established. By **facilitating dialogue** between poor small-scale producers and institutions, national methods of agricultural extension at a large scale have been implemented. Nevertheless, policy-related agenda are still missing the "what" and "how", in particular in the management of development

initiatives and on fiduciary issues, as well as some areas of key importance in agricultural and rural development.

175. The establishment of solid **partnerships** to achieve and upscale results has to be supported by **intensive and closer guidance for projects to operate efficiently and effectively** in the country, and by a continued presence to ensure the level of networking, dialogue, and coordination required to achieve the ambitious expected results. Yet there are a number of contextual factors that often affect the coherence of the comprehensive results from partnerships and allow country programmes to be driven more by events than a vision which provides direction.

176. Government commitment and support for **private sector development** is key for IFAD to promote effective income-generating activities in agriculture and rural development, as well as to improve living conditions in rural areas. Achieving food security through higher incomes and greater food resilience are central tenets of the **public-private-producers partnerships strategy**. When adopted, it has brought a renewed impetus to the agriculture sector, and IFAD has been well-placed to align with the imperatives of improving food security alongside a more competitive, market-led enterprise-driven approach backed by government policy and regulatory reform.

177. When relevant and in line with the project's goals, **grants contribute to promote exchanges between project staff and policy-makers**, capacity building, innovation and knowledge sharing. One issue related to policy engagement is the difficulty in directly linking grant interventions at country or regional level to policy reform since to a large extent, such changes result from a multitude of stakeholders. An improved integration of projects and non-project grants to ensure complementarity and synergies can fill design gaps on cross-cutting issues.

178. Finally, there is an expectation that stronger **decentralization** will contribute to create new opportunities for IFAD to be more involved in country-level policy processes. However, it is important to acknowledge that ICO capacity is not always sufficient to aggregate and share evidence across the portfolio. With limited resources, complexity of projects, wide-geographical distribution of activities and little time to engage in non-lending activities, country offices are often under pressure in supporting projects.

IV. IFAD performance by replenishment

179. **Introduction**. Every three years IFAD replenishes the Fund through contributions from its member states. Replenishments are based on commitments IFAD makes which effectively operationalize IFAD's strategic direction. Commencing in 2016, IFAD's Tenth Replenishment (IFAD10) coincided with both the start of the SDGs and IFAD's new Strategic Framework (2016-2025). As such, IFAD10 served to operationalize IFAD's new strategic objectives designed to meet the ambitious goals of Agenda 2030 – the SDGs.

180. IFAD's strategic framework aims to make IFAD *bigger, better and smarter*. IFAD would become *bigger* by mobilizing substantially more funds and resources for investment in rural areas. It would be *better* by strengthening the quality of IFAD's country programmes through innovation, knowledge-sharing, quality-at-entry and implementation support, partnerships and policy engagement. Finally, IFAD would be *smarter* by delivering development results in a cost-effective way that best responds to partner countries' evolving needs.

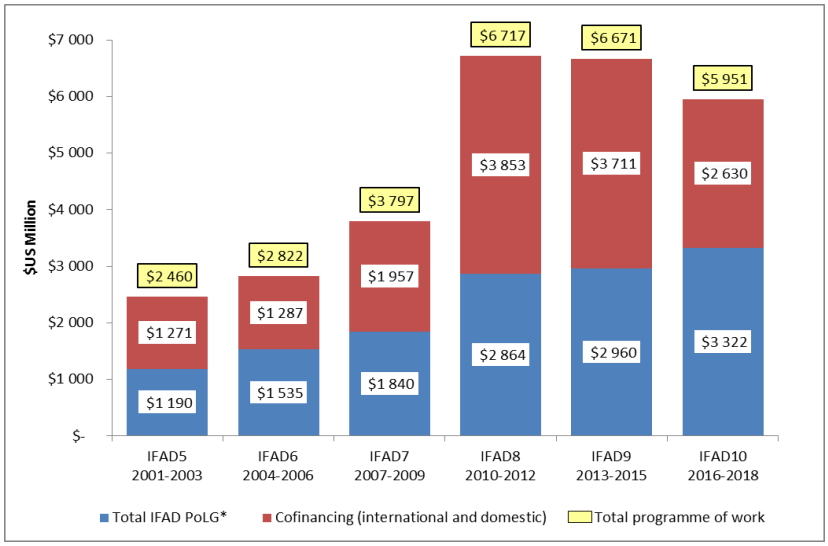
181. This special chapter examines IFAD's performance over replenishment periods with a particular focus on IFAD10. It presents high-level analysis with preliminary findings to assess IFAD's progress towards the "Bigger, Better, Smarter" aims of its strategic framework and flag potential issues. The quantitative analysis examines and compares two types of project samples: i) approved and ii) completed during the respective replenishment periods. In the sections "Bigger" and "Smarter" the sample includes 37

projects from IOE's all evaluation data series[21] that completed in the IFAD10. The projects in this sample completed between 2016 and 2017 and were approved between 2002 and 2012; no project in the sample completed in 2018. Therefore, in the "Better" section, the indicative findings are based on triangulating the quantitative analysis on the 37 projects from IOE's all-evaluation data series by block with the moving period analysis of 59 projects from IOE's PCRV/PPE data series and 73 projects from Management's PCR rating sample – as well as with the qualitative findings. Although further analysis on a more complete sample is required to confirm these initial findings, they provide an indication of issues highlighted in evaluations that require attention to ensure the successful achievement of IFAD's strategic objectives.

Bigger

182. **The global food crisis triggered a steep rise in IFAD's approved Programme of Work (PoW) in IFAD8.** A trend analysis from IFAD5 provides a long-term perspective of IFAD's PoW, consisting of IFAD's programme of loans and grants and co-financing (international and domestic). As shown in Chart 26, IFAD's approved PoW made a huge leap between IFAD7 and IFAD8 from US$3.8 billion to US$6.7 billion. An initial increase in the programme of loans and grants (PoLG) of 56 percent was accompanied by a significant 97 per cent rise in co-financing. This transformational change in IFAD's PoW reflected the emerging needs and priorities resulting from the rise in food and fuel prices which greatly affected the agricultural sector. After the food crisis, IFAD basically maintained this higher level of investment through steady increases in the PoLG and not co-financing which decreased slightly between IFAD8 and IFAD9 and significantly in IFAD10 (-29 per cent). This decline is notable since according to the OECD, funding for agriculture and rural development actually increased 27 per cent between 2012 and 2017. Therefore, new investments in IFAD9 and 10 had the potential to increase particularly through co-financing as discussed in the section "Better."

Chart 26
IFAD approved Programme of Work (PoW) by replenishment period (US$ million)



*includes resources from ASAP.
Source: IFAD's Annual report from 2005 to 2018.

183. **While IFAD's ongoing programme of work increased significantly, the number of projects declined, indicating "bigger" projects between IFAD8 and 10.** An analysis of IFAD's ongoing portfolio, as reported in IFAD annual reports, shows that the total ongoing programmes and project financing (including co-financing) grew from an average of US$6.0 billion in IFAD5 to US$14.5 billion in IFAD10 with a jump of 42 per cent in IFAD8. The total number of projects which includes all projects that were

[21] Each year the ARRI uses the all evaluation data series for the analysis of operational performance by replenishment periods to ensure a larger project sample size for this block analysis.

approved and effective, but not yet completed, also spiked in IFAD8 to 243. However, the increasing trend in total project and programme financing is not reflected in the total number of projects which declined between IFAD8 and IFAD10. This increase in the ongoing portfolio accompanied by a decrease in number of projects resulted in a steady increase in the total financing per project from US$42 million to $69 million.

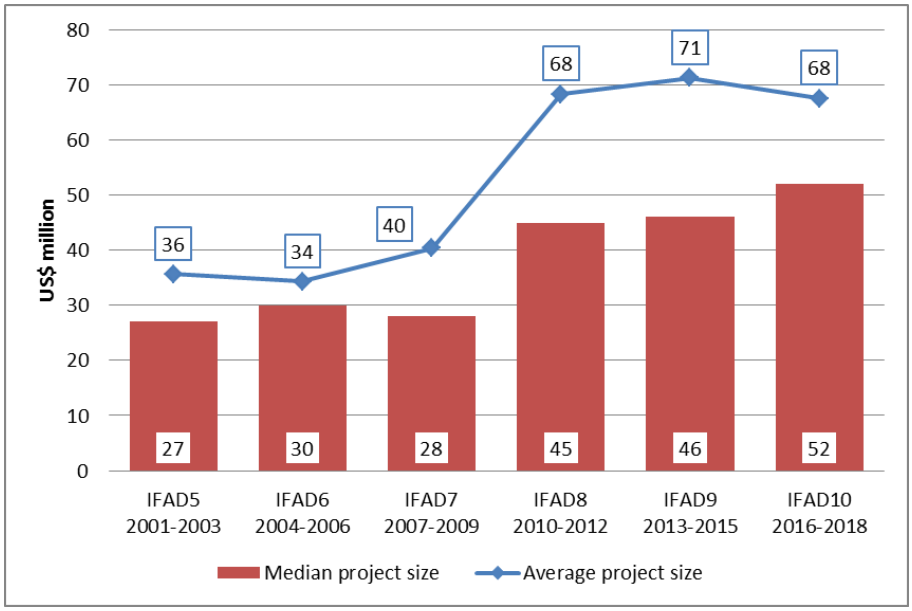
Table 8
IFAD ongoing Programme of Work (PoW) by replenishment period (US$ million)

	IFAD5 2001-2003	*IFAD6 2004-2006*	*IFAD7 2007-2009*	*IFAD8 2010-2012*	*IFAD9 2013-2015*	*IFAD10 2016-2018*
Total ongoing project and programme financing (US$ millions)	5 967	6 133	7 270	10 300	12 767	14 500
% annual increase of ongoing project and programme financing	-	3%	19%	42%	24%	14%
Number of ongoing projects	196	187	207	243	232	209
Ongoing programme and project financing per project (US$ millions)	30	33	35	42	55	69

Source: IFAD's Annual report from 2005 to 2018.

184. **A closer examination shows that the decline is driven by a decrease in the number of projects approved from 99 in IFAD8 to 84 in IFAD10.** When only looking at approved investment projects, the average project size is even "bigger" between IFAD8 and 10 ranging from US$68 to US$71 million and median project size rising from US$45 to US$52 million between IFAD8 and IFAD10 (with the average size ranging from US$68 to US$71 million). A comparison of the sizes of completed projects with those approved in each replenishment period, indicates a clear change in approach from IFAD8 onwards. From IFAD5 to IFAD7, there is little difference between completed and approved projects which ranged from US$28 to US$40 million per project. From IFAD8, average project costs rise to US$68 million per project for approved projects but remains at US$33 million per project for completed projects. This strongly indicates a new approach of "bigger projects" from IFAD8, but especially in IFAD10.

Chart 27
Total cost per approved investment project (average and median size)

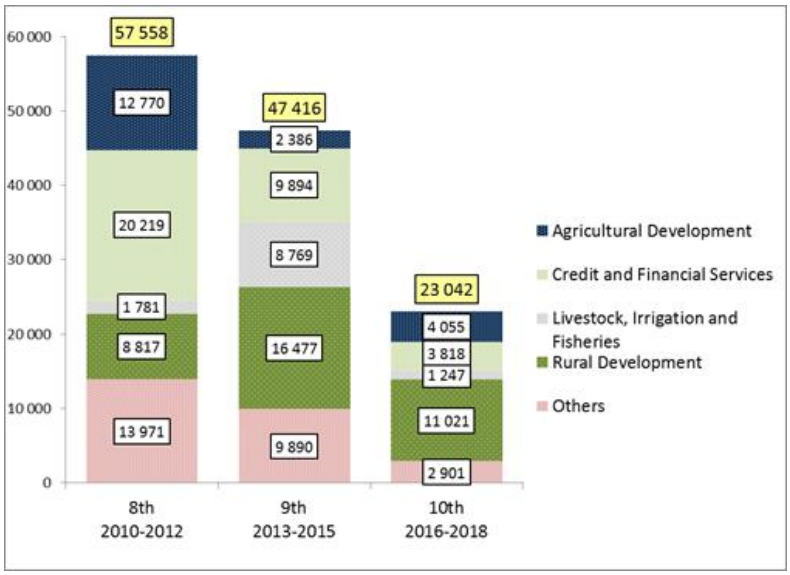


Source: GRIPS Database.

185. **Paradoxically, while IFAD's new investments grew significantly from IFAD8, the number of direct beneficiaries declined.[22]** Between IFAD8 and 10, the total number of beneficiaries reached for all approved projects dropped from 58 million to 23 million, according to GRIPS. In addition, while initially the **average number of beneficiaries per project** increased for approved projects in IFAD8 to 635,000, it declined drastically by 60 per cent to 281,000 by IFAD10. As a point of comparison, completed projects remained in the range of 341,000 to 483,000. The decreasing trend in average number of beneficiaries per project for approved projects suggests that IFAD projects, though "bigger" in size have been reaching fewer beneficiaries in IFAD10 and thus spending more per beneficiary.

186. **Examining the number of direct beneficiaries by thematic sector[23] also shows an overall decline and shift from rural finance towards rural development.** In IFAD9, there was a commitment to lift 80 million people out of poverty and thus an emphasis on increasing outreach. Notably, this commitment would be largely achieved by ongoing projects and partially by ones designed in IFAD8. Thus, the total number beneficiaries for approved projects was highest in IFAD8 (58 million) and declined to 47 million in IFAD9 and 23 million in IFAD10. Between IFAD8 and 10, IFAD invested in primarily four sectors – agricultural development, credit and financial services, livestock/fisheries, and rural development. In IFAD8, the highest share of beneficiaries came from credit and financial services followed by agricultural development and then rural development. By IFAD10, the greatest proportion came from rural development, followed by equal shares from agricultural development and credit and financial services.

Chart 28
Total number of direct beneficiaries of approved projects by replenishment period and sector(thousands)



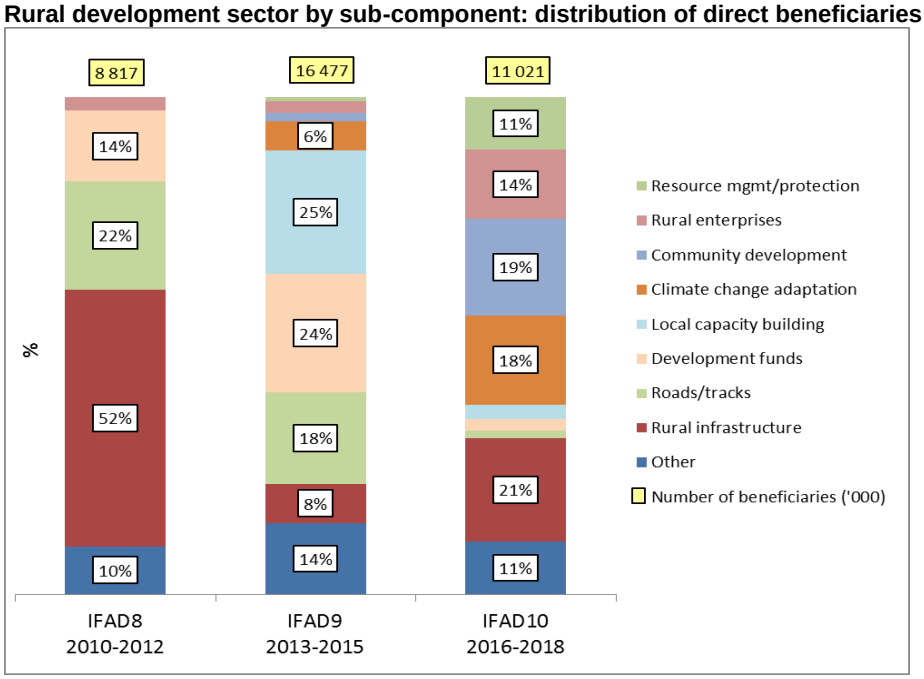
Source: GRIPS Database.

187. Examining rural development[24] more closely, there is a shift from a predominance of beneficiaries coming from rural infrastructure and roads (74 per cent) in IFAD8 to greater diversification in IFAD10. About 15-20 per cent of beneficiaries are reached through projects in rural infrastructure, roads, climate change, community development, development funds and rural enterprises.

Chart 29

[22] IFAD's "Measuring IFAD's impact: Background paper to the IFAD9 Impact Assessment Initiative" confirms the declining number of direct and indirect beneficiaries between 2017 and 2018 based on impact estimates of IFAD9 projects.
[23] This analysis is based on GRIPS data as it is the only source which provides sector (thematic, component and sub-component) data aligned with number of beneficiaries and cost. While this data has its limitations and SKD has revised the sectoral classification in 2018, their analysis does not include beneficiaries and is limited to IFAD9. Given the scope of the ARRI, we need to rely on existing IFAD data such as GRIPS.
[24] Analysis used GRIPS' subcomponent type classification. Total number of beneficiaries assigned to first subcomponent.

Rural development sector by sub-component: distribution of direct beneficiaries at approval



Source: GRIPS Database.

188. In terms of approved project costs, the IFAD portfolio shifted from predominantly agricultural development to rural development from IFAD8 to IFAD10. Agricultural development declined by 65 per cent while rural development increased 45 per cent. This trend is further supported by SKD's analysis[25] which shows that rural business development, which falls under rural development, is the most important area of IFAD investments with 26 per cent of IFAD's financing, followed by crops (14 per cent), rural finance (7 per cent) and livestock and pastoralism (7 per cent). The average cost per beneficiary also rose across thematic sectors, though only slightly for agricultural and rural development. Most notably credit and financial services increased from US$49[26] to US$389 per beneficiary and livestock, irrigation and fisheries from US$270 to US$419. This indicates a change in the types of interventions from those which reach a greater number of beneficiaries to ones with higher-value activities. In fact, a high percentage (86 to 88 percent) of projects approved and completed in IFAD10 had a market access/ value chain focus.

Table 9
Approved cost per beneficiary by sector and replenishment period (US$)

Sectors	*IFAD8 2010-2012*	*IFAD9 2013-2015*	*IFAD10 2016-2018*
Agricultural Development	199	212	221
Credit and Financial Services	49	93	389
Livestock, Irrigation and Fisheries	270	153	419
Rural Development	158	155	186
Other	97	96	247
Total	117	132	246

Source: GRIPS Database.

[25] IFAD. *A new categorization framework for IFAD-supported project interventions.* Rome, Italy, February 2019.
[26] The Rural Financial Intermediation Programme II in Ethiopia (project ID 1521) has 18 million direct beneficiaries alone.

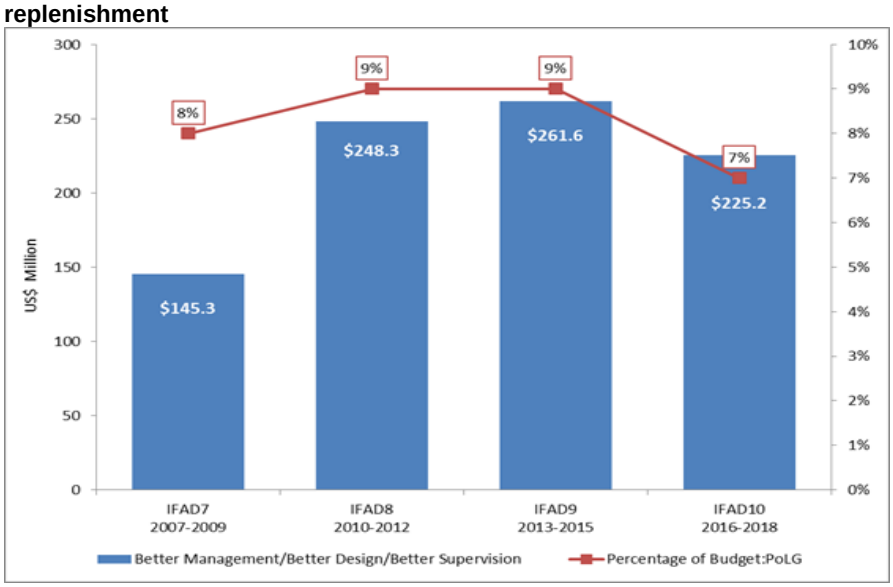
Smarter

189. *IFAD's Strategic Framework 2016-2025* calls for IFAD to work smarter by delivering development results in a cost-effective manner that best responds to partner countries' evolving needs. This means also being efficient and effective with resources available to IFAD. The analysis below focuses primarily on efficiency with effectiveness addressed more in the section on "better" performance.

190. A general trend of reduced resources for IFAD's country programmes between IFAD8 and IFAD10 was highlighted in the 2018 ARRI and confirmed this year. Based on data from IFAD's Programme of Work and Budget, the administrative budget (staff and non-staff) allocated to country programme delivery (specifically COSOP, project design, supervision and implementation support) initially increased an estimated 5 per cent between IFAD8 and IFAD9 and then declined by 14 per cent between IFAD9 and IFAD10. Within IFAD10 alone, the annual budget allocated to country programme delivery for design, supervision and implementation support declined 30 per cent between 2016 and 2018.

191. While the administrative budget rose substantively in IFAD8 and slightly in IFAD9, initially these increases were commensurate with the higher approved PoLG. However, as Chart 30 shows, in both IFAD8 and 9 the administrative budget allocated to country delivery for COSOPs, design and SIS was 9 per cent of the PoLG, but declines to 7 per cent in IFAD10. Therefore, in IFAD10 the administrative budget for the country programme, design, supervision and implementation was lower in both absolute terms and as a per cent of IFAD's historically highest approved PoLG. Thus, IFAD10 delivered more (US$3.3 billion in approved project designs while managing a US$14.5 billion ongoing PoW) with fewer resources for country programme delivery for COSOP/design/supervision/implementation.

Chart 30
Administrative budget for country programme, design, and supervision and its ratio to PoLG by replenishment



Source: IFAD results-based programme of work and regular and capital budgets.

192. **IFAD's zero-growth budget appears to have started constraining project design, supervision and implementation support during IFAD9.**[27] IFAD's 2016 Programme

[27] IFAD. Alternative approaches to increase non-staff resources to project design: Discussion Note (June 2015) states – "…in response to zero-budget growth in recent years, Management has undertaken a number of initiatives to reduce costs and contain divisional an unit budgets. As a result, core activities (i.e., project design, implementation support, and COSOP formulation/review) decreased. By way of example, the decrease in allocation of resources for project design, implementation support and COSOP formulation/review in regional divisions over the past few years is estimated to come round to approximately -10%, -30% and -33% respectively. "

of Work and Budget[28] states, "Tightening of the budget over the last several years has limited the amount of funds available to design projects. Additional resources are required to design projects adapted to country capacity and thereby improve implementation and the sustainability of results."[29] It also mentions, "Regional annual portfolio reviews have reported that providing additional supervision and implementation support allows for timely and corrective action to enhance project effectiveness during implementation… therefore [it is] proposed to allocate an additional US$20,000 per project for 39 projects across the portfolio." Despite the additional non-staff budget allocated for design and SIS in 2016 and 2017, the ratio of the total (staff and non-staff) administrative budget allocated for country programme/design/SIS budget to PoLG still declined in IFAD10 overall. In terms of the average total administrative budget per approved and ongoing project, the decline is 10 and 4 per cent respectively between IFAD9 and 10.

193. A CLE Supervision survey also indicates that the optimal supervision and implementation support (SIS) arrangement is one full supervision mission and one follow-up/implementation support mission per year. However, between 2012 and 2018, there was a decrease in the total number of SIS missions during implementation (supervision, implementation support/follow-up, MTR) by 34 per cent and only a 19 per cent decline in the number of ongoing projects. The ratio of number of SIS missions to projects declined from an average of 2.1 to 1.7 across regions, particularly in NEN, WCA and APR. Further analysis with more granular data is needed to examine the relationship between total administrative budget allocations and the frequency and quality of SIS missions.

Table 10
Ratio total SIS missions during implementation versus total number of projects by region

	IFAD8 Final year 2012	**IFAD9** Final year 2015	**IFAD10** Final year 2018	**IFAD10-9** Change 2018-2015	**IFAD10-8** Change 2018-2012
APR	2.1	1.7	1.7	1%	-17%
ESA	2.0	1.5	1.8	19%	-10%
LAC	2.3	2.7	2.2	-18%	-3%
NEN	2.1	1.8	1.5	-16%	-28%
WCA	2.0	2.1	1.2	-41%	-37%
Total	**2.1**	**1.9**	**1.7**	**-11%**	**-18%**

Source: GRIPS and IFAD's Annual report from 2005 to 2018.

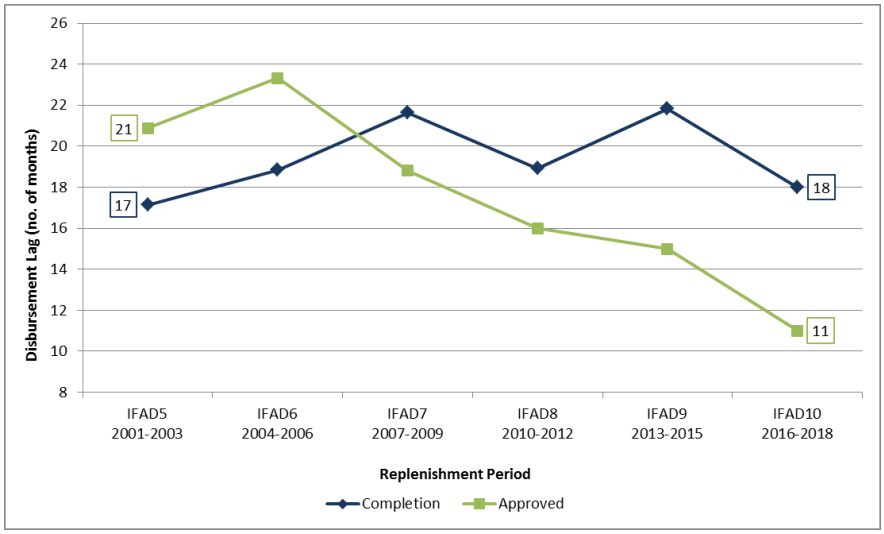
194. **On the positive side, disbursement and effectiveness lags were reduced between IFAD8 and IFAD10.** As chart 27 shows, the disbursement lag of approved projects decrease steadily from IFAD6 (23 months) to IFAD10 (11 months). This positive trend is also reflected in completed project between IFAD7 (22 months) to IFAD10 (18 months). The decline in effectiveness lags of both approved and completed projects between IFAD8 and IFAD10 may have partly resulted from IFAD's change in the definition of effectiveness to entry-into-force in 2010. IFAD projects entered into forced immediately upon loan signature unless Parliamentary approval was required. Shorter disbursement and effectiveness lags indicate faster project start-up which is correlated with better relevance and overall project achievement. In addition, completed IFAD projects also improved their timeliness in IFAD9 and 10. The average project duration of completed projects declined from 8 years (IFAD6, IFAD7 and IFAD8) to 6 years (IFAD9

[28] IFAD's 2016 Results-Based Programme of Work and Regular and Capital Budgets, the IOE Results-Based Work Programme and Budget for 2016 and Indicative Plan for 2017-2018, and the Heavily Indebted poor Countries and Performance Based Allocation System [Progress Reports 25 November 2015 EB 2015/116/R].

[29] Notably, the resulting special allocation of additional budget up to US$60,000 per project design (beyond the average design costs of US$180,000 to US$250,000) was made in 2016 and 2017, which coincides with the historically highest ratings in overall quality of project design in those years. Subsequently, the overall quality of design decreased from 96 to 86 per cent of positive ratings between 2016 and 2018; likelihood to meet development objectives from 88 to 86 percent.

and 10). In addition, only 46 per cent of projects that completed in IFAD10 had an extension versus 52 per cent in IFAD9 and 60 per cent in IFAD8.

Chart 31
Average disbursement lag by replenishment period



Source: IOE All Evaluation Database April 2019.

Better

195. In order to examine whether IFAD operations were "better", IOE ratings and Management's PCR ratings are compared with the targets set in the IFAD10 RMF and performance in past replenishments. Qualitative analysis on the 37 project completed in IFAD10 was used to identify factors contributing to the performance based on ratings.

196. **Based on both IOE and PCR ratings, only adaptation to climate change reached its IFAD10 target.** Table 10 presents IOE ratings from both the all evaluation and PCRV/PPE data series along with Management's PCR ratings for IFAD9 and IFAD10. In addition to only strictly meeting the one criteria, the table shows a general decline in PCR and IOE ratings between IFAD9 and IFAD10. Notably, criteria such as innovation, GEWE, government performance, scaling up which are currently close to the IFAD10 RMF targets, appear to have met them already in IFAD9 based on Management's PCR ratings. Similar trends are reflected in Annex VI which presents the percentage of positive IOE ratings by block for each criterion by replenishment period from IFAD5 to 10.

Table 11
Internal benchmarking for IFAD10 - Percentage of projects rated moderately satisfactory or better by year of completion against RMF targets

Outcome indicators	IFAD9 PCR ratings[1] 2013-2015 113 projects	IFAD10 PCR ratings[1] 2016-2018 73 projects	IFAD9 IOE ratings[2] 2013-2015 111 projects	IFAD10 IOE ratings[2] 2016-2018 37 projects	IOE ratings[3] 2015-2017 59 projects	IFAD10 RMF Target 2018
Adaptation to climate change	79	87	78	76	73	50
ENRM	88	84	80	83	81	90
Innovation	92	88	87	76	80	90
Rural Poverty Impact	89	83	83	76	76	90
Effectiveness	86	82	75	73	75	90
GEWE	90	88	82	68	71	90
Government performance	84	79	74	57	61	80
Sustainability	80	70	61	62	59	85

Scaling-up	93	88	81	65	68	90
Efficiency	75	67	56	54	51	80

Source: (1) PMD's PCR ratings, (2) IOE All Evaluation data series, (3) IOE PCRV/PPE data series, April 2019

197. **The decline in the percentage of positive ratings between IFAD9 and 10 also occurs in terms of average IOE and PCR ratings.** Average IOE ratings initially improved between IFAD8 and 9 for all criteria except sustainability (flat), rural poverty impact and overall project achievement. However, between IFAD9 and 10, the average IOE ratings fall in all criteria except ENRM, adaptation to climate change, and sustainability (flat). Overall, average IOE ratings are lower between IFAD8 and 10 in all criteria except ENRM, adaptation to climate change and innovation. For ENRM, the improvement is statistically significant between both IFAD8 and 10 as well as IFAD8 and 9. For relevance and IFAD performance as a partner, the negative change is statistically significant between IFAD9 and 10 only. Average PCR ratings also decrease between IFAD9 and 10 in all criteria except adaptation to climate change. **The decline in average PCR ratings is statistically significant in IFAD performance as a partner, relevance and project performance.**

198. **To better understand the IFAD10 trends in ratings, qualitative analysis was conducted on the 37 projects.** These projects were examined closely for recurring issues as well as facilitating and constraining factors to better understand the rating trends. Based on the analysis, three topics are elaborated below: ENRM for its positive performance; IFAD performance as a partner for its statistically significant decline; and scaling up for its significantly lower percentage of positive ratings in IFAD10.

199. **ENRM is the only criterion with a positive trend in IFAD10.** According to the Evaluation Synthesis on Environment and Natural Resource Management, successful strategies in ENRM often feature: (i) strong commitment and better integration of ENRM in COSOPs; (ii) project designs that avoid doing environmental harm and pursue opportunities; (iii) governance and institutional set ups with the involvement of local community organizations; (iv) participatory planning in delivering project results; and (v) incentives to encourage uptake of more sustainable practices.

200. **Preventive measures were successful in raising awareness in ENRM for high performing projects in IFAD10**. In Senegal's PAFA, promotion of appropriate technical methods for improving agricultural production taking into account soil properties and water constraints generated positive results. Another facilitating factor in ENRM was linked to the promotion of peaceful co-existence of different groups (pastoralists, semi-pastoralists, and settlers), as in Sudan's Western Resources Management Programme, where a new range and pasture law positioned communities to lobby against encroachment and get involved in long-term interventions. In Mexico's DECOFOS, the creation and strengthening of microenterprises helped reduce the pressure on natural forests, generated income alternatives, and encouraged communities to conserve their natural resources. In turn, technology transfer favoured the efficient use of natural resources and reduced forest degradation.

201. **IFAD performance as a partner represents a critical issue in IFAD10 as it is a traditional strength that has begun to decline.** This is mostly linked to recurring issues such as: high CPM turnover, lack of specialists in supervision missions and flaws in the design. In some instances, the lack of dialogue with other development agencies has compromised the project's ability to achieve successful outcomes. Factors supporting positive performance have been associated with regular support and prompt decision making, design adjustment during implementation, appropriate technical expertise and capitalizing on past experiences. Performance was rated positively when IFAD was considered a strategic ally in technical and financial execution as well as a neutral actor accepted by local communities.

202. **The decline[30] in co-financing[31] between IFAD8 and IFAD10 also reflects on the financing aspect of partnership.** Co-financing peaked in IFAD8 fuelled by the global food crisis. Notably, Official Development Assistance[32] to agriculture actually increased by 27 per cent between 2012 and 2017, well after the end of the food crisis. Yet, international co-financing for approved IFAD projects declined between IFAD8 and 10 from 0.86 to 0.50, indicating that IFAD did not manage to capture a greater share of this growth. The lower ratio of international co-financing amongst projects approved in IFAD10 may be related to reduced resources and time for project design as such projects require additional time for planning and coordination. Domestic co-financing decreased from 0.53 to 0.21 between IFAD8 and 10, which also may be a reflection of IFAD's performance as a partner in relation to government.

203. **Scaling up is a key principle of engagement at the core of IFAD's operations according to the strategic framework. Yet, thus far performance in IFAD10 is lower compared to IFAD9.** Some recurring issues highlighted in the 2017 Evaluation Synthesis on IFAD's Support to Scaling up of Results are exhibited in the IFAD10 projects, such as lack of government ownership, weak coordination among non-lending activities and no sustainable exit strategy at design. Lack of an exit strategy at design is a major inhibiting factor for scaling up in IFAD10 projects. The prospects for future scaling up diminished in projects where innovative funding arrangements failed to be developed (as in Egypt's UERDP). In Sri Lanka's IIDP, farmers did not receive ongoing training and marketing arrangements were not institutionalised to ensure sustainability. In some instances, the mere replication of projects or their delegation to subsequent IFAD interventions (as in Armenia's Rural Asset Creation Programme and Dominican Republic's PRORURAL OESTE) compromised the scaling-up process.

204. **For projects to be scaled up successfully it is important that they are aligned with the country's overall strategy.[33]** Country programmes need to both "look backward", by capitalizing on past experiences to mitigate risks and develop a scaling up vision from the beginning, and "look forward" to identify means of financial sustainability. Benefits derived from investments can be sustainable beyond the project's life only if the pathways for sharing knowledge and achieving a vision of long-term engagement are considered. Moldova's Rural Financial Services and Agribusiness Development Project is a positive example of sustainable profitability for beneficiaries due to commitments for longer-term rural financing going beyond project completion.

205. **In sum, IFAD10 performance indicates the challenge of achieving the strategic framework's vision for a "bigger, better, smarter" organization. While IFAD10 project investments remained big and were smarter in terms of reduced costs, they are yet to prove better in quality.** IFAD experienced impressive growth in IFAD8 which it maintained into IFAD10. Although the PoLG grew steadily, budgetary resources for country programme management, design and SIS appear to have declined to a point in IFAD10 where the ratio of administrative budget to PoLG was below the IFAD7-level. In a context of zero-growth budget and with the aim to be "smarter" by doing more with less, IFAD managed its growth by designing fewer, bigger projects. The ratio of SIS missions to projects also decreased between 2012 and 2018. From IFAD7, the timeliness of projects improved with reduced disbursement lags and project duration.

206. Yet, a declining trend is observed between IFAD9 and 10 based on both IOE and PCR ratings of completed projects. Based on the statistically significant changes, it can be said that IFAD demonstrated better quality in ENRM, while performance was weaker in relevance, IFAD performance as a partner and project performance. All other criteria display declining trends between IFAD9 and 10, however there is no statistically significant change. Qualitative analysis of better and weaker performing criteria in

[30] CLE on Financial Architecture (IOE, 2017)
[31] Co-financing is only one type of partnership (others being knowledge and learning, coordination and cooperation) and may be limited based on a government's strategy in working with multilateral agencies.
[32] OECD.Stat. https://stats.oecd.org/Index.aspx?datasetcode=TABLE5, retrieved on 10 June 2019.
[33] https://ictcat.ifad.org/lms LMS e-learning course on scaling up.

IFAD10, highlights the importance of technical expertise and support during project design and implementation, dialogue with country stakeholders and partners, as well as long-term engagement starting with the design but going beyond project completion. Moving forward into IFAD11, greater efforts are required to enhance the quality of the project portfolio. This entails strengthening IFAD's performance as a partner in the context of the new decentralization model; enhancing the technical quality in IFAD projects and SIS missions; and developing partnerships for greater co-financing and scaling up of project impact.

V. Learning theme on relevance of IFAD-project interventions

A. Background

207. Most development organizations recognize relevance as the fundamental evaluation criterion. No project design should move forward unless it is considered relevant by the donor and country stakeholders. Many aspects critical to project performance fall under the assessment of relevance such as a thorough understanding of the country context (including government capacity) as well as the quality and appropriateness of the project design to the country context and in mitigating risks. Therefore, IFAD's Executive Board agreed upon "Relevance of IFAD project interventions" as the learning theme for this ARRI.

208. **Objective and Rationale**. This learning theme chapter aims to unbundle the criterion of Relevance to identify key factors contributing to IFAD interventions meeting their development objectives. IOE considers an examination of relevance is needed, for three reasons, two of which were presented in chapter 2 under relevance: (i) the recent decline in satisfactory ratings; (ii) relevance having the highest average rating disconnect between IOE and Management; and (iii) some recent project design changes that will impact relevance ratings. By unpacking the key factors driving relevance, this chapter contributes to further harmonize independent evaluation and self-evaluation systems. It is also timely as it was prepared during the review of evaluation criteria definitions by the OECD-DAC, the body which serves to harmonize evaluation criteria among multilaterals to foster comparison.

209. **Methodology**. This learning theme is based on a desk review of evaluation and management reports, key informant interviews, case studies, and quantitative as well as statistical analyses. Given its focus on the constituent parts of the criterion relevance (quality of project design, targeting, and coherence with government policies and country context), it closely examines 34 projects that underwent IFAD's Quality Assurance (QA) review (which only began in 2008) and were evaluated or cancelled. The 34 projects were approved between 2008 and 2012 and completed between 2013 and 2017 with an average project duration of 5.6 years.

B. Defining and Rating Relevance

210. Over the last decade, IOE has used three different definitions of relevance outlined in Table 11. The first ones are derived from the first and second editions of IFAD's evaluation manuals while the last was the result of the harmonization effort between Management and IOE. In 2017, IFAD Management and IOE agreed upon the use of a harmonized definition of relevance.[34] The main difference between these definitions of relevance and the current one is IOE's earlier focus on inequality. It is now agreed that targeting is assessed, not inequality, although key informant interviews indicated that not all staff appear to be aware of the changes.

[34] Agreement between IFAD Management and the Independent Office of Evaluation of IFAD on the Harmonization of IFAD's Independent Evaluation and Self-Evaluation Methods and Systems Part I: Evaluation Criteria. 23 February 2017.

Table 12
Comparing IOE definitions of relevance

First edition IFAD Evaluation Manual[35] (2009)	*Second Edition IFAD Evaluation Manual (2015)*	*Harmonization Agreement (2017)*
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 coherence in achieving its objectives.	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** and coherence in achieving its objectives. An assessment should also be made of whether objectives and **design address inequality**, for example, by assessing the Relevance of targeting strategies adopted.	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, coherence in achieving its objectives, and **relevance of targeting strategies** adopted.

211. A better understanding of relevance can be achieved by situating IFAD's definition in relation to those of other international development agencies. Thus, IFAD's definition was compared with that of the OECD/DAC (that plays a clearinghouse function in the debate about evaluation criteria), IFIs (World Bank, Asian Development Bank, African Development Bank, Inter-American Development Bank), UN agencies (United Nations Development Program, World Food Program, Food and Agricultural Organization) and the Consultative Group on International Agricultural Research.

212. Twelve elements of Relevance were found across the ten international agencies compared as presented in table 12. The key elements found in the definition of relevance[36] for the majority of international agencies were as follows with their frequency indicated: i) consistent with country needs (90 per cent); iii) consistent with partner and donor policies (80 per cent); ii) consistent with beneficiary requirements (70 per cent); iv) assess design and coherence to achieve development objectives (DO) (70 per cent); and v) determine if project is still relevant under changed circumstances (40 per cent).

Table 13
Comparing relevance definitions[37]

Key Elements of Relevance	***International agencies***										***Total Frequency***
	UNDP	**IFAD[38]**	**FAO**	**OECD DAC**	**WFP**	**CGIAR**	**IDB**	**World Bank**	**AfDB**	**ADB**	
1) Consistent with Country Needs		X	X	X	X	X	X	X	X	X	**90%**
2) Consistent with Partner and Donor policies	X	X	X	X	X	X			X	X	**80%**
3) Consistent with Beneficiary Requirements	X	X	X	X	X	X	X				**70%**
4) Assess design and coherence to achieve DO	X	X	X	X	X		X	X			**70%**
5) Determine if project still relevant under changed circumstances	X		X	X	X						**40%**

[35] Office of Evaluation: Evaluation Manual Methodology and Processes. Rome, April 2009.
[36] This comparison looks at the key definitions only. Clearly, each organization has expanded views of their criteria in their literature, but including that would make the comparison unmanageable and meaningless.
[37] Not all organizations are equally succinct in their definition of Relevance, and it was sometimes necessary to consult their more detailed guidelines, while focusing on comparable elements.
[38] Elements 5 and 6 are included in the core questions used to assess and rate relevance in IFAD's second edition of the Evaluation manual, but were more prominent in the first edition.

6)	Government capacity, fragility, risk	X	X	X					X			40%
7)	Consistent with Institutional Priorities		X					X				20%
8)	Assess Relevance of Targeting Strategies	X	X									20%
9)	Consistent with global priorities			X			X					20%
10)	Knowledge management, lessons learned	X							X			20%
11)	Assess DO and design to address inequity	X										10%
12)	Sufficient scale	X										10%
Applicability by Agency		**75%**	**58%**	**58%**	**42%**	**42%**	**33%**	**33%**	**33%**	**8%**	**8%**	

213. International agencies can be categorized by the percentage of the elements they include in their definition of relevance. While most of the agencies apply at least four of the elements, United Nations agencies and the OECD/DAC offer the most comprehensive definition which includes five to nine elements. International financial institutions (IFIs) apply fewer elements from four to two elements.

214. The minimalist approach espoused by the African Development Bank and the Asian Development Bank includes only two elements. Project relevance is defined only as being consistent with country needs and partner and donor policies. Taking such a limited perspective on Relevance and considering its generally good performance, raises the question of whether Relevance is still relevant as a criterion – a question that was raised during the OECD/DAC discussions on evaluation criteria to which IOE is a participant.[39]

215. UNDP, IFAD and FAO offer the most comprehensive definitions of relevance. They also appear to be key champions of the poor, insisting on alignment with the needs of the poor for a project to be relevant. In contrast, projects do not need to specifically address the needs of the poor to be relevant, according to the definitions of three major IFIs (World Bank, AfDB and ADB). This distinction is crucial in any discussion about project relevance. IFAD brings a unique perspective to the development debate, as it places the needs of the rural poor at the centre of relevance, connecting a country's pro-poor policy environment with project quality and a government's implementation capacity.

216. The process of rating relevance also reveals aspects of the criterion that are not explicit in the definition. For example, the fifth most prevalent element – "Determine if project still relevant under changed circumstances" – is not included by AfDB or IFAD. However, in rating relevance, AfDB only gives a highly satisfactory rating for relevance, if the continued relevance has been safeguarded. Similarly, when rating relevance IOE assesses whether the project design or targeting strategy remained appropriate to the country context or the beneficiaries' needs.[40] This focus on maintaining relevance throughout the project's life makes the criterion more dynamic and suitable for assessing interventions in an increasingly complex world.

217. **Unbundling of Relevance.** IFAD uses a more comprehensive definition than most, to guide its operations to address its unique mandate. It is rated highly in IFAD, but its rating needs to go beyond simply checking off alignment with IFAD's mandate and the priorities of the beneficiaries and borrower. Most importantly, based on the definition,

[39] One perspective espoused by Caroline Heider, former Director Gender and Senior Vice-President, Evaluation of the World Bank is that relevance as a criterion is no longer relevant when asking if a project is aligned with priorities and policies of the target groups, recipient and partners since policies are written in ways that can justify a "whole slew of different activities" which makes meeting the bar not difficult. In addition, the world is increasingly complex with many more stakeholders. Therefore, a linear model such as a "critical path" is no longer useful and a systems-based approach is would be more effective.
[40] As per the core questions for assessing and rating relevance in IOE's second edition of the Evaluation Manual.

relevance a key evaluation criterion that links project quality (at design and during implementation) with the specific country context.

218. The next question is to identify facilitating and constraining factors of relevant project interventions. For that, this chapter proposes the following conceptual framework presented in Table 13 to facilitate the discussion about project relevance in IFAD. Based on key elements of IFAD's definition, preliminary findings drawn from QA wrap notes and IOE evaluations as well as discussions with IFAD staff, this framework presents four main features of relevance for IFAD projects: i) empowering rural poor; ii) pro-poor policy environment; iii) project design; and iv) implementation capacity.

Table 14
Conceptual framework for IFAD project relevance

Elements	*Country Context*	*Project Quality*
1) Empowering Rural Poor	Ensures that rural poor are enabled and empowered	Enabling and empowering the poor through • Solid targeting, links with SECAP • Participatory process to formulate, monitor and adjust the log frame • Designing flows of funds that include decisive power of the poor • Beneficiary assessments during implementation
2) Pro-poor policy environment	Has the resolve and capacity to create and maintain a pro-policy environment	Enhancing the pro-poor policy environment by: • Convening power used for research and agenda setting, create pro-poor partnerships • Ensuring that the aggregate of relevant projects makes up a relevant portfolio
3) Project Design	Has the capacity and motivation to design projects that respond to the needs of the rural poor	Improving the quality of project design • Presenting strong rationale for the intervention • Ensuring high quality, participatory targeting • Including indicators on reduced inequalities in Log frame
4) Implementation Capacity	Has implementation capacity, commensurate with the requirements of the project, while ensuring that objectives and components are restructured as circumstances change	Insisting on comprehensive institutional analysis • Understanding relevant incentives, the political economy, key HR policies • Comprehensive approach to capacity building and maintenance

C. Main findings

219. Quantitative and qualitative analyses[41] including case-studies were conducted to further understand what factors drive performance in relevance and how they contribute to interventions meeting their development objectives. The findings of these analyses are presented below.

Quantitative Analysis

220. **Historically positive IOE ratings indicate IFAD's overall good performance in relevance**. However, recent IOE evaluations indicate a lower share of moderately satisfactory or better ratings for the criterion. In particular, the average ratings between projects completed in IFAD9 and in IFAD10 have a statistically significant decline. Relevance also shows the highest average disconnect with Management based on the year of completion. This disconnect remains at a high level even following the Harmonization agreement and the incorporation of targeting strategies into Management's definition of relevance indicating other factors as the cause.

[41] Statistical analyses were conducted based on ratings in IOE's all evaluation database to identify the relationship between Relevance and other criteria. It includes a sample of 344 projects evaluated by IOE since the year 2000. These statistical analyses included correlation analyses between the ratings for Relevance and i) other evaluation criteria at completion; ii) Project Supervision Report ratings during implementation; and iii) ex-ante Quality Assurance (QA) ratings (limited to the sample of 34 projects as explained in paragraph 5).

221. **Relevance is positively correlated with all other IOE evaluation criteria at completion**, in particular with effectiveness, sustainability, rural poverty impact and IFAD performance as a partner. With regard to Project Supervision Report ratings[42] during implementation, relevance has a weak but positive correlation with the seven project supervision report criteria.[43] The strongest correlation is with "Likelihood of Achieving the Development Objective", meaning that projects which were assessed to be more likely to achieve their DO, tended to be rated better in terms of Relevance. The weak correlation with "Targeting & Outreach" was most surprising, as targeting is an important element that IOE takes into consideration when assessing relevance. However, this may explain the limited improvement in the rating disconnect once targeting was incorporated into Management's definition.

222. **IOE ratings are not correlated with all the overall QA ratings[44] (including the overall quality).** The negative correlation found between IOE and QA ratings was not statistically significant, implying that the QA Review assessments do not necessarily predict the final project outcome. This supports the importance to re-assess relevance at project completion to validate the original analysis and also take into account any changes in the project design that may have been done during implementation.

223. **In terms of meeting development objectives, IOE and QA ratings were aligned in most cases (62 per cent)** in terms of whether they met them or not. The sample was also analyzed regarding whether the QA review considered them likely to meet their development objectives and whether IOE confirmed that the development objectives were met, indicated by a satisfactory rating (4 or more) in overall project achievement. Overall, the Quality Assurance Group (QAG) and IOE were aligned in their respective ex-ante and ex-poste assessments of projects for 62 per cent of the projects. As shown in Table 14, 56 per cent of the projects in the sample were predicted to meet their DOs and did, while 23 per cent were predicted to meet their DOs but did not. At the same time, 15 per cent of projects were predicted not to meet their DOs and instead did, while 6 per cent were predicted not to meet their DOs and did not.

Table 15
Projects categorized by likelihood and actual project achievement (34 projects)

		IOE Overall project achievement		
		"achieved"	**"unachieved"**	**Total**
QA Likelihood of achieving development objectives	**"likely"**	56%	23%	79%
	"unlikely"	15%	6%	21%
	Total	71%	29%	100%

Source: IOE evaluation database (PCRV/PPE), February 2019.

224. **A slightly higher proportion of projects deemed "unlikely" to meet their DOs (15 per cent) actually met them according to IOE.** Among the projects that were predicted to meet their DOs, it would be expected that the majority would indeed do that; while within the group of projects that are predicted not to meet their DOs, the majority would indeed fail. Within the group of projects which predicted to meet the DOs, 70 per cent were actually successful at completion. In this case, the QAG and IOE were aligned in most cases when projects were predicted to meet their DOs.

[42] The system of Project Supervision Report ratings changed in 2018 resulting in a change in nomenclature for some criteria (e.g., Targeting & Outreach) and removal of others.
[43] Targeting and Outreach, Institutions and Policy Engagement, Quality of Project Management, Human and social Capital and Empowerment, Quality of Beneficiary Participation, Responsiveness of Service Providers, Likelihood of Achieving the Development Objective.
[44] For the QA analysis, the sample included 34 completed projects which were both evaluated by IOE (at completion) and QA (at entry). The objectives of the correlation analysis between IOE and QA ratings were to: (i) explore the correlation between Relevance at completion (IOE ratings) and selected aspects rated at QA; and (ii) explore if/how the overall QA assessment predicts actual project performance at completion. Although the sample was small we found in a larger sample (74 PCRs) that had QA ratings that there also was no correlation.

Nevertheless, the proportion of successful projects is slightly higher within the group of projects predicted not to meet their DOs (72 per cent). **This means that the QAG and IOE were not aligned in most cases when projects were predicted to not meet their DOs. This may indicate that "unlikely" judgements trigger additional efforts/design adjustments which positively contribute to project performance**.

Qualitative Analysis

225. Given ex-ante project design is not the main determinant of project outcome and the importance of "continued relevance", six case studies[45] were prepared to support the qualitative analysis and examine project relevance throughout the project cycle - design, implementation and completion. The full list, description and rationale for the selection of case-studies are included in the issues paper found in the electronic appendices. Key features of relevance drawn from the conceptual framework in table 14 are highlighted from four case-studies presented below: i) Empowering rural poor; ii) Pro-poor policy environment; iii) Project design; iv) Implementation capacity.

226. **Empowering the rural poor.** The Afghanistan RMSLP was predicted unlikely to meet its development objective by the QA, but did, based on IOE's assessment. RMSLP's development objective was to provide sustainable access to smallholders to appropriate microfinance services and technical skills required for more profitable enterprises. The ambitious design was supported by the introduction of the Targeting the Ultra-Poor scheme, which used a participatory rural appraisal methodology, including social mapping, wealth ranking and community interviews to identify beneficiary households. The strategy allowed beneficiaries to graduate and access microfinance institutions. RMSLP also contributed to the Government of Afghanistan's key policy promoting the use of Islamic financing, a key design feature which worked well and attracted significant attention in the region. The adoption of the BRAC model, targeting the ultra-poor, further ensured that the targeted people actually benefited from the project. This approach was supported with a very good diagnostic stage, a targeting strategy, participatory mechanisms and gender awareness.

227. **Pro-poor policy environment.** The Dominican Republic Project for Rural Poor Economic Organizations of the Border Region was predicted to meet its development objectives but did not. The development objective was to increase the income and assets of men, women and youth members of economic organizations through participative, equitable and environmentally sustainable development. A number of Quality Enhancement and Assurance recommendations were properly addressed in the design, such as the value-chain analysis and more comprehensive training topics. However, the design only outlined concrete actions on how to reach women and youth, but not other poorer or vulnerable groups. The underlying assumption seemed that benefits would flow from less vulnerable groups to more vulnerable groups. Several issues also delayed the project's implementation, some being beyond the project's control, such as a presidential election and establishment of a new government. Clearly, these risks might have been foreseen in the risk analysis, and mitigation measures taken in a timely fashion. However, the strategy of the country shifted during implementation and thanks to the CPM's efforts to transfer the project to a different Ministry, any negative outcomes were mitigated. Overall, the project lacked sufficient understanding of the institutional framework. An institutional analysis could have avoided much of the start-up delay and allowed for more effective and efficient implementation of the project.

228. **Project Design "Continued Relevance".** The Pro-Poor Partnerships for Agroforestry Development Project in Vietnam was predicted to meet its development objectives by

[45] Six projects were selected from the original sample of 34 projects that underwent both a QA review and IOE evaluation. The initial selection was based on their classification in terms of QA-predicted and IOE-assessed likelihood of meeting development objectives. The final selection ensured diversity in terms of: ii) region; iii) country income status (MIC/LIC), context (e.g., fragility), and sector. The six projects are: 1) Pro-Poor Partnerships for Agroforestry Development Project (Viet Nam); 2) Mountain to Markets Program (Albania); 3) Rural Business Development Services Program (Burkina Faso); 4) Development Project for Rural Poor Economic Organizations of the Border Region (Dominican Republic); 5) Rural Microfinance and Livestock Support Program (Afghanistan); 6) Fisheries Development Project (Eritrea).

the QA which was confirmed by IOE. Its development objective was to establish a framework for sustainable and profitable agroforestry development in Bac Kan Province that targets poor rural households. The project is an example of how a solid PMU and committed government can make a success out of a poorly designed project. The original design was very complex and ambitious (six different outcomes) and uncorrelated development paths were expected to promote "new ideas". It was not clear how to operationalize the original design because of the lack of details of key activities in the initial years of implementation.

229. Highly relevant decisions were made after project launch, such as: (i) simplifying the set of activities and designing them as a participatory process, supported through a newly designed project manual; and (ii) decentralizing a significant number of project activities in close collaboration with the government while building implementation capacity among local government agents. As a result, a key feature of the project was its impressive efforts to improve its relevance during implementation and attempt to achieve the DOs in the course of implementation. The project built sustainable, relevant capacity, and introduced participatory and accurate reallocation mechanisms of the forestland titles.

230. **Implementation capacity.** The Eritrea Fisheries Development Project (FDP) was predicted to not meet its development objective and did not. The project's development objective was to raise production and productivity of the fisheries sector while conserving fish stocks and the marine ecosystem and supporting the restructuring of the cooperative system. This project was the first operation after a hiatus of about 20 years and IFAD was the first IFI to have a meaningful dialogue with the government of the country. Eritrea was coming out of a war, but faced an ongoing conflict with Ethiopia, with many rural people drafted into the armed forces. The government was lacking capacity at virtually all levels, and an underdeveloped private sector, with the central government determined to manage projects through the public. IFAD underestimated the border disputes between Eritrea and Ethiopia, a situation which remains challenging. As a consequence, the availability of skilled and knowledgeable staff was limited, as most of them were enrolled in the military. The expectation that the government could set up a semiautonomous, semi-independent cooperative support unit to manage FDP cooperatives proved to be unrealistic. The need to ensure government's buy-in was identified by the QA Review but not implemented. Further serious limitations in institutional understanding undermined the project: (i) a lack of understanding of the policy, strategies and plan for conservation; and (ii) a lack of agreement on roles and responsibilities, including no interference by the Government in cooperative management.

231. In summary, the quantitative and qualitative findings highlight the great importance of implementation to relevance and overall project achievement. Project designs need to be appropriate to countries' implementation capacities determined by institutional analyses. The original project design needs to be adapted as and when conditions change in the country context. The case studies provide a wide-ranging view of the quality of relevance, but significantly, confirmed the conceptual framework in Table 14 and the key elements of Relevance presented there.

232. While there was no correlation between QAG's prediction and a project's actual success, it must be recalled that the QA review's objective was to improve the quality of the project design, not to speculate on eventual outcomes. In cases where QA recommendations were implemented, as in the case of Afghanistan, the development objective was achieved. Inversely, where QA recommendations were ignored, it often led to failure in achieving the development objective, as in the case of Eritrea. In that case, QA recommendations were not followed up and the QA prediction of unlikely achievement of the development objectives was confirmed. This suggests the need for better accountability to ensure QA recommendations are followed up during implementation.

233. Drawing from these six case studies as well as the findings from the quantitative and qualitative analyses, Table 15 presents the positive and negative factors driving optimal or continued relevance for IFAD project interventions.

Table 16
Key factors impacting relevance

	Positive influences	*Negative influence*
Enabled, empowered rural poor	• A solid understanding of the poor, and a menu of appropriate intervention options: timely, accessible, affordable. • Solid targeting and participatory approaches	• Lacking government commitment to rural poverty reduction • Poor poverty analysis • Poor targeting, particularly for poor women and girls • Lack of understanding of realistic options for the poor, particularly for the young
Pro-poor Policy Environment	• A pro-poor government, committed to borrowing for the poor • Follow-up projects, building on lessons learned and capacity built	• An economic environment that harms, rather than helps the poor • Failure to provide appropriate economic options for the poor • Allowing institutions to exclude the poorest, particularly indigenous people and herders
Project design quality	• Relevant, simple objectives, aligned with government policies and integrated into government structures • Strong institutional knowledge that would provide a solid knowledge base on the economic, social and political **context** in which the project will operate, the different **stakeholders** in the project and their aspirations and conflicts of interest, and the implementation **mechanisms** to make the project actually work. • Readiness for implementation	• Complex, rigid and overly ambitious designs with poor component integration and of questionable technical quality • Poor understanding of institutions for the poor • Poor M&E, log frame
Implementation capacity	• Continued (decentralized) government ownership during implementation • Meaningful follow-up to QA recommendations during early years of implementation, particularly when formalized during the MTR • Support from IFAD staff and technical advisors. Country office support. • Adaptation of the project where and when necessary, maintaining focus on rural poor	• A lack of focus on beneficiaries and results • Implementation issues, including poor implementation plans, serious and long-term staffing issues, ineffective PMUs, and governance and corruption issues • Underutilization of MTRs, and ignoring QA recommendations

D. Lessons

234. Based on the findings and the case studies presented in the previous chapters, this chapter presents five key lessons regarding relevance in project interventions.

235. **Lesson 1. Ensuring the "continued relevance" of a project intervention requires adapting the design throughout implementation**. Relevance is not a fixed assessment at design, a binary decision on whether the project is relevant or not. Yet, typically under "Rationale", IFAD Project Design Reports just provide a simple reassurance that the project targets the rural poor and cites general government and IFAD policies to confirm alignment. This reflects more the simpler definition of relevance of most IFIs rather than IFAD's more comprehensive definition.

236. A more suitable question **at the design stage** may be whether the proposed project is the most relevant investment to alleviate the poverty of the intended beneficiaries. That question is occasionally being asked at the concept stage and brings about a more meaningful discussion of relevance. The design team should first identify those policies which would help bring the intended transformation and measure the expected outcomes. Second, it should be explained why a specific project would be the most

appropriate to support the key policies of the country and how it is supposed to be more cost effective, as compared with other possible interventions. Third, lessons from similar operations that support the notion that this is the most pertinent intervention for the desired impact should be presented. Advice and guidance should be sought from various government ministries including agriculture, finance, planning or economy regarding whether and how IFAD should intervene to contribute to a project based on reliable data and rigorous analysis that goes beyond pleasing the government.

237. **During implementation**, continued relevance is improved by regular consultations with the beneficiaries and an ongoing policy dialogue with the government as well as close monitoring with the implementing agency. Consultations with the beneficiaries may be done through beneficiary assessments or empowering mechanisms that allow rural poor people to influence the allocation of funding for sub-projects or ensure that they engage in the evaluation of services delivered on their behalf (e.g., constructions they have identified and partially funded). In the interest of continued relevance, the criterion would be assessed during the concept quality discussion, the mid-term review as well at exit. The QA recommendations do not appear to be optimally used, despite the finding that the application of the QA advice leads to better outcomes.

238. To further underline the importance of the relevance debate, we recall that IFAD has poverty and the rural poor manifestly in its definition of relevance, in contrast with other IFIs, including the World Bank. In a world that must urgently address issues of climate change on the poor, find decent jobs for young people, and reduce increasing wealth inequalities, organizations such as IFAD have a major advantage, provided they continue to push for the highest possible project relevance as seen from the perspective of the rural poor. **Therefore, relevance needs to be revisited throughout the life of the project to support responsive and appropriate adaptations to the design for the greatest impact on rural poor people.**

239. **Lesson 2. Meaningful engagement of beneficiaries in the design, implementation and evaluation of projects enhances project relevance**. These two key areas, when improved, would be likely to result in higher relevance: (i) better understanding of the needs and options of the beneficiaries, based on intensive consultation and (ii) improved targeting.

240. Despite reported pressures to reduce field time during project preparation,[46] there is **no substitute for intensive dialogue** which is required to acquire a profound understanding of the issues, priorities, and expectations among the different categories of rural poor people in the project area. That understanding is then translated into a diagnostic and confirmation from the beneficiaries of their commitment to action, a menu of appropriate options that are relevant, accessible, and affordable are discussed, and priorities agreed and formalized in the log frame.

241. **A solid mechanism to enable and empower the rural poor is good targeting**. As targeting was the subject of the 2018 ARRI Learning Theme, we refer to that study. In addition, this chapter recognizes three key targeting shortcomings that may need improvement: (i) reduce the mismatch between the needs/capacities of the target groups, and the innovation proposed; (ii) improve follow-through of targeting throughout the project cycle; and (iii) ensure that all IFAD staff and managers have a common understanding of relevance and targeting.

242. Unfortunately, targeting has both contributed to relevance, where done well, but also undermined relevance where shortcomings were found. The Bhutan Market Access and Growth Intensification Project provide an example of poor targeting. The evaluation found that when the project opened all activities to all households, the subsistence households could not fully participate due to the beneficiary contribution requirements (e.g. 70 per cent of cost of dairy cows was expected to be paid by the beneficiary). This meant that the project benefitted the most "emerging commercial farming households"

[46] IFAD's new project design process as of July 2018 foresees only one field mission, removing the second appraisal mission.

who could fully benefit from the project components. This unsatisfactory result could have been predicted, as the focus of the investments at design, in terms of investment (US$10.97 million out of US$13.5 million), was on the component targeted at better off and non-subsistence households.

243. Thus, highly relevant projects have good targeting strategies and engage beneficiaries in responding to these four simple questions: (i) who are the poor; (ii) why are they poor; (iii) what are we going to do; and (iv) how will we do it.

244. **Lesson 3. The role of the government is critical for Relevance: in adopting pro-poor policies, by insisting on pro-poor design, in providing adequate implementation capacity, and ensuring continued relevance during and after the project's lifespan**. Four areas would, when done well, lead to improved relevance: (i) IFAD's role in policy advice and conflict resolution; (ii) government ownership and simple designs; (iii) implementation capacity commensurate to beneficiary needs and project design; (iv) governments managing risk; and iv) longer-term engagement.

245. A **government** committed to borrowing for the poor, maintaining pro-poor policies, and designing pro-poor projects leads to more relevant projects. This entails the government having the willingness, resolve and capacity to create and maintain a pro-poor policy environment. The notion of country and government are not the same, particularly in project design. The country context includes the views of different beneficiary groups, government at local and national levels, the relevant private sector, and concerned community organizations. IFAD has developed the tools and expertise to play its role as honest broker between these stakeholders effectively. Country ownership must go beyond the idea that "this is what government wants." This requires a needs assessment that builds from the COSOP and rural sector performance assessment of the Performance-Based Allocation System.

246. **Policy advice and conflict resolution for relevance**. In some countries IFAD finds like-minded governments, and IFAD's focus is on maintaining good relations, information exchange, and fostering partnerships, as in the Vietnam case study. In other countries, government priorities do not include the rural poor and IFAD's focus is usually on advocacy, partnerships of the willing, and fostering champions. In other countries, there may be actual discrimination against IFAD's specific subgroups (i.e., pastoralists, women, youth, and indigenous peoples). Advocacy may require improving countries' regulatory frameworks to allow the poorest people (including particularly vulnerable groups of women, youth, pastoralists, indigenous peoples) to compete on a level playing field.

247. An example where **government policies and practices diverge from IFAD**'s mandate centers around pastoralists who are manifestly targeted by IFAD. As found in the targeting learning theme, the issue of mobility is **complex and controversial**, internationally, as well as within particular countries. Yet, in line with IFAD's mandate, there is an urgent need to cater to the needs - in terms of health, education and livelihoods - of pastoralists who want to continue leading a mobile way of life. The two main reasons are that: i) pastoralism is the most effective and efficient way of using and managing natural resources in the drylands; and ii) areas with access to water for settlement in these semi-arid and arid regions cannot cater to the entire pastoral population. However, the Ethiopia Second Pastoral Community Development Project interventions catered more to the needs of pastoralists having to and wanting to settle and did not take sufficiently into account the needs of the mobile population.

248. Admittedly, most **policy dialogue** takes place in the context of COSOPs, rather than projects, but two issues are important for project discussions as well. The first issue is the **variation over time in some countries' commitment to the poor or in their perception of IFAD's comparative advantages**. For example, the focus of the Dominican Republic's Ministry of Agriculture shifted during the implementation of the Rural Poor Economic Organizations of the Border Region project away from the rural poor. Although the CPM managed to find a better project champion in the Ministry of

Economics, the remedial action it did not occur in time to improve the overall project achievement which was evaluated as moderately unsatisfactory. In Albania, IFAD was the only IFI operating in the poor mountainous areas, with limited support from the national government. The government had dropped two other projects prior to the Mountains to Markets Project, and declined to borrow anymore from IFAD upon its closure, focusing on EU support for its eventual membership. In both examples, IFAD needed to detect earlier the shift in government focus to allow for timely dialogue on how IFAD could remain engaged and relevant.

249. Second, the notion of alignment to government policy does not accurately reflect or capture the reality of different and sometimes conflicting views among governments units. Some CPMs are struggling to balance conflicting pressures, and it is not exceptional that a CPM is caught on the horns of a dilemma, having to satisfy conflicting demands of IFAD management and the government, both of which may be politically motivated. The compromises found do not always improve the project's relevance.

250. **A lack of implementation readiness is often related to limited ownership which is a key risk to project relevance**. Ownership does not have a widely shared or accepted definition, but it is generally understood to be a measure of government commitment – first to a participatory process of design that responds to the key priorities of the rural poor, and aligns with the government policies, and second, to effective and efficient implementation with assurances of sustainability of the project's results. This government commitment may manifest itself at widely differing levels, from ensuring timely payment of counterpart funds, via maintaining a pro-poor policy environment, to ensuring that procurement follows the agreed rules without government interference, and the timely hiring of capable and motivated staff for the PMU. A robust institutional assessment may provide an early warning and a basis for remedial action when ownership is not at the level it is needed.

251. As to **government's risk management**, there is some concern, expressed by a number of IFAD staff, about balancing risks and concessional lending as well as about the risk of moving into emergency relief rather than development lending. IFAD's mandate to work with the rural poor means that its work often includes a higher level of risk than for IFIs working on the most promising economic opportunities. Most countries accept the higher risk, in return for projects that are relevant for the most vulnerable parts of the rural population, under highly concessional terms. However, there is a concern that with an increasing number of countries transitioning to less concessional lending terms, their risk tolerance might dwindle, as the terms for graduating countries are less concessional. At the same time, there are still important pockets of rural poor people in those countries.

252. As to the **quality of mitigation**, evaluations indicate that the main risks are identified during project design; however, the mitigation of project risks was also an objective of IFAD's ex-ante QA review. The QA recommendations have been valuable, and the case studies demonstrated that when applied, the design was likely to be improved. However, some teams ignore the recommendations which may affect the achievement of the DO. Better results and risks may be mitigated if: (i) the ex-ante quality design review assessed and rated relevance in terms of the appropriateness of the project design to the country context; (ii) quality assurance recommendations were included in the terms of reference of all MTRs, which would show how the recommendations have been addressed during implementation.

253. **Lesson 4. A lack of understanding of institutional arrangements together with the lack of implementation capacity ranks as one of the main threats to improved relevance**. Weak implementation can cripple the relevance of even the best designs. The average government performance rating in the IOE evaluations is a modest 3.9, close to the divide between (moderately) satisfactory and unsatisfactory. IOE evaluations, QA Review comments, as well as the case studies indicate three factors are particularly helpful in successful implementation: (i) continued and sometimes

decentralized government ownership during implementation; (ii) timely support from IFAD staff and technical advisors and in particular support from country offices; and (iii) the adaptation of the project where and when necessary, while maintaining the project's focus on the rural poor. It is somewhat surprising that given the positive impact of direct IFAD support that the annual allocation for supervision and implementation decreased since 2008 from US$50,000 per project to US$30,000, prior to the accelerated decentralization. Given IOE's focus on continued relevance, and the interesting example of the AfDB putting a premium on efforts to ensure ongoing relevance, it may be worthwhile to revisit these allocations. Even in the case when preparation periods are likely to be shorter, and designs left somewhat incomplete, the previous allocation for design (US$250,000), which is significantly lower than other IFIs, should not be reduced, at the risk of less relevant operations, or poorer quality. In addition, the budget for implementation support appears inadequate to fill in the gaps of a speeded-up preparation process and to maintain quality and relevance under changing circumstances.

254. Three ways to build and maintain local capacity include: (i) contracting selected services in, from local institutions; (ii) working toward longer term engagements, including improved knowledge management; and (iii) optimizing IFAD's decentralization. Over time, many countries have built capacity to undertake selected preparatory tasks in the design of projects, such as social and environmental research or technical training on agricultural, hydrological, or engineering designs. Taken together, some of these country systems are likely to meet IFAD standards for contracting their services in, thus improving relevance while building capacity.

255. Longer-term engagement with selected borrowers could break the persistence of implementation and institutional issues. A longer-term engagement, led by COSOPs and informed by a solid portfolio review, would help overcome the limits of project durations of 5 to 6 years which make solutions elusive and not resolvable in the timespan of a typical project. Setting longer-term policy and realistic implementation goals, would focus on "how to" mechanisms to improve implementation capacity and inform any new project with a solid understanding of poverty and targeting. Over time, and depending on the country, the collaboration and mutual learning could be built up, with greater dependency on selected country systems as suggested above and in the 2017 ARRI learning theme on financial management.

256. There also is an argument for "continued relevance", which is the direction the OECD-DAC discussion is taking as well. Continued relevance means monitoring during implementation, ensuring that the intervention is still appropriate to the government, the context and the beneficiaries – making adjustments throughout the life of the project, but also throughout the life of several projects. In fact, the trend towards longer-term engagements may have actually started at IFAD. As a response to reduced design resources, there has been a rise in the design of multiple phases of a project through a number of additional financing and second phase approvals. A different example of building longer-term relations is IFAD's decentralization. In 2018, IFAD accelerated its decentralization process to regional hubs in order to increase its relevance by being closer to the countries and demonstrate a longer-term commitment. Theoretically, this should also allow greater involvement of government in project design. The newly introduced Transition Framework foresees graduating countries from highly subsidized loans to other products.

257. The question is justified if this graduation process may lead to governments designing their own projects. Many governments could design quality projects; however, they may have trouble designing projects according to the specific requirements of a wide range of donors. With every additional requirement in the design of IFAD projects (climate change, youth, nutrition, to name some recent ones) the design capacities of many governments will be stretched further. This increases the risk of government officials distancing themselves from the design process, an issue that is being addressed under the new guidelines for project preparation.

258. **Lesson 5. Well-functioning institutions are a key determinant of higher Relevance**. Unfortunately, "Institutional Arrangements" is a prominent persistent issue raised by the QAG and IOE. A lack of understanding of institutions leads to the problems most often highlighted in both the QAG comments and IOE evaluations: slow implementation, overly ambitious and complex projects that are poorly matched to the limitations of existing capacity, underperforming PMUs, ineffective and inefficient training, missing important risks, failure to address political economy issues or using citizen accountability mechanisms, a lack of ownership or commitment, ambiguous roles and responsibilities among the key stakeholders.

259. As to the insufficient understanding of the **institutional arrangements**, there are two elements that merit attention: (i) a comprehensive institutional assessment; and (ii) a depository of institutional knowledge and experience. While a solid institutional assessment should be the pre-requisite for any project design, it need not be exhaustive. Unfortunately, current practice errs on the other extreme, with projects routinely listing the number of agents from Ministry of Agriculture records, but without having done a training needs assessment or incentives analysis. The point is for the country team to be optimally informed to design and implement the project, keeping in mind the context in which the project will operate, the stakeholders in the project, and mechanisms to make the project actually work.

260. As to the **context**, there is a need for a good understanding of the overall reform challenges, possibly with an assessment of the willingness among the key stakeholders to change. Prior to approval, the following areas of direct relevance to the project need to be addressed: the key political economy aspects; the availability and use of citizen accountability mechanisms; the effectiveness of public awareness communications, opportunities and challenges; and the incorporation of relevant results from the mandatory social assessment in the design and budget.

261. **New institutional analysis is not required for all projects** and some projects may utilize the results of earlier analyses. This would be facilitated by the creation of a depository of past analyses which may be developed and housed on-line by an interested Ministry, national library or the IFAD website. The depository would store institutional analyses of previous projects, including those done on behalf of partner organizations. It would be particularly helpful to make use of that knowledge and experience in managing project risk, and to formulate specific institutional indicators for log frames. In countries with a long-standing collaboration with IFAD, such as Burkina Faso as compared to Eritrea, lessons from earlier implementation experience should also provide some pointers as to what aspects of an institutional assessment would merit particular attention.

E. Way forward

262. Relevance will remain a key criterion in IFAD projects, as it confirms and guides IFAD's unique poverty orientation and commitment to the rural poor. Relevance, taken as a continuum, provides a linking mechanism between project quality and country context and allows for incremental improvements, ensuring value for money for the beneficiaries and the client.

263. **All efforts to improve performance in relevance will happen against a backdrop of change in IFAD**. There have been profound staffing changes that continue to pose a challenge in maintaining tacit knowledge, as well as skills and attitudes that are conducive to improved relevance. Should budgets for consultants be reduced this would have a major impact on the ability of CPMs to deliver. Currently, Management is concerned that IFAD's approval process is: (i) too long and too costly;[47] (ii) limiting country ownership; (iii) lacking in details on components; and (iv) skewed towards internal compliance. Management is presently implementing a plan to reduce the design

[47] Ranging from US$ 120,00 0 to US$ 400,00.

process to about 12 months, while ensuring stronger country ownership. There is a new format for the design report that will "do away with excessive background information".

264. This pressure to prepare projects in a shorter timeframe may result in reduced opportunities for dialogue with the beneficiaries, the borrower, and among IFAD staff, which may have negative effects on key elements of relevance, including consultation, targeting, and a solid institutional understanding. At the same time, IFAD management is introducing a new **restructuring** policy, which is intended to make the restructuring of projects easier, faster and cheaper. Clearly, the two measures combined (faster preparation and easier restructuring) will make for a nimbler process of designing new projects. The situation is too early to judge, nonetheless, some risks to relevance may be considered at this stage: (i) "Doing away with excessive background" may undermine the knowledge bases for many projects; and (ii) the recent restructuring of PMD --which affected the number and quality of rural institutions and organizations specialists and the downgrading of P5-level CPM positions to P4 and filling them with P3-level Program Officers – may carry the risk of less experienced staff focusing on processes, rather than engaging substantively with governments.

265. As the analysis showed, achieving "optimal" relevance depends on a range of factors. Arguably, addressing two recurrent issues would have a significant impact on project relevance. They are the **weak understanding of the institutional arrangements** underlying a project; and the ongoing issue of **limited implementation capacity** in many countries. These persistent issues indicate the need for IFAD to adopt a continued relevance approach which entails adaptive design in recognition that relevance needs to be dynamic and project interventions need to be adapted to remain relevant for the duration of the project. Long-term engagement will also allow IFAD to build a robust institutional knowledge base of government institutions, implementation capacities and context that may be used to design projects in less time. Nonetheless, as even the best project design may fail due to changed socio-economic, political and environmental contexts, the design must be continually adapted through well-resourced implementation support and earlier MTRs. Thus, for continued relevance a project requires good analysis as part of the pre-assessment, good capacities (government and IFAD) to implement the design, and the resources to adapt the design quickly or in a responsive manner.

VI. Conclusions and recommendations

A. Conclusions

266. **While the majority of IOE ratings are positive, recent trends in performance of IFAD projects are flat or slightly declining.** This is punctuated by downward trends in criteria such as IFAD's performance as a partner, relevance, rural poverty impact and GEWE. Little progress has been made in areas such as efficiency, sustainability of benefits and government performance. These flat and declining trends are also reflected in Management's PCR ratings for all criteria except GEWE. This – along with the inclusion of sustainability of benefits in IFAD's composite project performance criterion from 2016 - has contributed to lower IFAD project performance ratings compared to the World Bank's agricultural portfolio. However, IFAD project performance is higher than that of AsDB and AfDB, which share the Fund's definition.

267. **Improving the quality of a "bigger" ongoing Programme of Work with fewer resources appears challenging.** IFAD's strategic framework set out to make IFAD "bigger, better and smarter". However, based on IFAD10 performance this vision appears ambitious with trade-offs. While IFAD10 project investments remained big and were smarter in terms of reducing costs, they are yet to prove themselves better in quality – except in ENRM. While new investments increased, the actual number of approved projects decreased, indicating that country programme managers were designing and supervising fewer, but "bigger" projects. IFAD also managed to improve its average effectiveness lag and reduced the number of extensions in IFAD10. However, the lower direct administrative budget allocated for country programme management,

design and SIS may have contributed to the decline in project quality between IFAD9 and 10, particularly in relevance and IFAD's performance as a partner.

268. **A shift in the nature of IFAD projects from reaching high numbers of beneficiaries to increasing investments per beneficiary is possibly indicating more value adding activities**. Most of the projects included in the 2019 sample take value chain or market approaches involving the private sector. This indicates the need for technical expertise to design and support a larger portfolio in market-oriented and private sector-driven projects, which were new to IFAD in 2008-2010 when many of these projects were approved. In addition to managing a doubled programme of work from IFAD8, IFAD was also designing projects in new areas in which it had limited expertise. Therefore, there is a need for continued efforts to raise the overall quality of IFAD's performance with greater technical expertise.

269. **The importance of resources and technical expertise is reiterated in the positive trend in performance in the ENRM criterion.** Performance in ENRM has improved steadily from a low in 2010-2012 to ranking third in best performance in 2015-2017. It is the only criterion which shows a positive trend between IFAD9 and IFAD10. This improvement in ENRM as well as adaptation to climate change until 2014-2016 was supported by the creation of a unique division on the Environment and Climate Change (now also including gender, youth, and nutrition) as well as the supplementary funds for ASAP. During IFAD10, the Fund entered into a decisive transition towards full climate change mainstreaming in its country strategies and project portfolios. However, the positive trend has not continued in 2015-2017 for adaptation to climate change. This was due in part to the lack of specific strategies on climate at design and during implementation, and weak national policies adopted by local governments.

270. **Though still the top ranking criterion, the trend in IFAD performance as a partner shifted in 2015-2017 showing a decline for the first time since 2008.** Recurring constraints include high staff turnover, weak M&E, inaccurate funding at the design stage, and a lack of specialists on supervision missions. Nonetheless, IFAD remains a valued and trusted partner - able to adjust to varying circumstances and show flexibility and willingness to find alternative solutions in changing contexts. ICO-based consultations were deemed effective and efficient for problem-solving, providing timely support. However, additional measures are still needed in order to learn from past experience for scaled up results. Capacity within IFAD Country Offices was not always sufficient to aggregate and share evidence across the portfolio. **With limited resources, complex projects, wide-geographical distribution of activities and little time to engage in non-lending activities, country offices are often under pressure in supporting IFAD's project portfolio.**

271. **For non-lending activities, the absence of engagement by actors to go beyond the project's life, the lack of material and human resources and clarity of respective roles still represent obstacles for productive partnership building.** IFAD's need to catalyse new investments and financial resources will require better partnerships between sovereign governments, civil society and the private sector. Thus far, the Fund's enhanced country presence has facilitated knowledge-sharing among its range of partners and across countries and regions. **However, this year the previously positive trend in KM has inverted showing a decline.** Without adequate resources and a clear definition of responsibilities, knowledge management has been weak at national level and still far from the ambitious interventions mentioned in the COSOPs. **In addition, country-level policy engagement continues to exhibit a slow decline in performance.** IFAD faces some ongoing challenges linked to political instability, lack of legal frameworks and resources and inadequate level of representation of stakeholders.

272. **Government performance as a partner is one of the key criteria which accounts for overall performance of IFAD projects.** The principal component analysis conducted this year indicated positive ratings in overall project achievement are

correlated to good performance in government as a partner, effectiveness and rural poverty impact. However, government performance still shows shortcomings related to staffing issues, delays in financial execution and implementation, and insufficient procedures. As indicated in past ARRIs and this year's learning theme, building institutional capacity at national level is especially important for good project design and improved project relevance.

273. **The analysis on the Relevance of IFAD project interventions highlights some important lessons that need to be taken into consideration in view of IFAD11.** First, relevance is not a fixed assessment at design and project interventions may need to be adapted to ensure their "continued relevance." Second, meaningful engagement of beneficiaries in the design, implementation and evaluation of projects enhances project relevance by better understanding their needs. Third, government commitment is critical to adopting pro-poor policies and designs, in providing adequate implementation capacity, and ensuring continued relevance during and after the project's lifespan. This entails the government having the willingness and capacity to create and maintain a pro-poor policy environment. Fourth, lack of understanding of institutional arrangements together with the absence of implementation capacity ranks as one of the main threats to improved relevance. Fifth, well-functioning institutions are a key determinant of higher relevance. Slow implementation, overly ambitious and complex projects, underperforming PMUs and failure to address political economy matters are some of the key prominent issues leading to weak project performance. A comprehensive institutional assessment, a good understanding of the political and economic context and an identification of all key stakeholders' roles, accountabilities and responsibilities should be a pre-requisite for any project design.

B. Recommendations

274. The 2030 Agenda has set very ambitious targets for governments to achieve with IFAD's support. Reaching these goals requires commensurate resources and capacities within IFAD and its partner countries. The Board is invited to adopt the recommendations below, which seek to address constraints in capacity and related issues raised in the 2019 ARRI.

275. **Recommendation 1. Dedicate more resources to country programme delivery – specifically project design, supervision and implementation – to achieve the improved quality needed for a "better" IFAD.** IFAD's aim to become "bigger, better, and smarter" appears ambitious based on IFAD10 results. While IFAD managed to maintain a significantly higher ongoing Programme of Work since IFAD8, the decline in budgetary resources dedicated specifically to design, supervision and implementation may have affected its quality with lower ratings across criteria in IFAD10. "Better" results also require high quality technical expertise to support IFAD country programmes and projects. To improve quality standards, IFAD needs to plan and provide the commensurate resources for country programme management, design and implementation.

276. **Recommendation 2. Design IFAD programmes and projects according to country capacities based on sound institutional analysis to ensure the most appropriate implementation arrangements for country delivery.** For projects to be more relevant, they need to be appropriate to the country context and designed according to country capacities (including public, private and civil society institutions). This knowledge begins with sound institutional analysis during the COSOP or project design, the inclusion of capacity-strengthening components and support to rural institutions within the country.

277. **Recommendation 3. Develop government capacities to design and implement country programmes and projects in collaboration with other partners.** Government performance is critical to achieving development objectives and a positive impact on rural poverty. In the short-term, IFAD needs to provide more intensive implementation support particularly in areas such as procurement and financial

management. In the long term, IFAD can utilize its grant financing to work with other partners on strengthening the capacities of government institutions and PMUs. Depending on the country and project, multi-donor project management units may be considered along with the greater involvement of government counterparts in project design and SIS.

278. **Recommendation 4. Determine the need to adjust project designs earlier on in order to ensure their continued relevance to the country context.** Good project design is necessary but not sufficient to achieve development objectives. Project design should be viewed as a "living" blueprint that is reviewed and adjusted based on the context during implementation. Active supervision during start-up is needed to determine whether the project design needs to be adjusted even before the Mid-term Review. IFAD's new restructuring policy should facilitate project redesign early on when necessary, and should not simply be used to close projects that are challenging but important for achieving IFAD's mandate.

279. **Recommendation 5. A more comprehensive and integrated system is required to better mitigate risks in IFAD projects and programmes.** IFAD currently has a decentralized system for risk mitigation at various stages of the project cycle with assessments conducted by different divisions. To ensure that identified risks are addressed appropriately and at the right time, IFAD needs to develop better linkages among the various assessments from project design to evaluation.

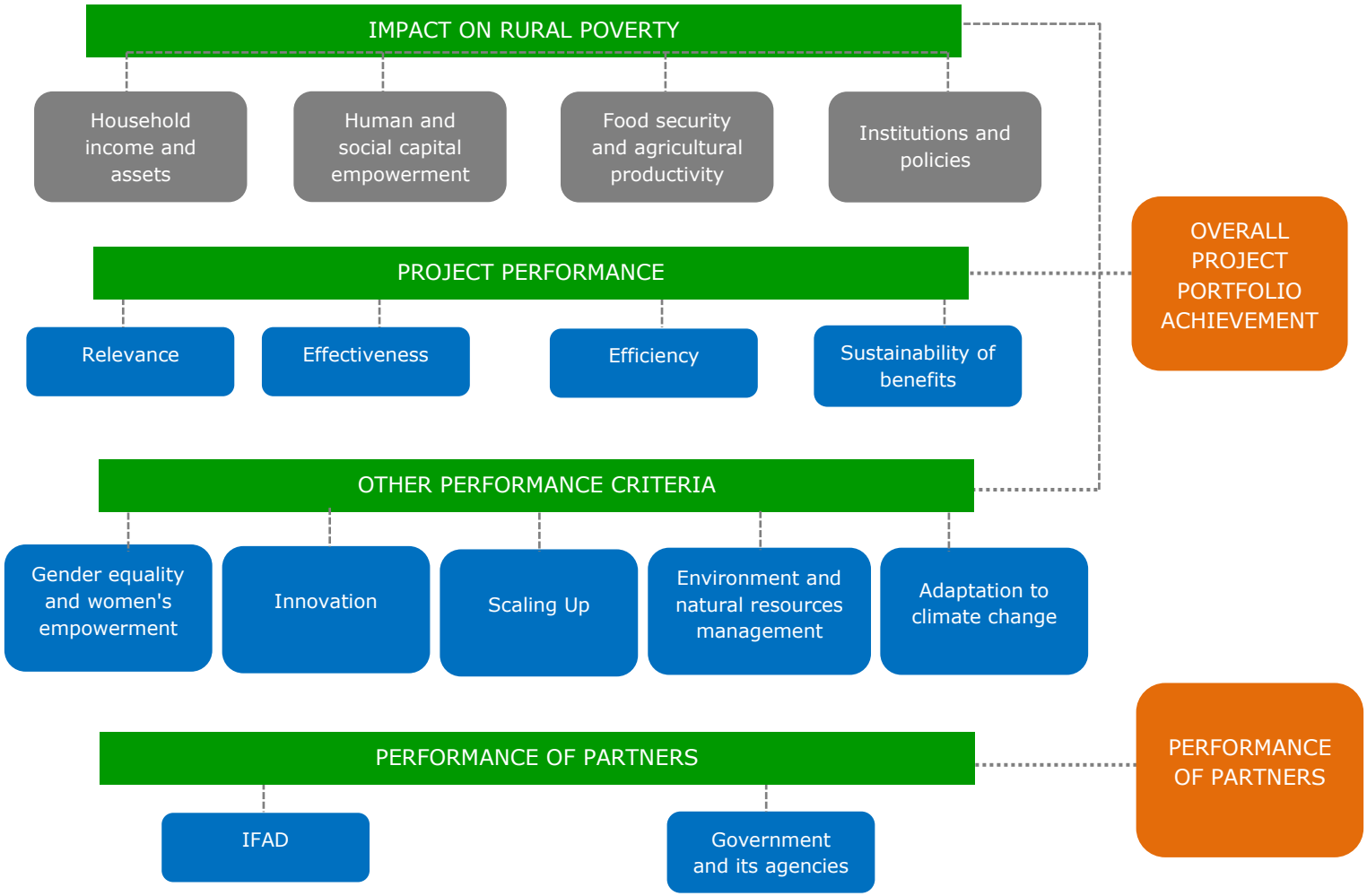
280. **2020 ARRI learning theme.** Pending the decision whether to retain learning themes in the ARRI based on recommendations of the External Peer Review of IFAD's Evaluation Function, the Evaluation Committee is invited to choose one of the two proposed topics:

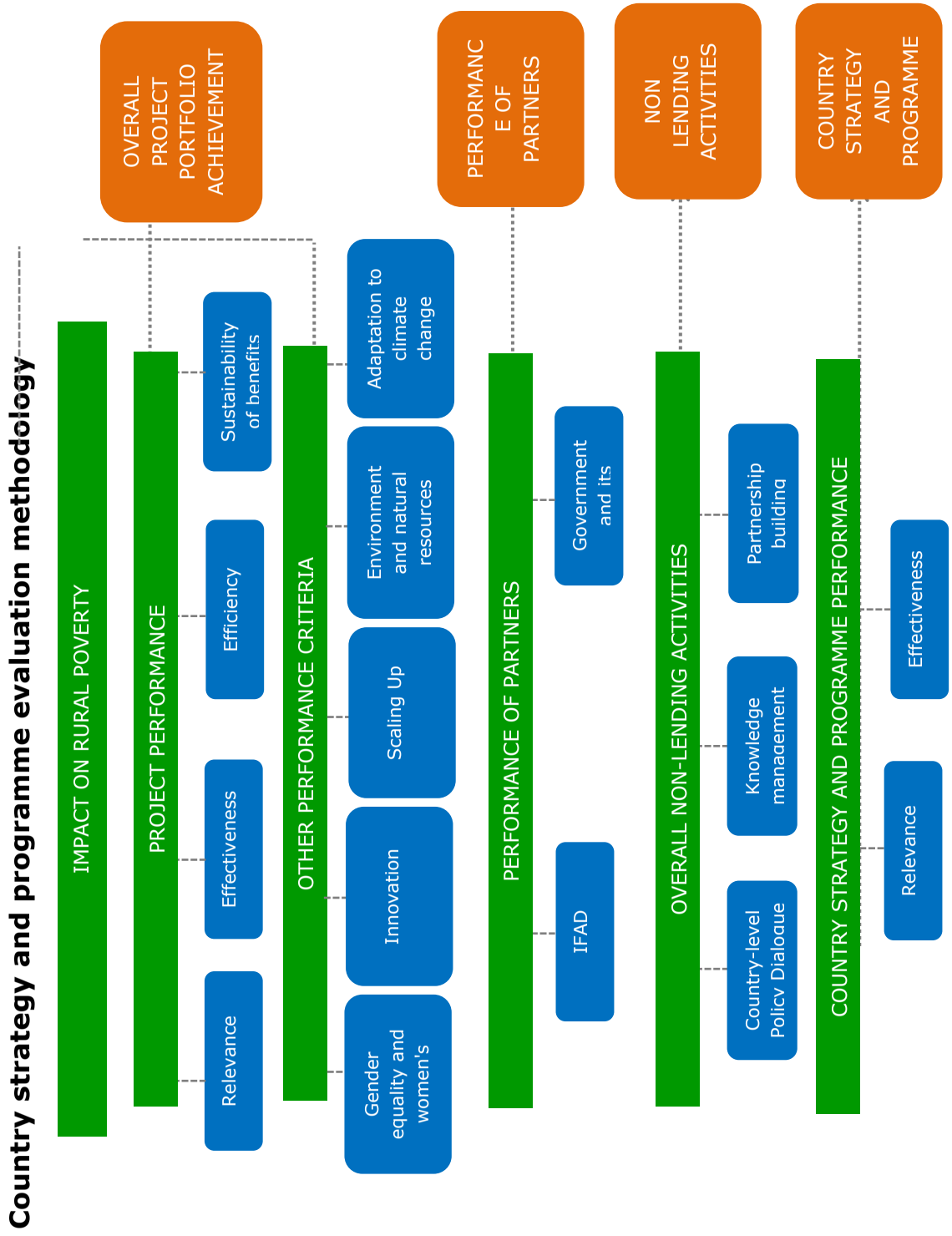
    i) **Quality of IFAD's Supervision and Implementation Support** - Given the observed decline in annual SIS missions per project, this learning theme would examine the quality of recent SIS missions in terms composition, expertise and advice.

    ii) **Efficiency** - The efficiency criterion measures how economically resources and inputs (funds, expertise, time) are converted into results. Greater emphasis is now being place on "value for resources" and IFAD's value for money proposition. In this context, the learning theme would explore the quality of results per dollar invested in IFAD projects.

Annex I. Project and country programme evaluation methodology

Project evaluation methodology




Country strategy and programme evaluation methodology
IMPACT ON RURAL POVERTY
OVERALL PROJECT PORTFOLIO ACHIEVEMENT
PROJECT PERFORMANCE
Relevance
Effectiveness
Efficiency
Sustainability of benefits
OTHER PERFORMANCE CRITERIA
Gender equality and women's
Innovation
Scaling Up
Environment and natural resources
Adaptation to climate change
PERFORMANCE OF PARTNERS
IFAD
Government and its
PERFORMANCE OF PARTNERS
OVERALL NON-LENDING ACTIVITIES
Country-level Policy Dialogue
Knowledge management
Partnership building
NON LENDING ACTIVITIES
COUNTRY STRATEGY AND PROGRAMME PERFORMANCE
Relevance
Effectiveness
COUNTRY STRATEGY AND PROGRAMME

Annex II. Definition of the evaluation criteria used by IOE

Criteria	*Definition* *
Rural poverty impact	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.
	Four impact domains • Household income and net 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. The analysis must include an assessment of trends in equality over time. • 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 grass-roots organizations and institutions, the poor's individual and collective capacity, and in particular, the extent to which specific groups such as youth are included or excluded from the development process. • Food security and agricultural productivity: Changes in food security relate to availability, stability, affordability and access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields; nutrition relates to the nutritional value of food and child malnutrition. • 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.
Project performance	Average of the ratings for relevance, effectiveness, efficiency and sustainability of benefits.
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 and coherence in achieving its objectives. An assessment should also be made of whether objectives and design address inequality, for example, by assessing the relevance of targeting strategies adopted.
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.
Sustainability of benefits	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.
Other performance criteria	
Gender equality and women's empowerment	The extent to which IFAD interventions have contributed to better gender equality and women's empowerment, for example, in terms of women's access to and ownership of assets, resources and services; participation in decision-making; work load balance and impact on women's incomes, nutrition and livelihoods.
Innovation	The extent to which IFAD development interventions have introduced innovative approaches to rural poverty reduction.
Scaling up	The extent to which IFAD development interventions have been (or are likely to be) scaled up by government authorities, donor organizations, the private sector and others agencies.

Criteria	*Definition* *
Environment and natural resources management	The extent to which IFAD development interventions contribute to resilient livelihoods and ecosystems. The focus is on the use and management of the natural environment, including natural resources defined as raw materials used for socio-economic and cultural purposes, and ecosystems and biodiversity - with the goods and services they provide.
Adaptation to climate change	The contribution of the project to reducing the negative impacts of climate change through dedicated adaptation or risk reduction measures.
Overall project achievement	Overarching assessment of the intervention, drawing upon the analysis and ratings for rural poverty impact, relevance, effectiveness, efficiency, sustainability of benefits, gender equality and women's empowerment, innovation, scaling up, environment and natural resources management, and adaptation to climate change.
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. The performance of each partner will be assessed on an individual basis with a view to the partner's expected role and responsibility in the project life cycle.

* These definitions build on the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) Glossary of Key Terms in Evaluation and Results-Based Management; the Methodological Framework for Project Evaluation agreed with the Evaluation Committee in September 2003; the first edition of the Evaluation Manual discussed with the Evaluation Committee in 2008; and second edition of the Evaluation Manual discussed with the Evaluation Committee in 2015.

Annex III. List of country strategy and programme evaluations completed and published by IOE (1992-2018)

Country programme evaluation	*Division*	*Evaluation year(s)*
Angola	WCA	2017
Argentina	LAC	2009
Bangladesh	APR	1993, 2005, 2014
Benin	WCA	2003
Burkina Faso	WCA	2018
Plurinational State of Bolivia	LAC	2004, 2013
Brazil	LAC	2006, 2015
Cambodia	APR	2017
Cameroon	WCA	2017
China	APR	2013
Congo	WCA	2016
Ecuador	LAC	2012
Egypt	NEN	2004, 2017
Ethiopia	ESA	2007, 2015
Gambia (The)	WCA	2015
Georgia	NEN	2017
Ghana	WCA	1995, 2010
Honduras	LAC	1995
India	APR	2009, 2015
Indonesia	APR	2003, 2012
Jordan	NEN	2011
Kenya	ESA	2010, 2018
Madagascar	WCA	2012
Mali	WCA	2006, 2012
Mauritania	WCA	1997
Mexico	LAC	2005

Country programme evaluation	*Division*	*Evaluation year(s)*
Morocco	NEN	2006
Republic of Moldova	NEN	2013
Mozambique	ESA	2009, 2016
Nepal	APR	1998, 2012
Nicaragua	LAC	2016
Niger	WCA	2009
Nigeria	WCA	2008, 2015
Pakistan	APR	1994, 2007
Papua New Guinea	APR	2000
Peru	LAC	2017
Philippines	APR	2016
Rwanda	ESA	2005, 2010
Senegal	WCA	2003, 2013
Sri Lanka	APR	2001, 2018
Sudan	NEN	1993, 2008
Syrian Arab Republic	NEN	2000
United Republic of Tanzania	ESA	2001, 2014
Tunisia	NEN	2002, 2018
Turkey	NEN	2015
Uganda	ESA	2011
Viet Nam	APR	2000, 2010
Yemen	NEN	1991, 2010
Zambia	ESA	2013

Note: APR= Asia and the Pacific; ESA= East and Southern Africa; LAC= Latin America and the Caribbean; NEN= Near East North Africa and Europe; WCA= West and Central Africa

Annex IV. Evaluations included in the 2019 ARRI

Country/Region	*Title*	*Project ID*	*Executive Board approval date*	*Effectiveness date*	*Project completion date*	*Project duration (years)*	*Cost per beneficiary at design (US$)*	*Actual cost per year (US$ million)*	*Actual IFAD funding (US$ million)*	*Actual total project cost (US$ million)*
				Corporate-level evaluations						
All	IFAD's financial architecture									
				Evaluation synthesis reports						
All	IFAD's support to livelihoods involving aquatic resources from Small scale Fisheries, Small-scale Aquaculture and Coastal Zones									
All	Rural finance									
All	Technical Innovations for Rural Poverty Reduction									
				Country strategy and programme evaluations						
Angola	Market-oriented Smallholder Agriculture Project (MOSAP)	1391	13/12/2007	05/11/2009	31/03/2016	6.3	59	5.2	7.1	33.2
Burkina Faso	Agricultural Commodity Chain Support Project	1360	14/12/2006	06/12/2007	31/12/2016	9.0	169	1.9	13.8	16.9
	Community Investment Programme for Agricultural Fertility	1220	11/09/2003	22/10/2004	30/06/2012	7.7	179	3.5	12.1	26.9
	Rural Business Development Services Programme	1425	30/04/2009	08/12/2010	31/12/2016	6.0	420	4.2	16.1	25.2
	Rural Microenterprise Support Project	1103	28/04/1999	14/07/2000	30/06/2008	7.9	430	1.6	9.4	12.9
	Small-Scale Irrigation and Water Management Project	1368	13/12/2007	12/11/2008	31/12/2014	6.1	183	2.7	8.7	16.3
	Sustainable Rural Development Programme	1247	02/12/2004	12/10/2005	31/12/2013	8.2	228	4.2	16.0	34.2
Kenya	Central Kenya Dry Area Smallholder and Community Services Development Project	1114	07/12/2000	01/07/2001	31/12/2010	9.4	82.2	1.9	10.9	18.1
	Mount Kenya East Pilot Project for Natural Resource Management	1234	11/12/2002	01/07/2004	30/09/2012	8.2	71.4	3.1	16.7	25.7
	Smallholder Horticulture Marketing Programme	1330	18/04/2007	23/11/2007	31/12/2014	7.1	443.2	3.8	23.9	26.6

Country/Region	*Title*	*Project ID*	*Executive Board approval date*	*Effectiveness date*	*Project completion date*	*Project duration (years)*	*Cost per beneficiary at design (US$)*	*Actual cost per year (US$ million)*	*Actual IFAD funding (US$ million)*	*Actual total project cost (US$ million)*
	Southern Nyanza Community Development Project	1243	18/12/2003	10/08/2004	30/09/2013	9.1	47.5	2.6	21.5	23.7
Sri Lanka	Dry Zone Livelihood Support and Partnership Programme	1254	09/09/2004	22/12/2005	31/03/2013	7.3	95.0	4.2	22.3	30.4
	Iranamadu Irrigation Development Project	1600	13/12/2011	30/01/2012	31/03/2017	5.2	1327.2	5.7	22.2	29.3
	National Agribusiness Development Programme	1457	17/12/2009	23/02/2010	31/12/2017	7.8	113.9	4.2	25.0	33.0
	Post-Tsunami Livelihoods Support and Partnership Programme	1351	19/04/2005	09/03/2006	31/03/2010	4.0	216.4	1.2	4.7	4.7
	Smallholder Plantations Entrepreneurship Development Programme	1316	14/12/2006	06/11/2007	31/12/2016	9.1	1016.0	4.4	22.5	39.9
Tunisia	Agropastoral Development and Local Initiatives Promotion Programme in the South-East	1213	05/09/2002	08/04/2003	30/06/2015	12.2	669	4.0	23.2	48.8
	Integrated Agricultural Development Project in the Governorate of Siliana - Phase II	1299	13/12/2005	11/06/2007	31/12/2014	7.5	1099	5.9	20.5	43.9
	Integrated Agricultural Development Project in the Governorate of Zaghouan	1104	03/12/1998	14/12/1999	30/06/2008	8.5	750	3.9	16.1	33.4
	Impact evaluations									
Kenya	Smallholder Horticulture Marketing Programme	1330	18/04/2007	23/11/2007	31/12/2014	7.1	443.2	3.8	23.9	26.6
	Project performance evaluations									
Belize	Rural Finance Programme	1456	17/12/2008	01/09/2009	30/09/2016	7.0	403	0.4	3.0	6.0
Chad	Pastoral Water and Resource Management Project in Sahelian Areas	1446	15/09/2009	26/01/2010	31/03/2015	5.2	141	4.4	19.5	22.6
Cote d'Ivoire	Agricultural Rehabilitation and Poverty Reduction Project	1435	17/12/2009	21/12/2009	31/12/2014	5.0	171	5.1	10.0	25.6
Eswatini	Rural Finance and Enterprise Development Programme	1373	17/12/2008	15/09/2010	30/09/2016	6.0	226	1.5	6.2	8.7

Country/Region	*Title*	*Project ID*	*Executive Board approval date*	*Effectiveness date*	*Project completion date*	*Project duration (years)*	*Cost per beneficiary at design (US$)*	*Actual cost per year (US$ million)*	*Actual IFAD funding (US$ million)*	*Actual total project cost (US$ million)*
Ghana	Root and Tuber Improvement and Marketing Programme (RTIMP)	1312	08/09/2005	08/11/2006	30/06/2015	8.6	36	2.7	18.8	23.6
Guyana	Rural Enterprise and Agricultural Development Project	1415	13/12/2007	15/01/2009	31/03/2015	6.2	333	0.9	5.4	5.8
Madagascar	Project to Support Development in the Menabe and Melaky Regions (AD2M)	1318	20/04/2006	13/11/2006	31/12/2015	9.1	117	3.0	19.5	27.2
Mexico	Community-based Forestry Development Project in Southern States (Campeche, Chiapas and Oaxaca)	1412	15/09/2009	23/03/2011	31/03/2016	5.0	206	3.7	na	18.6
Moldova	Rural Financial Services and Agribusiness Development Project	1562	15/12/2010	04/07/2011	30/09/2016	5.2	982	7.6	19.8	39.5
Morocco	Rural Development Project in the Eastern Middle Atlas Mountains	1338	13/12/2005	28/03/2007	31/03/2015	8.0	884	2.0	9.3	15.9
Rwanda	Kirehe Community-based Watershed Management Project (KWAMP)	1431	11/09/2008	30/04/2009	30/06/2016	7.2	573	9.0	42.2	64.5
Sri Lanka	Smallholder Plantations Entrepreneurship Development Programme	1316	14/12/2006	06/11/2007	31/12/2016	9.1	1016	2.9	22.02	26.6
Viet Nam	Pro-Poor Partnerships for Agroforestry Development Project	1477	17/12/2008	27/05/2009	30/06/2015	6.1	448	4.2	21.4	25.7
Project Completion Report Validations										
Afghanistan	Rural Microfinance and Livestock Support Programme (RMLSP)	1460	30/04/2009	24/08/2009	30/09/2016	7.1	147	4.4	29.3	31.5
Angola	Market-oriented Smallholder Agriculture Project	1391	13/12/2007	05/11/2009	31/03/2016	6.3	59	5.2	7.1	33.2
Armenia	Rural Asset Creation Programme	1538	16/09/2010	02/05/2011	30/06/2016	5.1	355	10.6	14.0	54.0
Benin	Rural Economic Growth Support Project	1331	30/04/2009	01/10/2010	31/12/2016	6.2	664	3.2	16.1	20.0

Country/Region	*Title*	*Project ID*	*Executive Board approval date*	*Effectiveness date*	*Project completion date*	*Project duration (years)*	*Cost per beneficiary at design (US$)*	*Actual cost per year (US$ million)*	*Actual IFAD funding (US$ million)*	*Actual total project cost (US$ million)*
Burkina Faso	Agricultural Commodity Chain Support Project	1360	14/12/2006	06/12/2007	31/12/2016	9.0	169	1.9	13.8	16.9
Burkina Faso	Rural Business Development Services Programme	1425	30/04/2009	08/12/2010	31/12/2016	6.0	420	4.2	16.1	25.2
Congo	Rural Development Project in the Likouala, Pool and Sangha Departments (PRODER 3)	1438	11/09/2008	02/02/2009	31/03/2015	6.1	187	1.8	5.4	10.7
Dominican Republic	Development Project for Rural Poor Economic Organizations of the Border Region	1479	30/04/2009	26/05/2010	30/06/2016	6.1	314	2.5	13.7	14.9
Egypt	Upper Egypt Rural Development Project	1376	14/12/2006	24/09/2007	31/03/2017	9.5	153	2.0	15.1	19.3
Gambia	Livestock and Horticulture Develoment Project	1504	17/12/2009	03/03/2010	30/09/2015	5.5	153	2.8	7.6	15.5
Gambia	Participatory Integrated-Watershed Management Project	1152	21/04/2004	16/05/2006	30/06/2014	8.1	292	2.3	7.5	18.4
Gambia	Rural Finance Project	1303	14/09/2006	16/04/2008	30/06/2014	6.2	44	1.3	6.5	7.9
Haiti	Small-scale Irrigation Development Project	1275	14/12/2006	05/11/2008	30/06/2016	7.6	324	2.8	15.7	21.6
Honduras	Enhancing the Rural Economic Competitiveness of Yoro	1407	13/12/2007	17/11/2008	31/12/2016	8.1	263	1.8	7.29	14.93
India	North Eastern Region Community Resource Management Project for Upland Areas (NERCORMP II)	1040	17/12/2009	12/07/2010	30/09/2016	6.2	560	5.2	17.8	31.8
Liberia	Agriculture Sector Rehabilitation Project	1501	17/12/2009	22/12/2009	30/06/2017	7.5	537	3.6	7.5	26.9
Nicaragua	Inclusion of Small-Scale Producers in Value Chains and Market Access Project (PROCAVAL)	1380	12/09/2007	20/08/2008	31/12/2015	7.3	348	4.9	19.5	36.2
Nigeria	Rural Finance Institutions Building Programme	1212	14/09/2006	20/01/2010	31/03/2017	7.2	23	5.6	27.6	40.0

Country/Region	*Title*	*Project ID*	*Executive Board approval date*	*Effectiveness date*	*Project completion date*	*Project duration (years)*	*Cost per beneficiary at design (US$)*	*Actual cost per year (US$ million)*	*Actual IFAD funding (US$ million)*	*Actual total project cost (US$ million)*
Senegal	Agricultural Value Chains Support Project (PAFA)	1414	11/09/2008	05/02/2010	31/03/2016	6.1	268	3.9	14.8	24.0
Sierra Leone	Rural Finance and Community Improvement Programme	1310	18/04/2007	30/05/2008	30/06/2014	6.1	51	2.1	11.1	12.8
Sri Lanka	Iranamadu Irrigation Development Project	1600	13/12/2011	30/01/2012	31/03/2017	5.2	1327	4.5	21.0	23.5
Sudan	Western Sudan Resources Management Programme	1277	02/12/2004	15/12/2005	31/12/2016	11.0	166	3.9	28.5	42.6
Tanzania	Agricultural Sector Development Programme (ASDP)	1420	02/12/2004	30/01/2007	30/09/2016	9.7	24	40.0	98.6	386.5
Tanzania	Rural Micro, Small and Medium Enterprise Support Programme	1363	14/12/2006	12/07/2007	30/09/2016	9.2	51	2.0	16.1	18.6
Tonga	Tonga Rural Innovation Project	1628	03/04/2012	25/05/2012	30/06/2017	5.1	238	0.9	3.1	4.7
Viet Nam	Project for the Economic Empowerment of Ethnic Minorities in Poor Communes of Dak Nong Province	1483	22/04/2010	09/11/2010	31/12/2016	6.1	171	3.8	19.4	23.0
Viet Nam	The Agricultural, farmers, and rural areas support project in Tuyen Quang, Ninh Thuan and Gia Lai (TNSP)	1552	15/12/2010	25/02/2011	31/03/2017	6.1	192	10.7	45.6	65.1

Annex V. 2019 ARRI methodology and analyses

Part 1 - Methodology

1. **Methodology.** The project evaluations included in the 2019 ARRI were performed in 2018 and thus follow the provisions of the second edition of the Evaluation Manual published in December 2015. This is the third year that this new methodology is reflected in the ARRI. The evaluation criteria and definitions included in the revised harmonization agreement[48] between Management and IOE are fully reflected in the 2019 ARRI.

2. With the introduction of the 2015 Evaluation Manual, each project is assessed and rated across ten evaluation criteria: relevance, effectiveness, efficiency, sustainability of benefits, rural poverty impact,[49] gender equality and women's empowerment, innovation, scaling up, environment and natural resource management and adaptation to climate change. In addition to these ten criteria, each project is evaluated for IFAD and government performance as partners, in line with the practice of other international financial institutions.

3. IOE also has two composite evaluation criteria: project performance and overall project achievement. Project performance is an average of the ratings of four individual evaluation criteria (relevance, effectiveness, efficiency and sustainability), whereas overall project achievement is based on (but not an average of) all ten criteria now applied by IOE. The definition for each evaluation criteria are found in Annex II.

4. This year's ARRI was also prepared using the NVivo software for the qualitative analysis, an advanced data management tool which allows queries and visualization of data in an efficient and organized way. On the quantitative side, the 2019 ARRI methodology includes standard descriptive statistics, trend analysis and t-test to compare average ratings of criteria across IOE and PMD evaluations and between IFAD replenishment periods. Lastly, a correlation analysis was performed on PCRV/PPE ratings in order to test for interrelationships among evaluation criteria.

5. **Ratings scale and data series**. In line with the Good Practice Standard of the Evaluation Cooperation Group of the Multilateral Development Banks for Public Sector Evaluations, IOE uses a six-point rating scale to assess performance in each evaluation criterion. The rating scale is summarized in table 1.

Table 1
IOE rating system

Score	*Assessment*	*Category*
6	Highly satisfactory	
5	Satisfactory	*Satisfactory*
4	Moderately satisfactory	
3	Moderately unsatisfactory	
2	Unsatisfactory	*Unsatisfactory*
1	Highly unsatisfactory	

Source: IFAD Evaluation Manual, 2015.

6. The ratings, which are the foundation of performance reporting in IOE evaluations, are thereafter used in the analysis of the ARRI for reporting on IFAD's aggregate operational performance. Therefore, in each independent evaluation, IOE pays maximum attention to ensuring that the ratings assigned are based on evidence and follow a standard

[48] Agreement on the Harmonization of IFAD's Independent Evaluation and Self-Evaluations Methods and Systems Part I: Evaluation Criteria: https://webapps.ifad.org/members/eb/120/docs/EB-2017-120-INF-2.pdf
[49] As per the new methodology, Environment and natural resources management as well as adaptation to climate change are no longer included among the impact domains contributing to Rural Poverty Impact. The four remaining impact domains (Household income and net assets; Human and social capital and empowerment; Food security and agricultural productivity; Institutions and policies) are no longer rated.

methodology and process. Moreover, comprehensive internal and external peer reviews are organized in finalizing the assessments and ratings of each evaluation, also as a means to enhance objectivity and minimize inter-evaluator variability.

7. As in the last couple of ARRIs, the analysis is based on two data series: (i) all evaluation data and (ii) PCRV/PPE data only. The 2019 ARRI primarily presents analysis based on "PCRV/PPE data" series[50] which contains only ratings from PCRVs, PPEs and impact evaluations of completed projects. As IOE conducts PCRVs for all completed projects since 2011, covering the entire portfolio at exit, there are no selection biases in the projects chosen for evaluation. The PCRV/PPE data series currently includes ratings from 228 evaluations out of the total 344 evaluations in the all evaluation data series. In comparison to last year's database, the sample includes new PCRVs, PPEs and IE evaluations conducted mainly in 2018 and only two evaluations in 2017. As the new PCRVs, PPEs and IE evaluations completed between 2014 and 2017, both data series stop in 2017 in the last cohort[51].

8. The "all evaluation data" series consists of ratings from all evaluations conducted by IOE since 2002. In addition to PCRV/PPE data it also includes CSPEs, and therefore contains evaluated projects that were not selected randomly and followed other criteria.[52] In the 2019 ARRI, the "all evaluation data" series is used to triangulate findings and for the analysis benchmarking IFAD performance with other IFIs, as the sample sizes provided by "PCRV/PPE data" series are currently too small for this exercise. The analysis on project evaluations has been carried out based on the year of project completion[53], in line with most other IFIs and previous editions of the ARRI. Finally, the ratings discussed in the CSPE section (portfolio performance, non-lending activities and COSOPs) come from a separate database of CSPEs undertaken by IOE between 2006 and 2018. CSPEs are included in this database based on year of evaluation.

9. Charts and tables showing the moving averages of performance based on the "all evaluation data" series are available in the online appendix, as they overall support the trends of the "PCRV/PPE data" series and therefore do not need to be mentioned in comparison with the "PCRV/PPE data" series. As in the past, the 2019 ARRI analysed independent evaluation ratings grouped by IFAD replenishment periods, starting with the IFAD5 replenishment period (2001-2003). The results of the analysis of performance by replenishment periods are presented in Annex VI and discussed in the special chapter of IFAD replenishment in Chapter VI, whereas supplementary tables/charts are included in the online appendix.

10. The qualitative analysis is based on the project evaluations done in 2018 (PCRVs, PPEs, impact evaluations and CSPEs) as well as two evaluations done in 2017 not included in the 2018 ARRI, the Evaluation Syntheses and a Corporate-level evaluation. For the complete overview of consulted evaluations of 2018, please see Annex IV.

11. **Age of the portfolio**. Of the 41 newly evaluated projects included in this year's ARRI, 13 were approved between 2004 and 2006, 22 between 2007 and 2009, 6 between 2010 and 2012. All projects are completed and closed: 6 were completed in 2014, 8 projects completed in 2015 and 21 and 6 projects reached completion in 2016 and 2017, respectively. The average project duration was 6.9 years. Only one project had an implementation period of more than 10 years compared to four of the 36 projects evaluated in the 2018 ARRI. Thus, although some projects were designed 10 or more years ago, a large number of them were under implementation until recently. However,

[50] Introduced in the 2013 ARRI.
[51] The all evaluation data series also stops in 2017 due to comparability with the PCRV/PPE data series and due to the small sample size of CSPE projects completing in 2017.
[52] For example, in the past it was mandatory for IOE to undertake an interim (project) evaluation before Management could proceed with the design of a second phase of the same operation.
[53] Reporting by year of project completion is preferred to year of approval as this includes all the inputs and changes to the project, not just project design and appraisal. It is also preferred over presentation by year of evaluation results where there is a wide range of project approval dates, and sometimes very old projects are included. Presentation by year of project completion provides a more homogenous cohort.

given the age of the portfolio of projects analysed in the ARRI, it is important to note that the analysis of performance does not take into account recently designed projects.

12. The ARRI also assesses the performance of IFAD country programmes beyond the project level, using the assessments contained in CSPEs. Historically, a total of 72 CSPEs have been undertaken by IOE since the product was introduced in the 1990s (see Annex III for complete list). Of these, 50 CSPEs have been completed since 2006 based on a consistent methodology including the use of ratings, which allows for aggregating results across country programmes. This year's ARRI include five new CSPEs carried out in Angola, Burkina Faso, Kenya, Sri Lanka and Tunisia.

13. **Analysis of ratings**. As per past practice, the ARRI uses three-year moving averages to smoothen short-term fluctuations and highlight long-term trends.[54] The moving average is particularly applicable to the "all data" series as it includes projects that were not randomly selected.

14. The main trends in performance are explained through an analysis of the percentages of projects that are rated as moderately satisfactory or better. However, as requested by the Evaluation Committee, the proportion of ratings for each evaluation criteria falling within the full range of the six-point rating scale (i.e. from highly unsatisfactory to highly satisfactory) used by IOE are available in the online appendix. Moreover, upon the request of Management, for the first time non-lending performance ratings are presented within the full range of the six-point rating scale (i.e. from highly unsatisfactory to highly satisfactory) by replenishment period.

15. A detailed analysis of ratings from 2007 to 2017 is presented in the overview section. This includes the distribution analysis of available ratings in the PCRV/PPE data series in the period, which provides a summary of the mean, standard deviation (SD) and the coefficient of variation by evaluation criteria. The mean is presented together with the standard deviation along with the coefficient of variation for a nuanced understanding of performance. The coefficient of variation is a relative measure of variability and is calculated as the ratio of the SD to the mean.

16. These analyses are complemented by a correlation analyses of PCRV/PPE ratings to test for interrelationships among evaluation criteria. The correlation analysis is presented in the subsequent section and is followed by a principal component analysis (PCA) to understand how criteria relate to each other in groups. We subsequently performed a Student test (t-test) to test the significance of the difference in average ratings between IFAD replenishment periods for each criterion, using the All Evaluation data series.

17. As with the trends analysis of the share of moderately satisfactory or better presented in the ARRI, a trend analysis of IOE and PCR ratings by evaluation criteria is presented in Annex X using the PCRV/PPE data series and the usual 3-year moving average to smooth short term fluctuations. This is complemented by a presentation of the disconnect between IOE and PCR ratings by 3-year moving average.

[54] Three-year moving averages were first used in the 2009 ARRI, before IOE started undertaking PCRVs/PPEs. A three-year moving average allows for the assessment of trends in performance over time, and also overcomes any bias that may result from the sample of projects evaluated, which are not chosen on a random basis. Three-year moving averages are calculated by adding evaluation results from three consecutive years.

Part 2 - Test for correlation between evaluation criteria

1. The most commonly followed approach to evaluating project performance is an analysis of the various evaluation criteria through their ratings scale. This approach involves an examination of ratings for individual criteria in order to understand performance of projects (either the project is performing well or not). However, this method may reveal only part of the picture. It may be then useful to take into account ratings of other criteria which could be closely associated and could therefore guide in understanding the performance of projects. For instance, close association between ratings for effectiveness and sustainability could help understand to what extent project objectives have been reached and how results from the project are likely to continue beyond the phase of IFAD's funding support.
2. In order to avoid multicollinearity issues among some evaluation criteria, project performance and the overall project achievement criteria have been removed from the analysis. In fact, these variables represent two composite evaluation criteria: while the former is based on the ratings of four individual criteria (namely relevance, effectiveness, efficiency and sustainability), the latter is based on all ten criteria[55] applied by IOE.
3. In interpreting the correlation coefficients in Table 3, we must consider that a strong correlation between IOE and PMD ratings (having a correlation coefficient greater than 0.7) only means that IOE and PMD ratings follow the same trend, without necessarily being the case that a relation of "true causality" exists between them.
4. The correlation analysis is based on the PCRV/PPE data series which includes evaluations for projects completed between 2007 and 2017. For a better understanding of the underlying associations between the various evaluation criteria, the Spearman's rank correlation test[56] is used to undertake correlations. The correlation results are also tested for statistical significance at the 5 per cent significance level. The results are presented in a matrix form and show the degree of association i.e. the correlation coefficient between the various criteria.
5. For the sake of simplicity, the different correlation coefficient values could be interpreted[57] in the following way:
   - for values between 0.90 and 1, the correlation is very strong.
   - for values between 0.70 and 0.89, correlation is strong.
   - for values between 0.50 and 0.69, correlation is moderate.
   - for values between 0.30 and 0.49, correlation is low.
   - for values below 0.29, correlation is weak.
6. The table below shows the correlation of all the indicators with one another. It is important to ensure that there are no perfectly correlated variables, which would mean that one of them does not add information and can be deleted before looking for significant correlations and possibly clusters.
7. The results are presented in the table below. Thus, for instance, results show that:
   - All criteria are positively correlated
   - All correlations between criteria appear to be statistically significant at the 5 per cent level.
   - The majority of correlations between criteria are either moderate or low.
   - The strongest correlation was observed between rural poverty impact and effectiveness (0.72) and between government performance and effectiveness (0.70).

[55] See ARRI 2017, p. for description of all evaluation criteria.
[56] The Spearman correlation test provides reliable results for ordinal variables which usually present non-linear relationship among them.
[57] There is no set rule in the interpretation of the correlation coefficient.

- On the other hand, there is moderate correlation between effectiveness vis-à-vis efficiency, sustainability and IFAD performance, as well as between sustainability and rural poverty impact, and between government performance and efficiency.
- Correlation with most criteria is stronger for effectiveness than relevance (confirming that quality of implementation has stronger effects than design).
- With the exception of relevance, correlation between government performance and other criteria is stronger than between IFAD performance and other criteria and this is particularly the case for effectiveness and efficiency.

Table 1
Correlation between evaluation criteria
Spearman's correlation coefficients, PCRV/PPE data series, 2007-2017, N=172

	Relevance	Effectiveness	Efficiency	Sustainability	Rural poverty impact	Innovation	Scaling-up	GEWE	ENRM	Adaptation to climate change	IFAD performance	Government performance
Relevance	1											
Effectiveness	0.56*	1										
Efficiency	0.36*	0.63*	1									
Sustainability	0.51*	0.64*	0.50*	1								
Rural poverty impact	0.50*	**0.72***	0.52*	0.61*	1							
Innovation	0.39*	0.58*	0.47*	0.47*	0.53*	1						
Scaling-up	0.46*	0.57*	0.44*	0.52*	0.49*	0.80*	1					
GEWE	0.34*	0.39*	0.38*	0.26*	0.32*	0.34*	0.31*	1				
ENRM	0.28*	0.42*	0.36*	0.39*	0.53*	0.29*	0.31*	0.26*	1			
Adaptation to climate change	0.31*	0.38*	0.30*	0.36*	0.50*	0.29*	0.29*	0.22*	0.70*	1		
IFAD performance	0.51*	0.63*	0.47*	0.46*	0.55*	0.47*	0.44*	0.40*	0.34*	0.33*	1	
Government performance	0.45*	**0.70***	0.66*	0.52*	0.59*	0.54*	0.50*	0.40*	0.40*	0.37*	0.60*	1

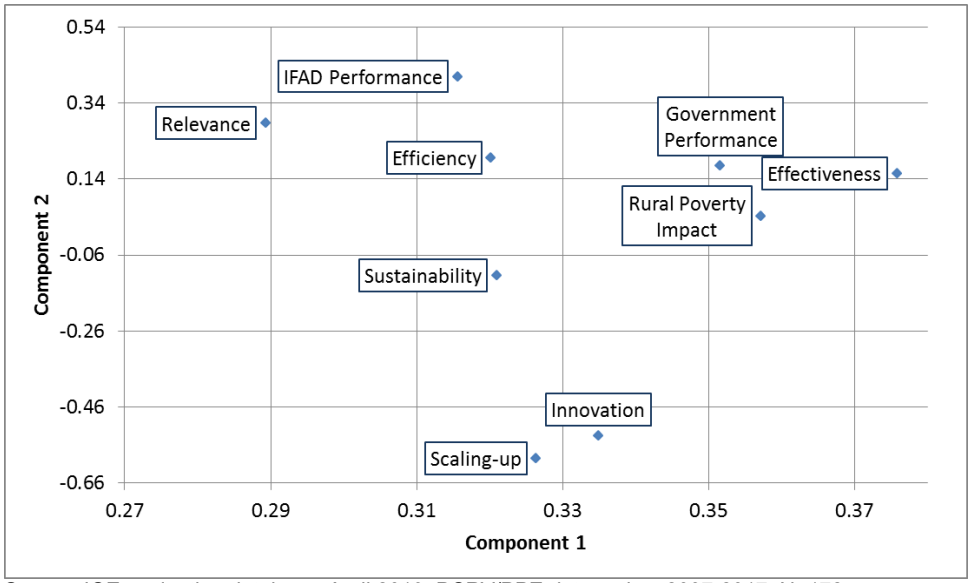
* indicates statistical significance at 5 per cent level.
Source: IOE evaluation database, PCRV/PPE data series, April 2019.

Part 3 – Principal component analysis

1. In order to obtain a synthesis of the different dimensions of the interrelationship among evaluation criteria, a principle component analysis (PCA)[58] is used. This method describes how evaluation criteria relate to each other in groups and helps identify components in the data indicating when these criteria vary similarly. The PCA capture the essence of the data in a few principal components, which convey the most variation in the dataset. In order to ensure analysis on significant relationship among evaluation criteria, project performance and the overall project achievement criteria have been removed from the analysis, as these variables represent two composite evaluation criteria. The criteria GEWE and ENRM have been removed from the PCA because of the weak correlation with the other variables. Also, adaptation to climate change has been removed because of its small sample size.
2. **Methodology.** Our analysis is based upon a polychoric PCA[59]. This approach is based on a nonlinear PCA, that is a method of dimension reduction applied to ordinal variables. This approach seems particularly suitable because it will preserve the ordinal nature of our criteria, without assuming equal difference between subsequent categories.
3. The PCA allows two interesting analysis. The component loadings plot will present the correlation between each criterion and each component. A high correlation indicates that a large proportion of a criterion is associated with the component and that the criterion contributes significantly in explaining the variability in the data set. The score plot will be a map of the projects in the PCRV/PPE database and will allow us to identify clusters or groups of project.
4. The first step is to compute the principal components (PC) and to choose the most significant components. The rule of thumb for choosing the PC is eigenvalues equal or greater than 1. For sake of simplicity, the first two components are retained for the rest of the analysis. The proportion of the total variance of the data accounted by the first two PC is 70 per cent, the first PC accounting for 61 per cent and second PC representing 9 per cent.
5. **Main findings.** Two conclusions can be drawn from the principal components analysis using the component loadings plot below. First, the overall performance of IFAD projects can be associated with criteria such as Effectiveness, Rural Poverty Impact and Government performance. As a matter of fact, these criteria capture the most part of the variability in the data, given their large correlation with the first component. Thus, projects rated satisfactory on these three criteria will tend to have higher scores for the first component. Notably, Effectiveness, Rural Poverty Impact and Government performance have the strongest correlation with the Overall Project Achievement, as it can be seen from the correlation table.
6. Second, the component loadings plot shows that these three criteria vary together and this is also confirmed by the correlation analysis. It confirms that partnership and government involvement is a facilitating factor in the extent to which the development objectives of IFAD operations are achieved (effectiveness) and in the realisation of positive change in the lives of rural poor. In other words, projects with good government performance rating will tend to have good effectiveness and rural poverty impact rating.

[58] Further information on this method can be found in Michailidis and De Leeuw (1998); Vermunt and Magidson(2005); Ferrari and Manzi (2010).
[59] See Kolenikov, S., & Angeles, G. (2005). The use of discrete data in principal component analysis for socio-economic status evaluation. *Carolina, NC: University of North Carolina at Chapel Hill*.

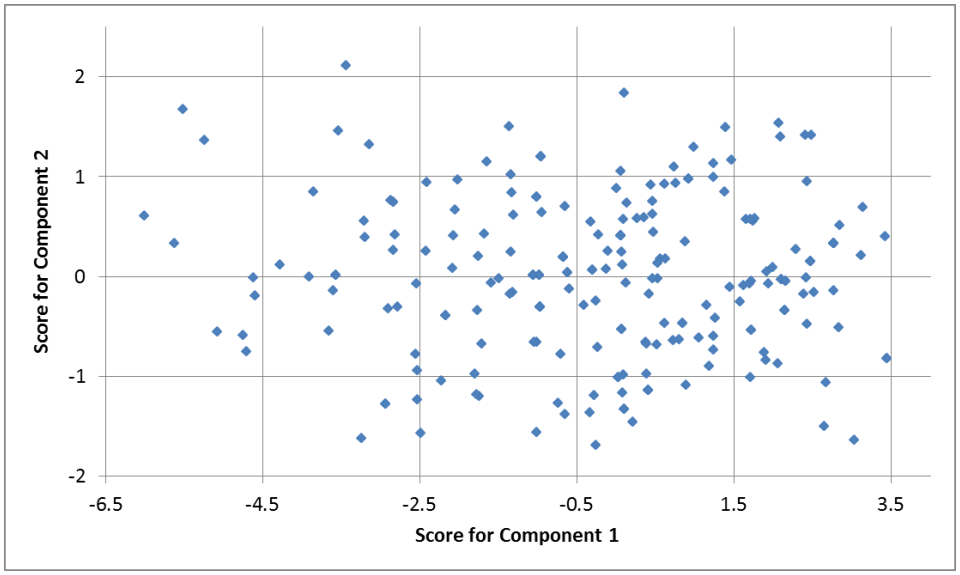
Chart 1
Component loadings plot



Source: IOE evaluation database, April 2019, PCRV/PPE data series, 2007-2017, N=172.

7. The score plot below shows that projects close to each other have similar overall performance, especially in government performance, rural poverty impact and effectiveness, whereas those far from each other are dissimilar. However, unlike what we expected, the plot shows that projects cannot be grouped into clusters.

Chart 2
Component score plot



Source: IOE evaluation database, April 2019, PCRV/PPE data series, 2007-2017, N=172

8. **Limitations.** The PCA based on the PCRV/PPE data series shows interesting results, but there is some limitations. The first limitation is the fact that the second component's eigenvalue is less than 1. This is due to the very low variability in ratings and many projects having average performance. Nevertheless, the first two PC accounts for a significant 70 per cent of the variance. The second limitation is related to the first, as the low variability in ratings makes impossible to identify clusters or groups of project in the score plot, as projects are concentrated to the centre.

Part 4 - T-test on average rating differences between IFAD10 and IFAD9 and between IFAD9 and IFAD8

1. The purpose of this section is to compare the average ratings of evaluation criteria across IFAD9 and IFAD10, IFAD8 and IFAD10 and IFAD8 and IFAD9 and to test the differences for statistical significance. This is done using a t-test, a procedure that is useful for interpreting mean difference from two sets of data.
2. The t-test is set with two tails (as it tests whether the difference in means is different from zero), unpaired (as the projects are different in the two groups), and with unequal variance (as it is evident comparing the variances for each criterion across the two groups). The analysis is based on the All Evaluation data series.
3. Results show that the differences between IFAD10 and IFAD9 rating averages are negative for all criteria but ENRM and adaptation to climate change. This may suggest that there was a general underperformance in IFAD projects between the two replenishment periods. However, it is worthwhile to note that the sample in which the analysis of IFAD10 is performed is very small. A more accurate picture will come in future ARRIs.
4. Results show that the differences between IFAD9 and IFAD8 rating averages are positive for all criteria but rural poverty impact. This confirms a general improvement in IFAD projects between the two replenishment periods, as found in the 2018 ARRI.
5. The criteria that show a statistically significant and negative change between IFAD 10 and IFAD9 are relevance and IFAD performance, while the only statistical positive change between IFAD9 and IFAD8 is for ENRM. All the other criteria do not show statistical significance, hence not making it possible to conclude that there was a substantial change in their ratings between the replenishment periods.
6. In order to interpret the non-significance of some of the differences, it is worth noting that this result might be due, not only to relatively small changes in the ratings between the two periods, but also to the reduced size of the sample which causes large standard errors and low levels of statistical significance.

Table 1
Comparison of project average ratings of IFAD10 vs IFAD9, IFAD10 vs IFAD8 and IFAD9 vs IFAD8

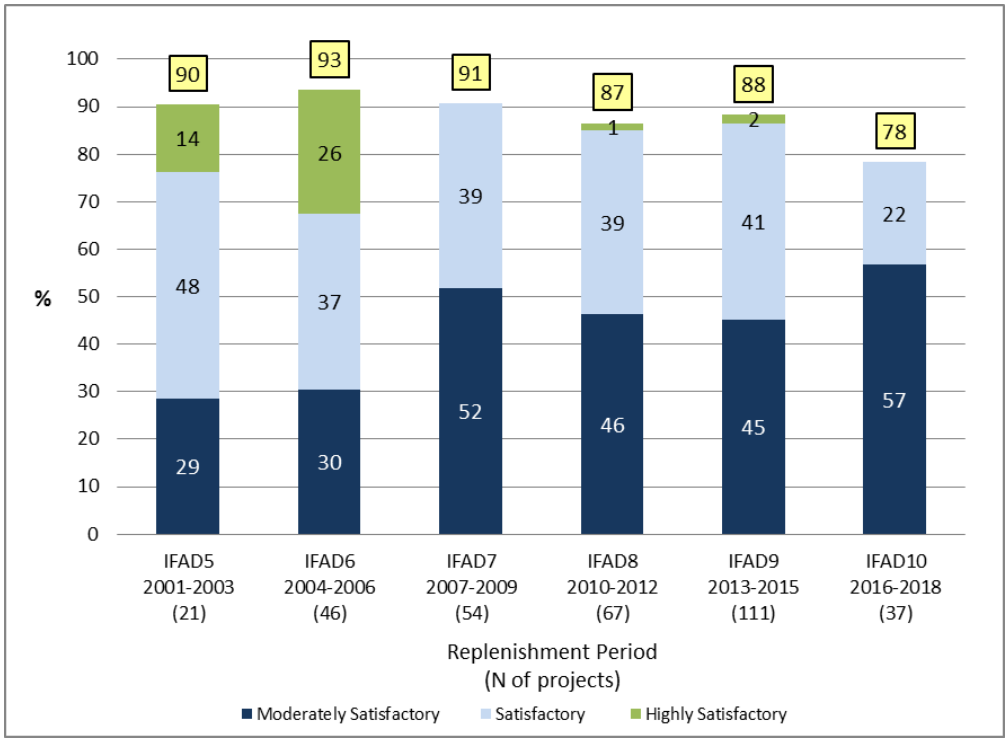
Criteria	*Mean ratings*			*Mean disconnect*			*T-test (comparison of means)*		
	IFAD8	*IFAD 9*	*IFAD10*	*IFAD9 - IFAD8*	*IFAD10 - IFAD8*	***IFAD10 - IFAD9***	*p-value (IFAD9 - IFAD8)*	*p-value (IFAD10 - IFAD8)*	*p-value (IFAD10 - IFAD9)*
Adaptation to climate change	3.67	3.84	3.93	0.16	0.26	**0.09**	0.26	0.13	0.53
ENRM	3.77	4.07	4.11	0.30	0.35	**0.05**	0.03*	0.03*	0.73
Sustainability	3.70	3.68	3.68	-0.02	-0.02	**0.00**	0.86	0.89	1.00
Rural Poverty Impact	4.25	4.07	3.97	-0.18	-0.28	**-0.10**	0.13	0.06	0.45
Overall project achievement	4.01	4.02	3.91	0.00	-0.10	**-0.10**	0.98	0.52	0.45
Efficiency	3.60	3.67	3.57	0.08	-0.03	**-0.11**	0.62	0.87	0.52
Government performance	3.81	3.91	3.80	0.10	-0.01	**-0.11**	0.44	0.97	0.51
Scaling-up	4.06	4.10	3.97	0.04	-0.09	**-0.13**	0.79	0.67	0.48
Effectiveness	4.00	4.03	3.89	0.03	-0.11	**-0.14**	0.84	0.52	0.34
Innovation	4.06	4.27	4.14	0.21	0.08	**-0.14**	0.14	0.70	0.43
GEWE	4.20	4.17	4.00	-0.04	-0.20	**-0.17**	0.78	0.31	0.30
Project Performance	3.93	3.99	3.77	0.06	-0.16	**-0.22**	0.59	0.25	0.06
IFAD performance	4.16	4.28	4.00	0.12	-0.16	**-0.28**	0.28	0.25	0.03*
Relevance	4.27	4.33	4.00	0.06	-0.27	**-0.33**	0.57	0.06	0.01*

* indicates significance at 5 per cent level.
Source: IOE Evaluation database, All Evaluation data series, April 2019.

Annex VI. Project performance by IFAD replenishment period (2001-2018)

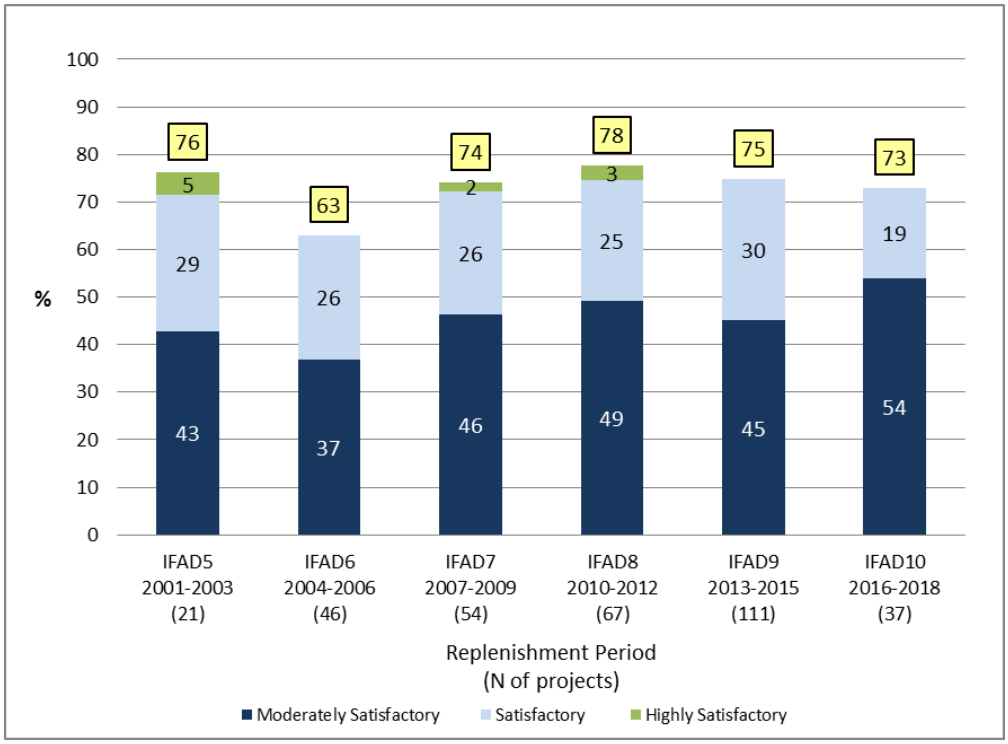
Relevance – by replenishment period

Percentage of projects rated moderately satisfactory or better, all evaluation data series



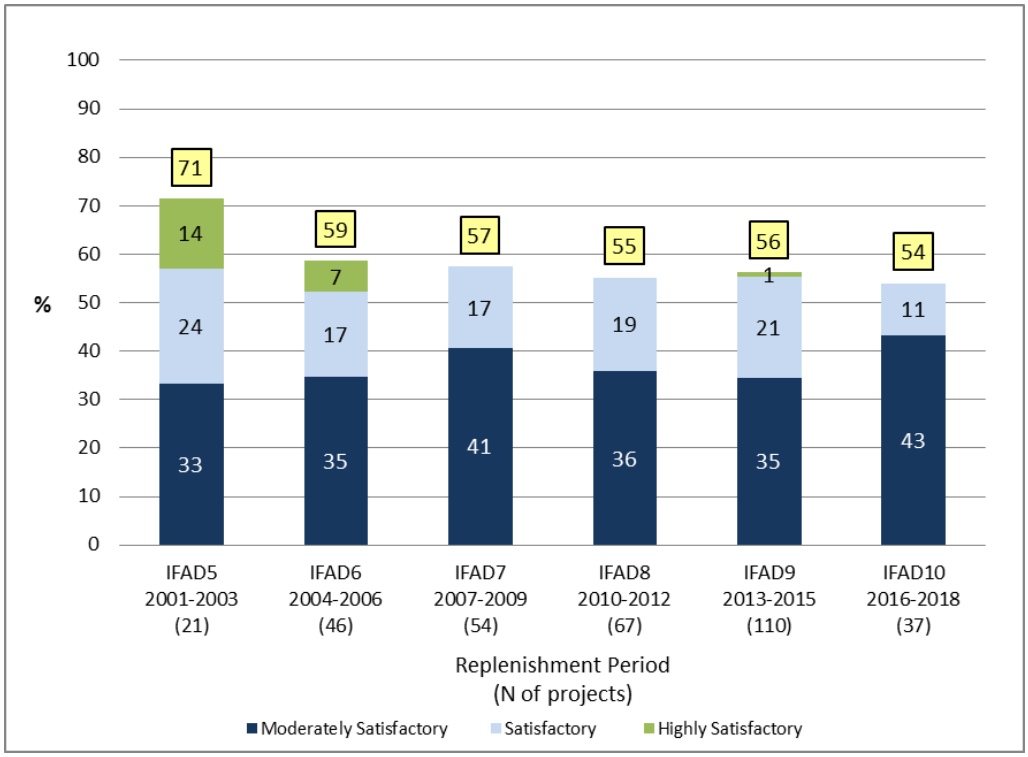
Effectiveness - by replenishment period

Percentage of projects rated moderately satisfactory or better, all evaluation data series



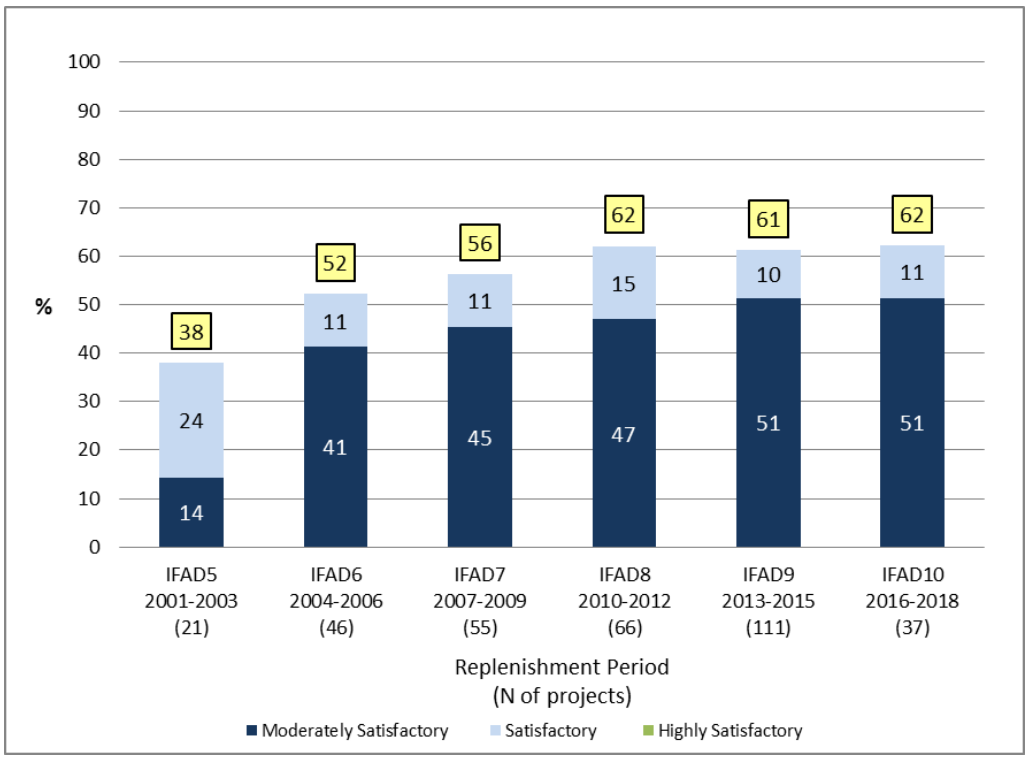
Efficiency - by replenishment period

Percentage of projects rated moderately satisfactory or better, all evaluation data series



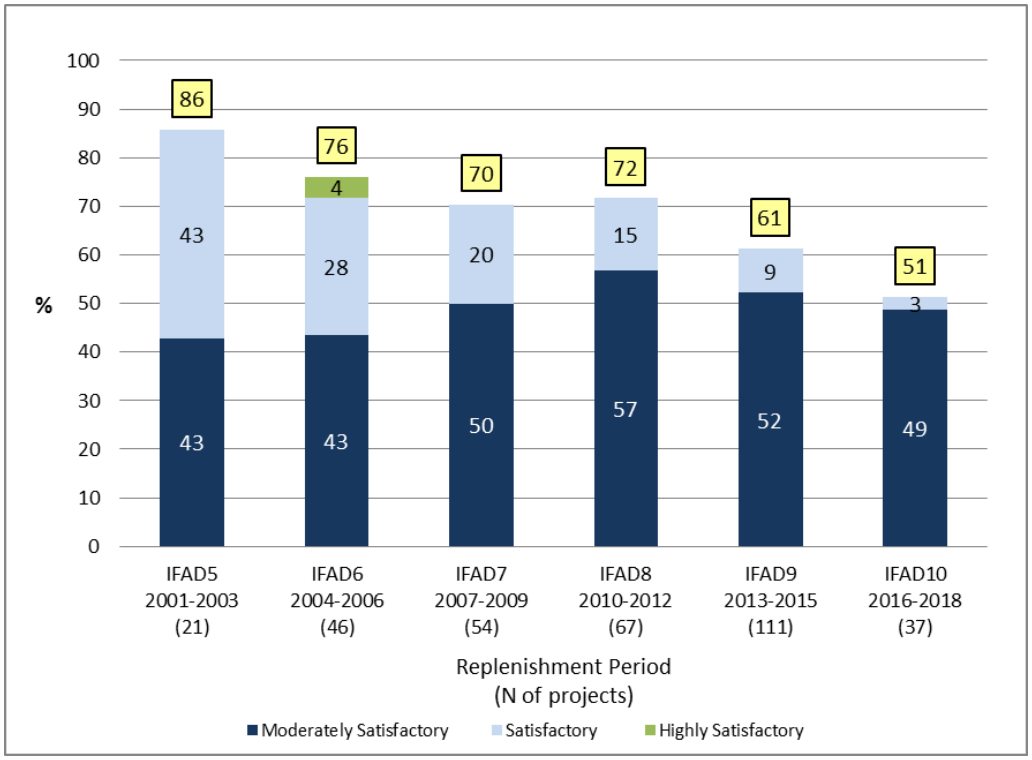
Sustainability - by replenishment period

Percentage of projects rated moderately satisfactory or better, all evaluation data series



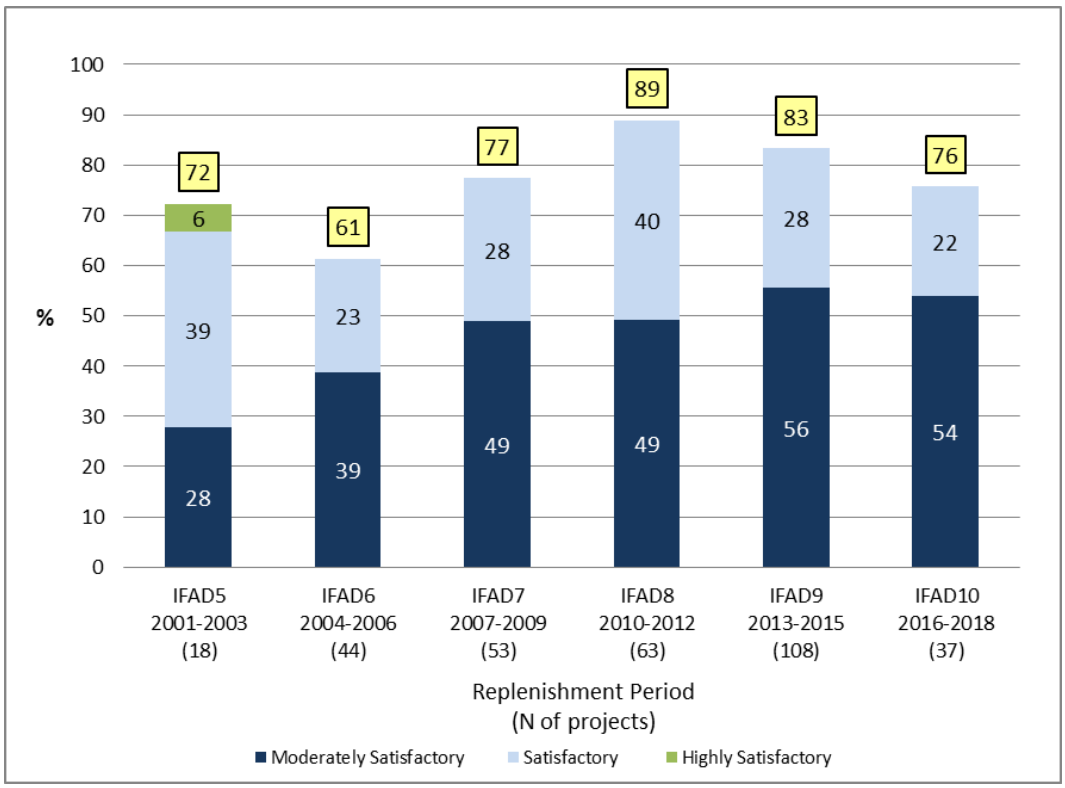
Project performance - by replenishment period

Percentage of projects rated moderately satisfactory or better, all evaluation data series



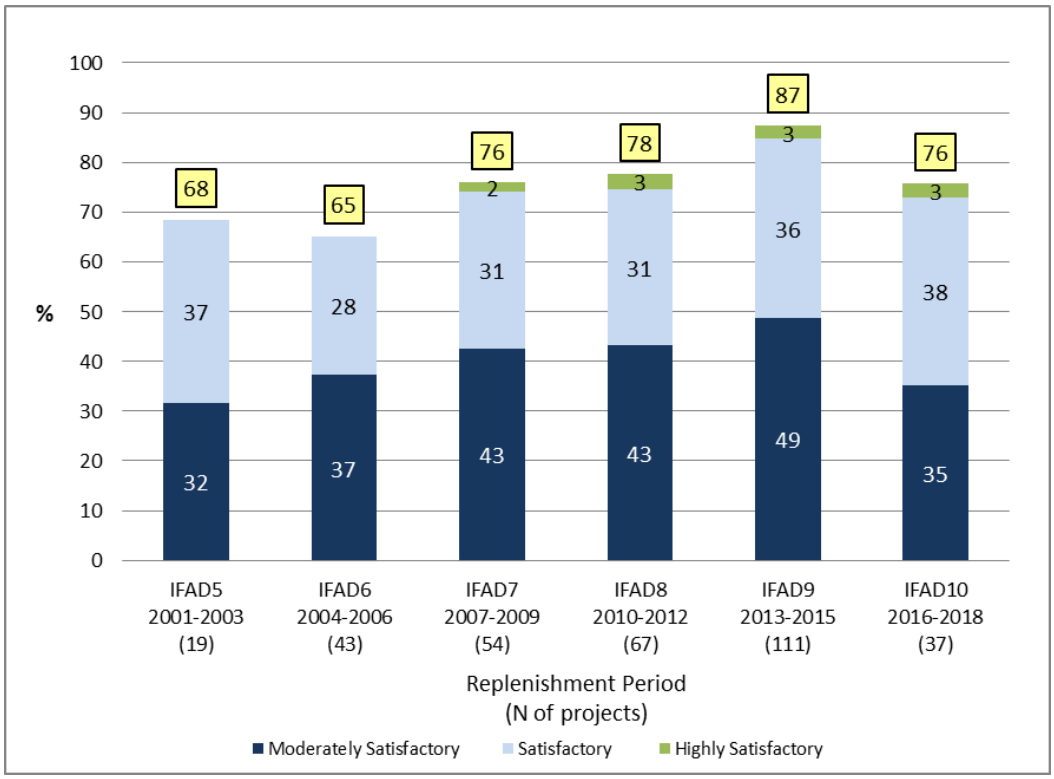
Rural poverty impact - by replenishment period

Percentage of projects rated moderately satisfactory or better, all evaluation data series



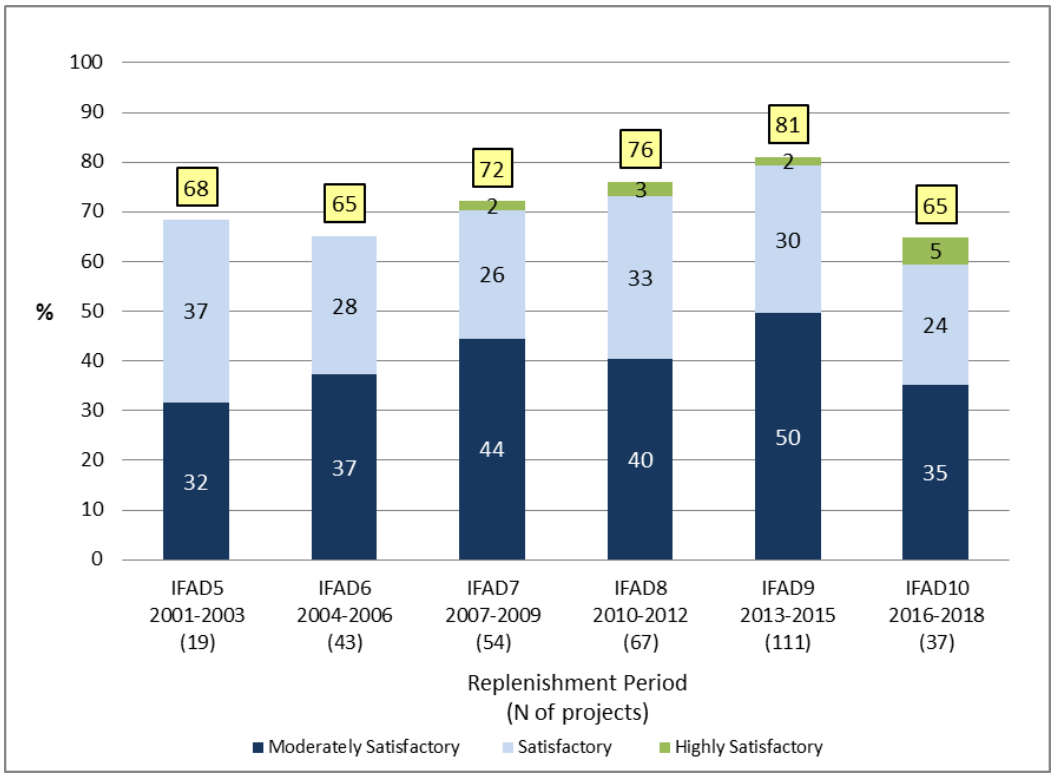
Innovation - by replenishment period

Percentage of projects rated moderately satisfactory or better, all evaluation data series

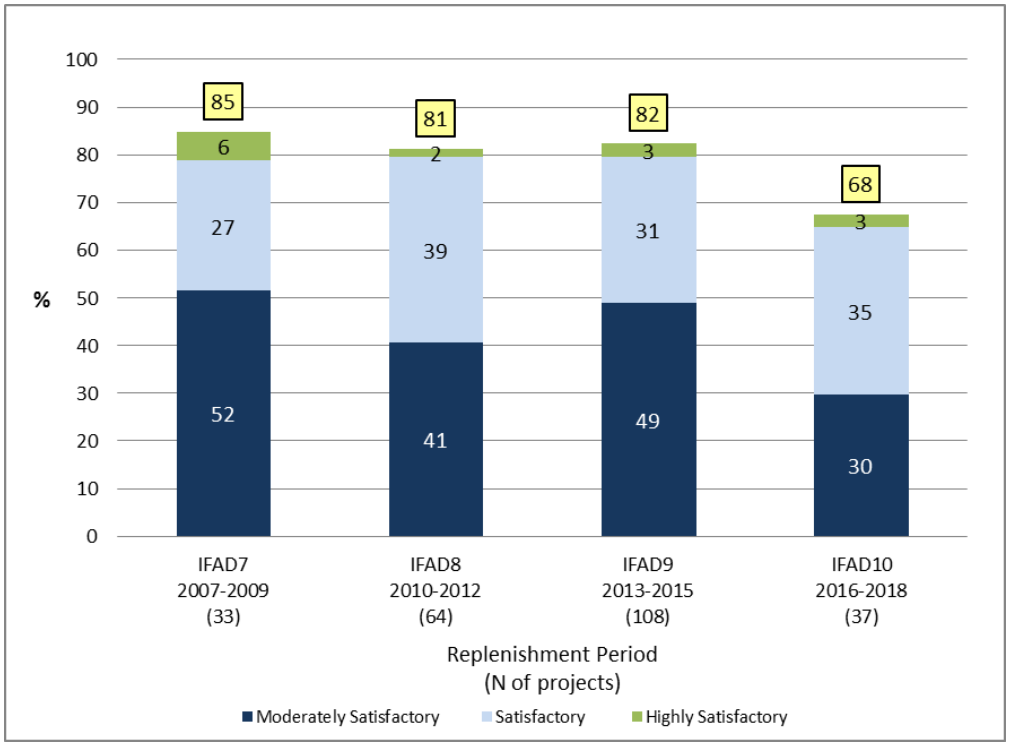


Scaling-up - by replenishment period

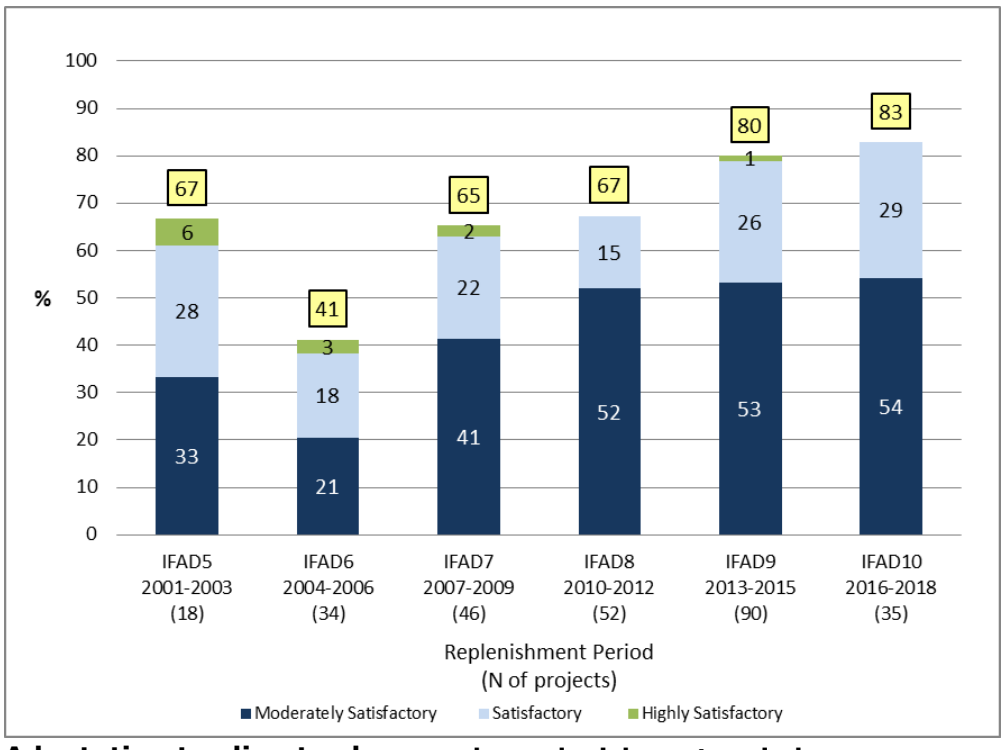
Percentage of projects rated moderately satisfactory or better, all evaluation data series



Gender equality and women's empowerment - by replenishment period[60]
Percentage of projects rated moderately satisfactory or better, all evaluation data series

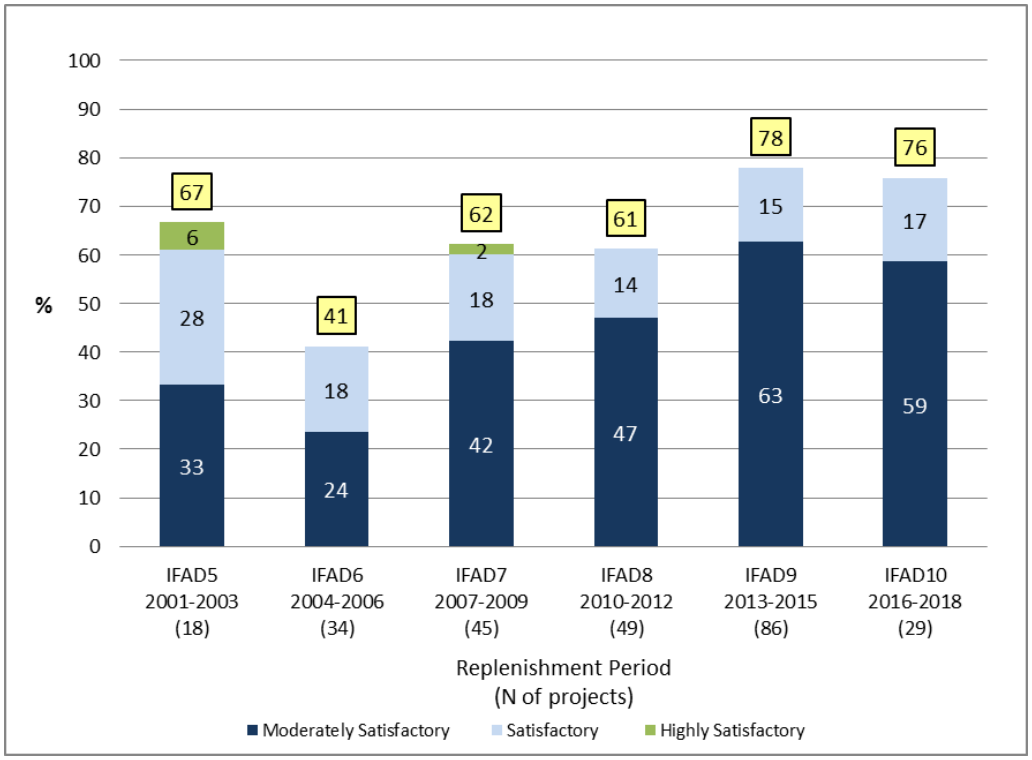


Environment and Natural Resources management - by replenishment period
Percentage of projects rated moderately satisfactory or better, all evaluation data series



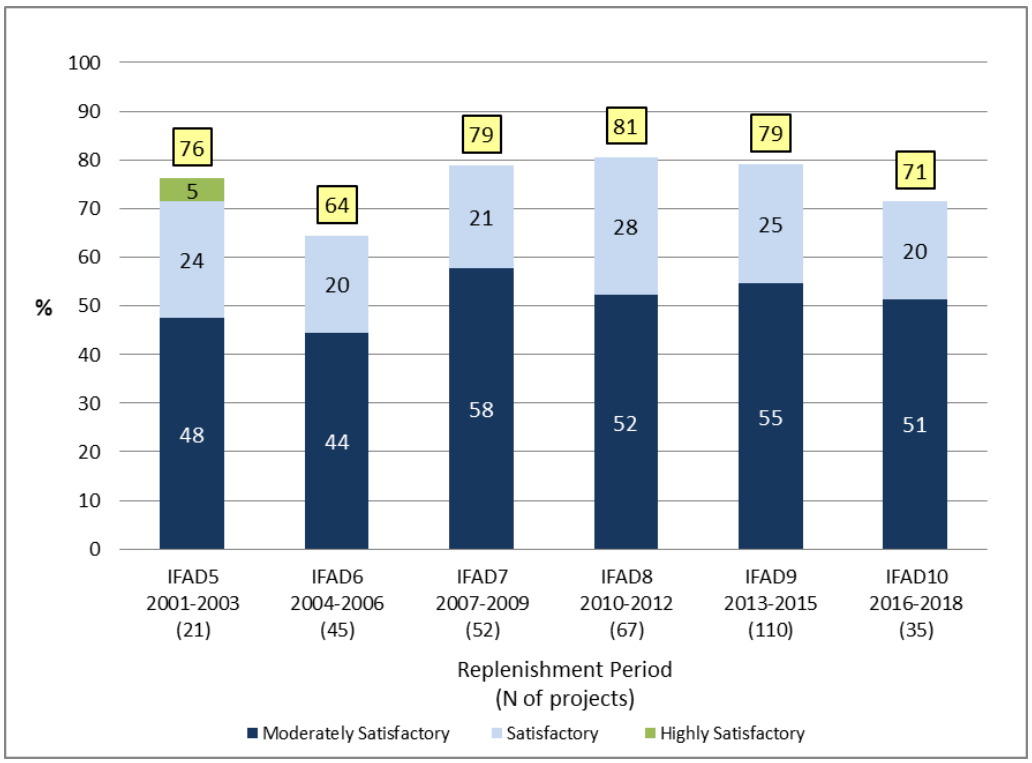
Adaptation to climate change - by replenishment period
Percentage of projects rated moderately satisfactory or better, all evaluation data series

[60] Due to small sample size, the GEWE became a stand-alone criteria around 2010. The chart is presented only from IFAD7.



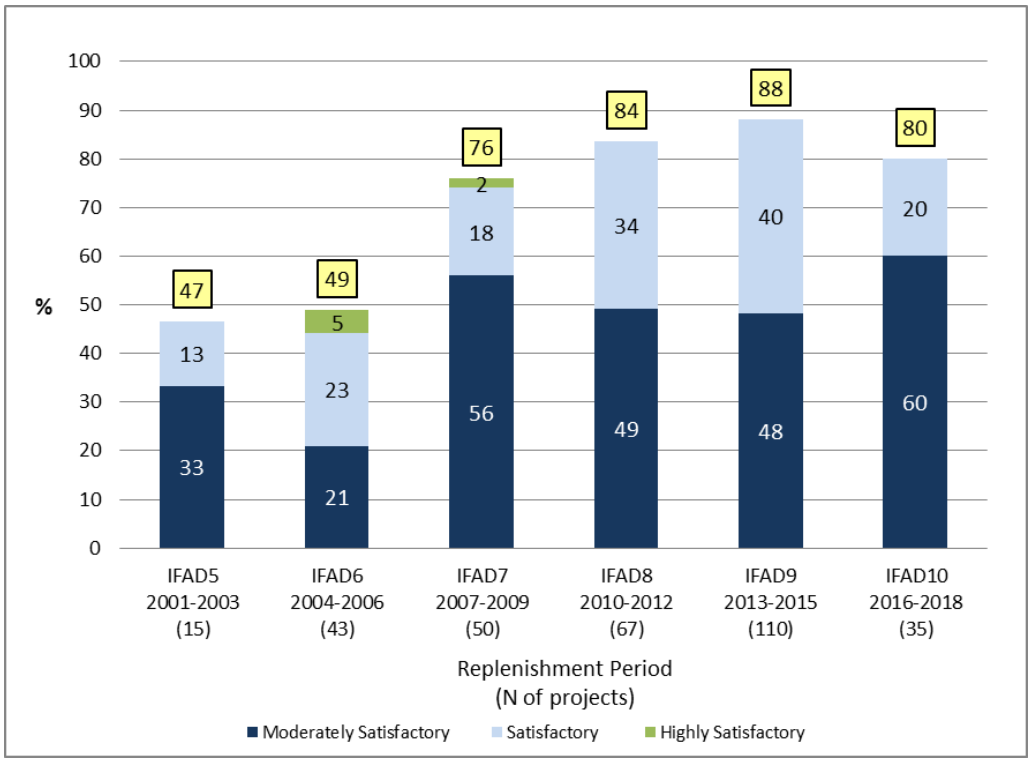
Overall project achievement - by replenishment period

Percentage of projects rated moderately satisfactory or better, all evaluation data series



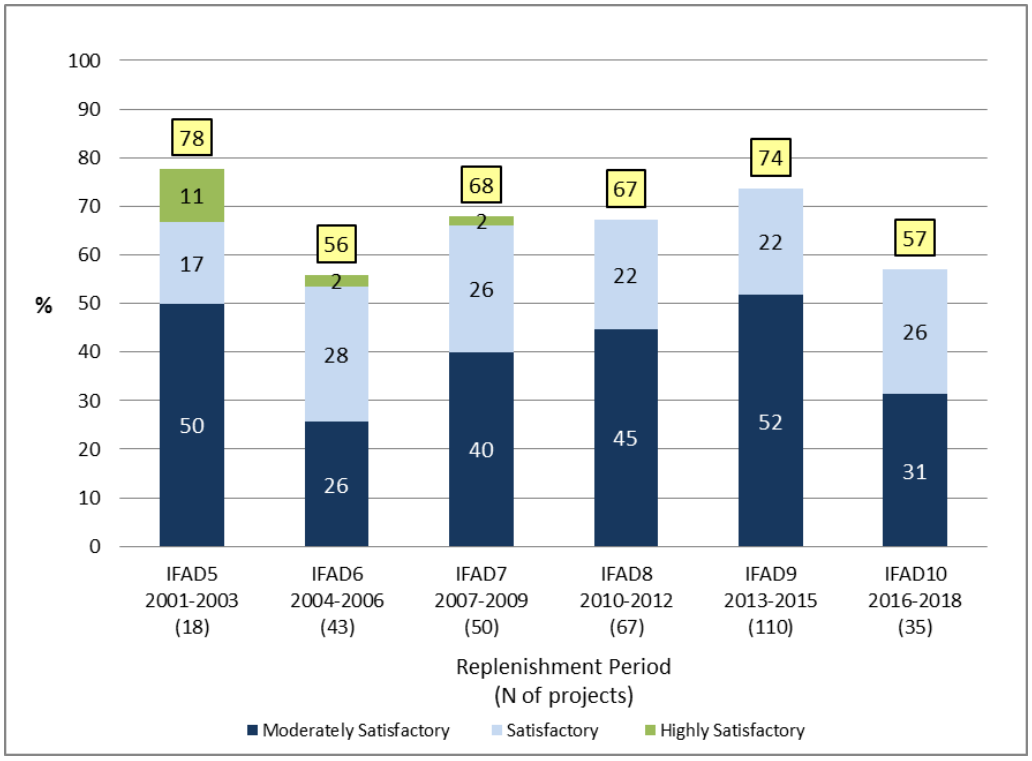
IFAD performance as partner - by replenishment period

Percentage of projects rated moderately satisfactory or better, all evaluation data series



Government performance as a partner - by replenishment period

Percentage of projects rated moderately satisfactory or better, all evaluation data series



Annex VII. Number of projects per each rating in the PCRV/PPE data series (2007-2017)

Absolute number of projects per each rating in PCRV/PPE data series

Evaluation Criteria	*<=6*	*<=5*	*<=4*	*<=3*	*<=2*	*<=1*	*Total*
Relevance	3	82	114	28	1	0	228
Effectiveness	0	59	112	45	12	0	228
Efficiency	1	39	86	73	26	2	227
Sustainability	0	24	113	77	12	1	227
Project performance	0	22	121	70	15	0	228
Rural poverty impact	0	61	122	30	8	0	221
Innovation	7	81	98	32	8	2	228
Scaling-up	7	68	99	43	8	3	228
GEWE	7	74	98	38	8	0	225
ENRM	1	41	102	41	5	0	190
Adaptation to climate change	0	26	101	36	13	0	176
IFAD performance	1	74	119	33	1	0	228
Government performance	1	48	105	58	16	0	228
Overall project achievement	0	53	121	40	10	0	224

Per cent of projects per each rating in PCRV/PPE data series

Evaluation Criteria	*<=6*	*<=5*	*<=4*	*<=3*	*<=2*	*<=1*	*Total*
Relevance	1.3	36.0	50.0	12.3	0.4	0.0	100
Effectiveness	0.0	25.9	49.1	19.7	5.3	0.0	100
Efficiency	0.4	17.2	37.9	32.2	11.5	0.9	100
Sustainability	0.0	10.6	49.8	33.9	5.3	0.4	100
Project performance	0.0	9.6	53.1	30.7	6.6	0.0	100
Rural poverty impact	0.0	27.6	55.2	13.6	3.6	0.0	100
Innovation	3.1	35.5	43.0	14.0	3.5	0.9	100
Scaling-up	3.1	29.8	43.4	18.9	3.5	1.3	100
GEWE	3.1	32.9	43.6	16.9	3.6	0.0	100
ENRM	0.5	21.6	53.7	21.6	2.6	0.0	100
Adaptation to climate change	0.0	14.8	57.4	20.5	7.4	0.0	100
IFAD performance	0.4	32.5	52.2	14.5	0.4	0.0	100
Government performance	0.4	21.1	46.1	25.4	7.0	0.0	100
Overall project achievement	0.0	23.7	54.0	17.9	4.5	0.0	100

Annex VIII. Comparison of IOE's PPE ratings and PMD's PCR ratings

All evaluation criteria, projects completed in 2007-2017 (N=72)

Criteria	*Mean ratings*		*Disconnect*	*Mode*	
	IOE	*PMD*		*IOE*	*PMD*
Relevance	4.10	4.90	-0.80	4	5
Scaling-up	4.11	4.66	-0.55	4	5
Project performance	4.00	4.48	-0.48	4	5
Adaptation to climate change	3.82	4.29	-0.47	4	4
IFAD performance	4.18	4.57	-0.39	4	5
Efficiency	3.82	4.21	-0.39	4	4
Effectiveness	4.08	4.44	-0.36	4	5
Overall project achievement	4.13	4.48	-0.35	4	5
Sustainability	3.83	4.18	-0.35	4	4
ENRM	3.90	4.23	-0.32	4	4
GEWE	4.25	4.57	-0.32	4	5
Government performance	4.04	4.33	-0.29	4	5
Innovation	4.18	4.46	-0.28	4	5
Rural Poverty Impact	4.21	4.36	-0.15	4	5

*The disconnect of adaptation to climate change is only indicative as the sample is much smaller.

Source: IOE evaluation rating database (only PPE ratings) and PMD project completion report rating database (corresponding PCR), April 2019.

Annex IX. Analysis of disconnect between PCR and IOE ratings

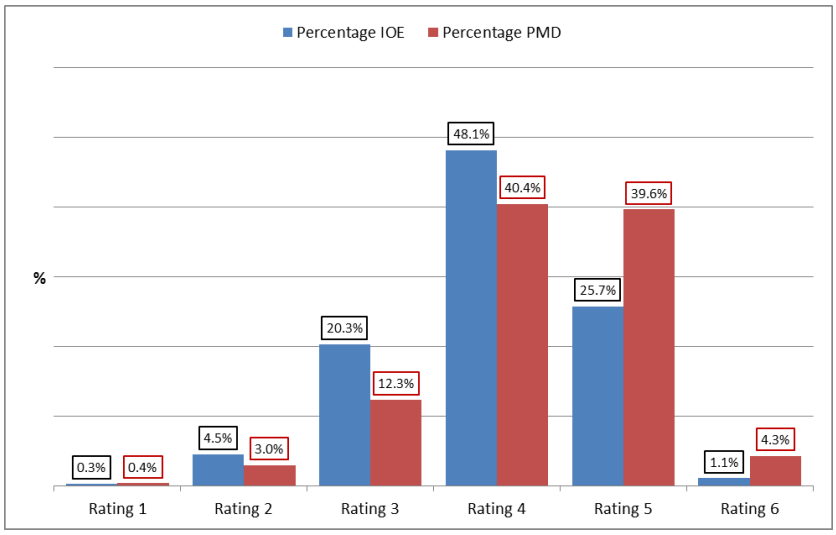
PCRV/PPE data series

Part 1 - Analysis of disconnect by evaluation criteria

1. In the chart below, a comparison between the distribution of IOE ratings (PCRV/PPE data, N=2634) and PCR ratings (N=2535) shows that ratings 3, 4 and 5 are those where most disconnect occurs. Moderately satisfactory (4) and moderately unsatisfactory (3) and unsatisfactory (2) have a higher distribution in IOE ratings than PCR ratings, whereas PCR satisfactory ratings (5) are 14 per cent higher than IOE and PCR highly satisfactory are 3 per cent higher than IOE.

Chart 1

Distribution of IOE and PCR ratings

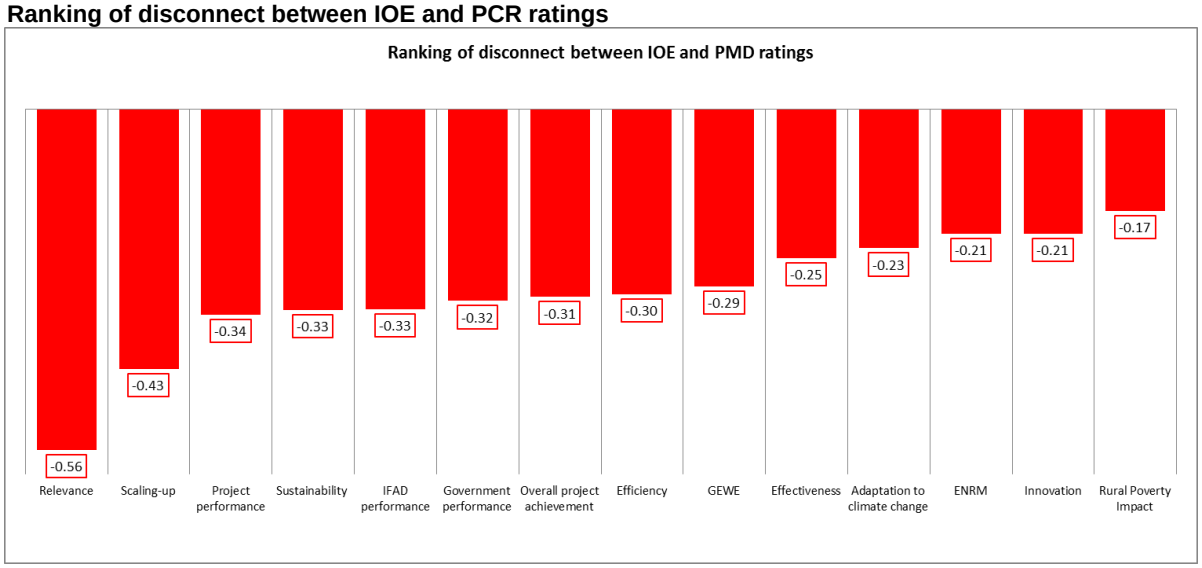


Source: IOE evaluation rating database (PCRV/PPE) and PMD project completion report rating database (PCR), April 2019.

2. The analysis of ratings by IOE and PCR shows that 60 per cent of the ratings are equal for IOE and PMD ratings. Among the remaining 40 per cent, the majority (17.5 per cent) occurs in the satisfactory zone, in which ratings are satisfactory (5) for PMD but moderately satisfactory (4) by IOE. Notably, a sizeable share of the ratings (9.2 per cent) are moderately satisfactory for PMD (rating 4) but moderately unsatisfactory for IOE (rating 3) and only 2.1 per cent of the ratings are moderately satisfactory for IOE (rating 4) but moderately unsatisfactory for PMD (rating 3).

3. Within the 2007-2017 PCRV/PPE projects analysed in ARRI 2019, the largest disconnect is registered in relevance (-0.56), scaling up (-0.43), followed by project performance (-0.34), sustainability (-0.33) and IFAD performance (-0.33). It is noticeable that in case of project performance, government performance and overall project achievement, the actual gap is between almost always positive ratings for PMD and an average IOE rating which is well below moderately satisfactory. Rural Poverty Impact shows the lowest disconnect (-0.17) between IOE and PCR ratings in the 2007-2017 PCRV/PPE data series.

Chart 2
Ranking of disconnect between IOE and PCR ratings



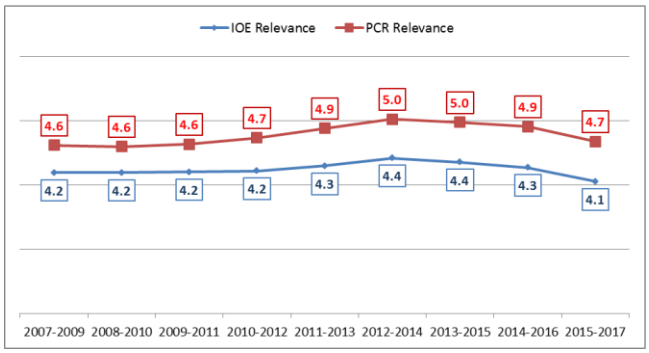
Source: IOE evaluation rating database (PCRV/PPE) and PMD project completion report rating database (PCR), April 2019.

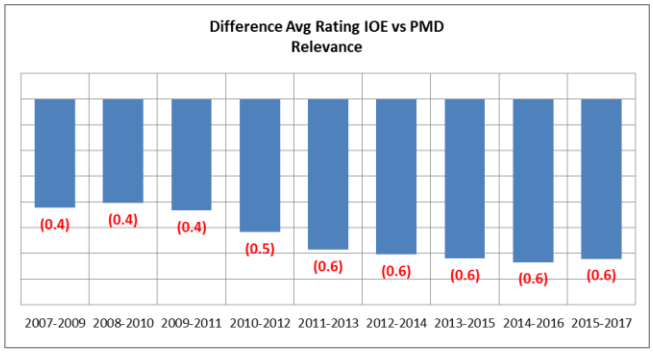
4. When looking at average ratings per year and based on year of project completion within the 2007-2017 PCRV/PPE data series, a consistent declining trend of PCR ratings can be noticed and overall aligned to IOE ratings trend. In particular, between 2015 and 2017 almost all criteria ratings for both IOE and PCR show a decline and an aligned trend.

5. The charts below show both the trend for each criteria based on the average rating per completion year for IOE and PMD (PCRV/PPE/IE Database 2007-2017) using the 3-year moving average technique. Moreover, the chart with the blue bars indicates the gap between the two averages and how it evolved since 2007.

6. **Relevance** shows a declining trend for both IOE and PMD since 2012-2014. The gap between IOE and PMD peaked at -0.6 in 2011-2013, after a consistent increase since 2007-2009. The gap remained stable since 2011-2013 (around -0.6).

Chart 3
Relevance

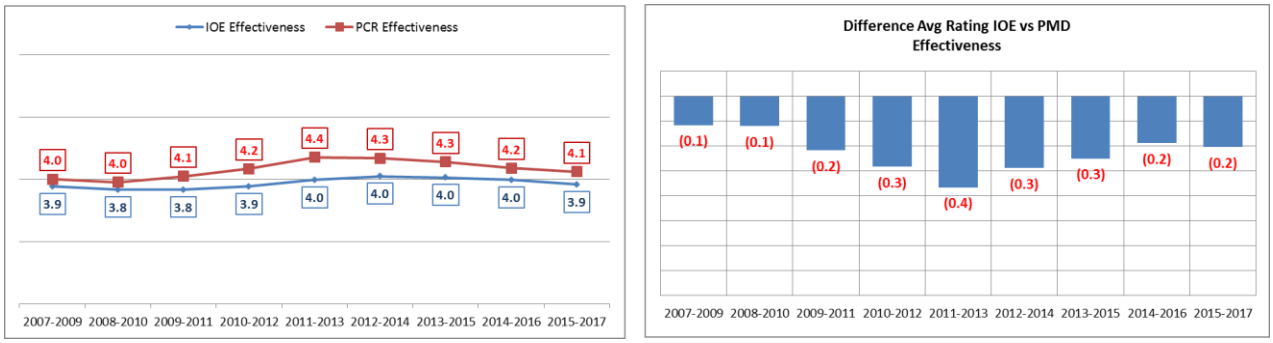




Source: IOE evaluation rating database (PCRV/PPE) and PMD project completion report rating database (PCR), April 2019.

7. Effectiveness shows a close trend within the two sets of ratings, with a short distance between -0.2 and -0.3 in the last four time periods. The overall trend is flat in the time period analysed.

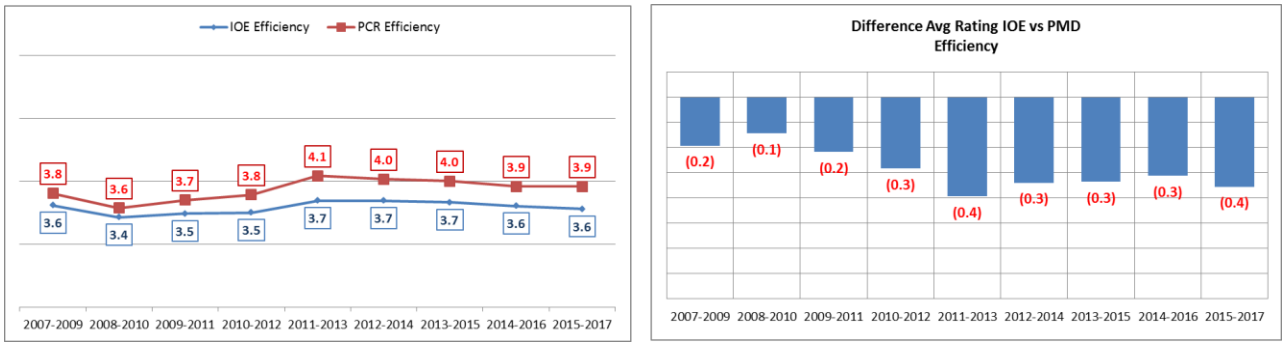
Chart 4
Effectiveness



Source: IOE evaluation rating database (PCRV/PPE) and PMD project completion report rating database (PCR), April 2019.

8. Efficiency ratings by IOE and PMD showed a short distance since 2011-2013, despite a relatively shorter distance in the first four periods. The trends are aligned (stable) from 2011-2013, after a consistent increase started in 2008-2010.

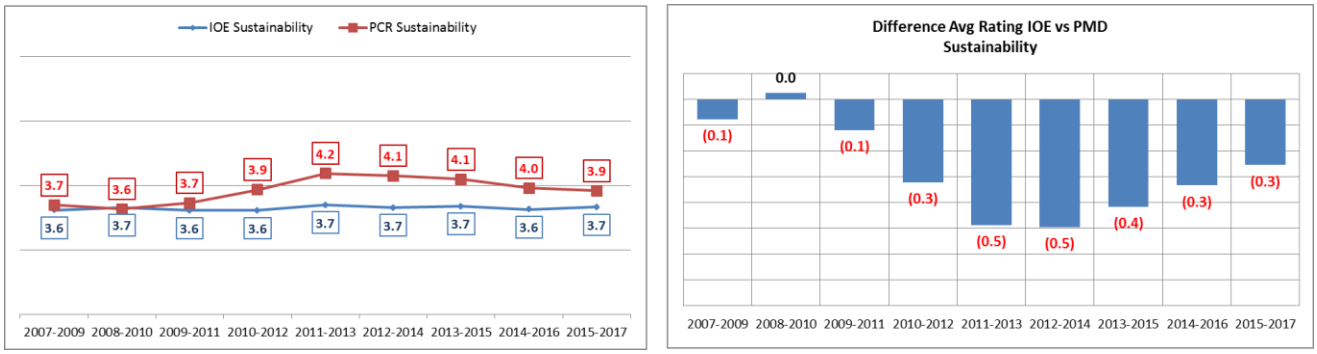
Chart 5
Efficiency



Source: IOE evaluation rating database (PCRV/PPE) and PMD project completion report rating database (PCR), April 2019.

9. Sustainability ratings started increasingly unaligned until 2011-2013 and slowly showed a continuously smaller distance. While IOE ratings showed a flat trend, PCR average rating is decreasing. The trend shows the largest distance in 2011-2013 and 2012-2014. No gap was reported between IOE and PMD rating in 2008-2010.

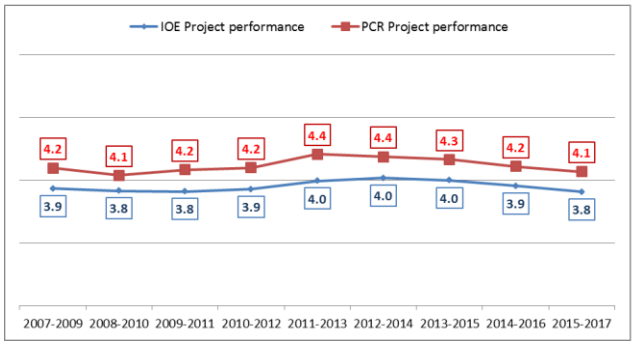
Chart 6
Sustainability

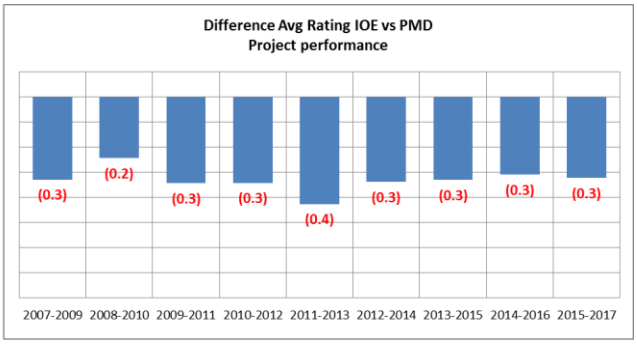


Source: IOE evaluation rating database (PCRV/PPE) and PMD project completion report rating database (PCR), April 2019.

10. Project performance shows aligned trend in ratings and a small distance overall. IOE and PCR showed a declining trend since 2011-2013.

Chart 7
Project performance

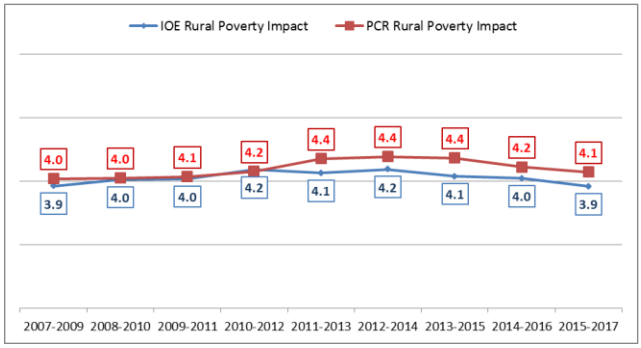


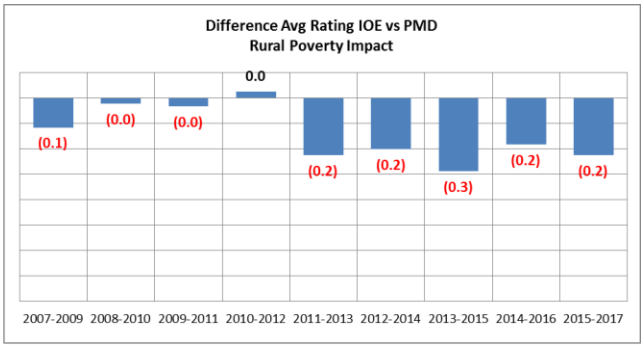


Source: IOE evaluation rating database (PCRV/PPE) and PMD project completion report rating database (PCR), April 2019.

11. Rural poverty impact shows a small disconnect between IOE and PMD average rating. The distance was close to zero between 2007-2009 and 2010-2012. Since 2011-2013, the disconnect remained between -0.3 and -0.2.

Chart 8
Rural poverty impact

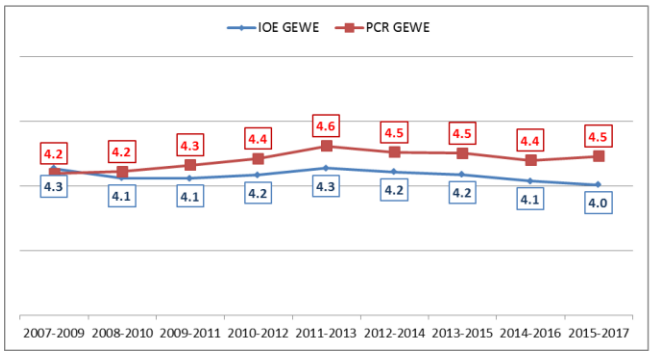


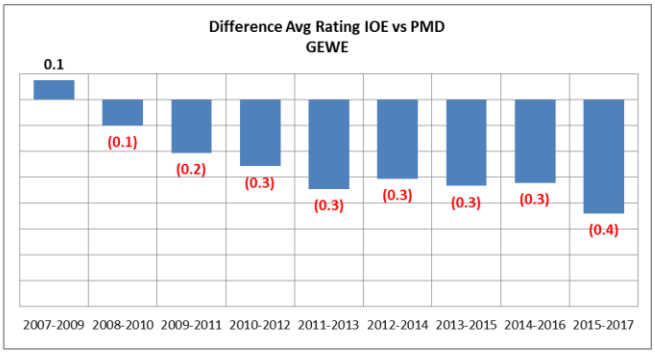


Source: IOE evaluation rating database (PCRV/PPE) and PMD project completion report rating database (PCR), April 2019.

12. GEWE shows a consistent increase of the gap between IOE and PMD rating. The trend shows a large gap in 2015-2017 (-0.4) due to larger PCR ratings and smaller IOE ratings.

Chart 9
GEWE

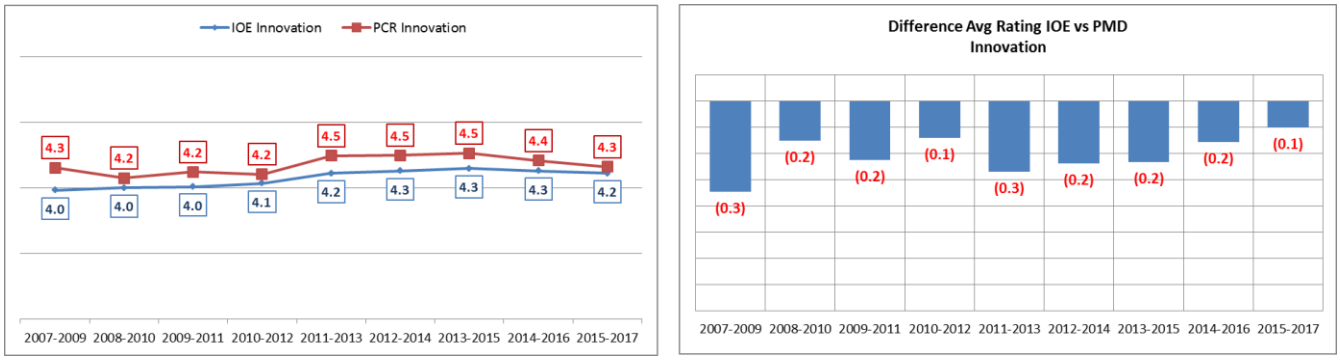




Source: IOE evaluation rating database (PCRV/PPE) and PMD project completion report rating database (PCR), April 2019.

13. Innovation ratings are flat for both IOE and PMD since 2012-2014, with a sign of decline in 2015-2017. The 2012-2014 period also marks the begin of the decline of the gap between IOE and PCR, which is at -0.1 in 2015-2017. Both average ratings are above 4 in the time period 2007-2017.

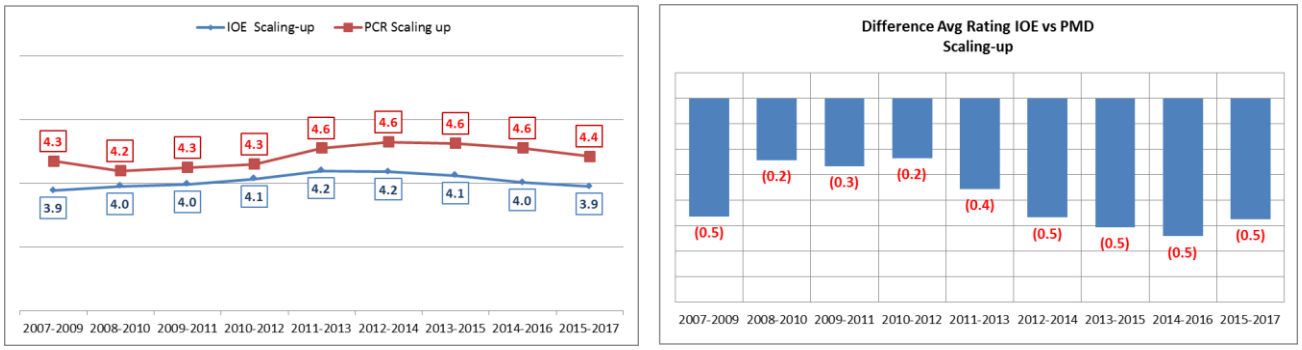
Chart 10
Innovation



Source: IOE evaluation rating database (PCRV/PPE) and PMD project completion report rating database (PCR), April 2019.

14. Scaling up ratings shows a declining trend for IOE and PMD in the last four time periods and a large distance between the two since 2012-2014, which attained the 2007-2009 level.

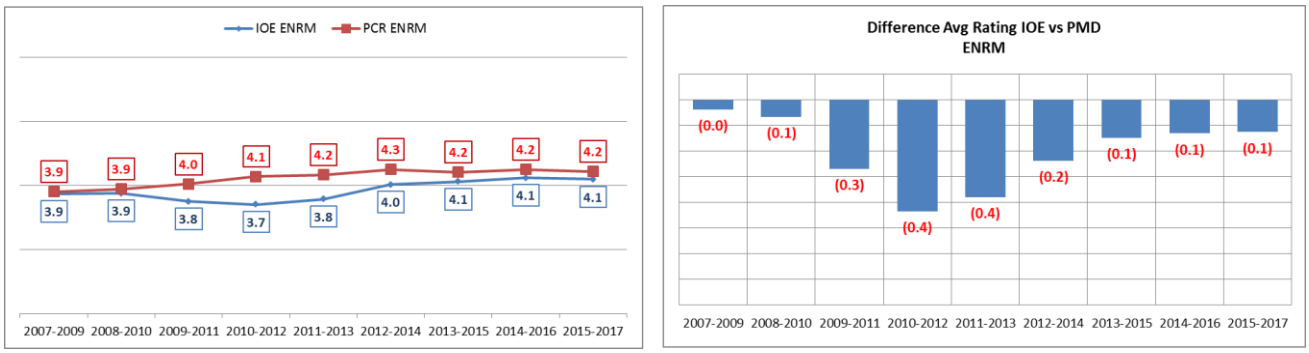
Chart 11
Scaling-up



Source: IOE evaluation rating database (PCRV/PPE) and PMD project completion report rating database (PCR), April 2019.

15. ENRM showed an increasing disconnect from 2007-2009 to 2010-2012 and a continuously smaller disconnect since 2011-2013. The distance has been minimal in the last time period (-0.1). Both ratings are flat in the last three time periods.

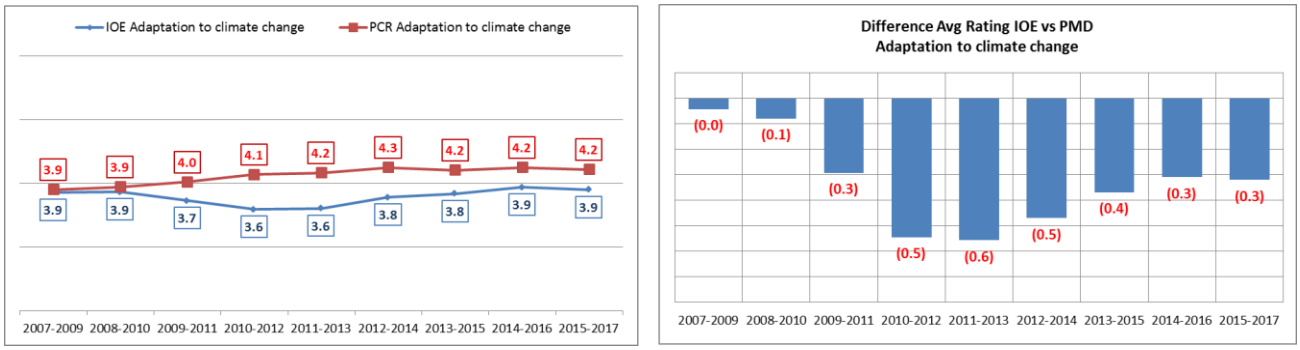
Chart 12
ENRM



Source: IOE evaluation rating database (PCRV/PPE) and PMD project completion report rating database (PCR), April 2019.

16. Adaptation to climate change showed no disconnect of IOE and PCR ratings in 2007-2009 and 2008-2010. The 2011-2013 period showed the highest disconnect (-0.6), while the disconnect is declining and reached -0.3 in 2015-2017.

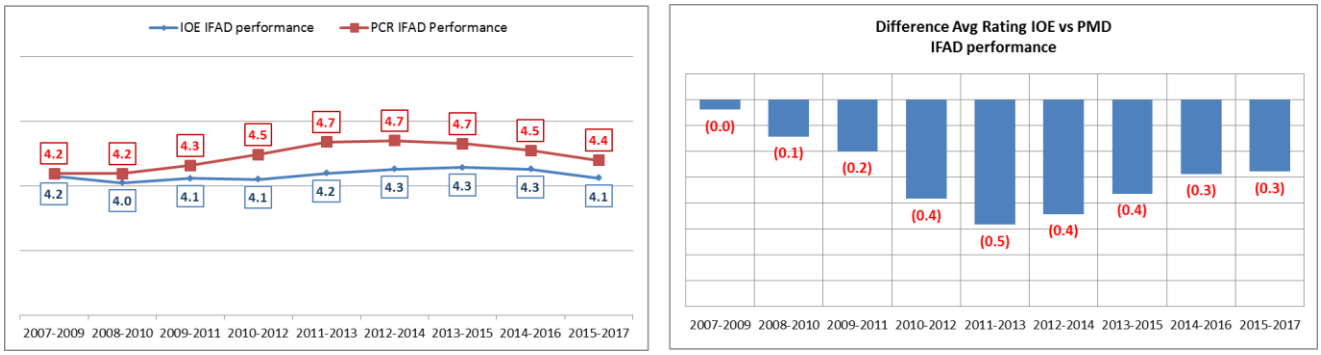
Chart 13
Adaptation to climate change



Source: IOE evaluation rating database (PCRV/PPE) and PMD project completion report rating database (PCR), April 2019.

1. As for IFAD performance as a partner, ratings show continuously alignment in trend and ratings. The trend in both ratings is declining since 2012-2014 and the distance is declining.

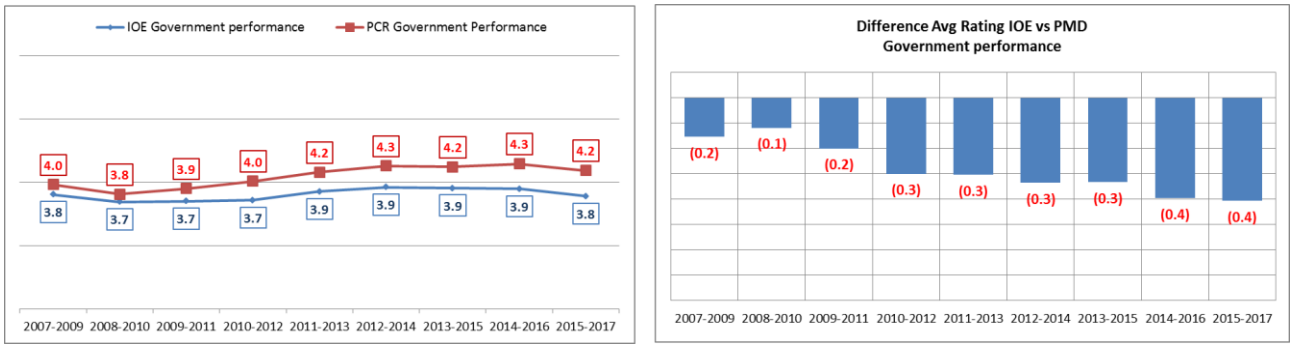
Chart 14
IFAD performance



Source: IOE evaluation rating database (PCRV/PPE) and PMD project completion report rating database (PCR), April 2019.

2. Government performance as a partner shows aligned trend in ratings and a relatively stable distance between the two averages since 2011-2013. The gap is larger in 2014-2016 and 2015-2017 (-0.4) but remained stable.

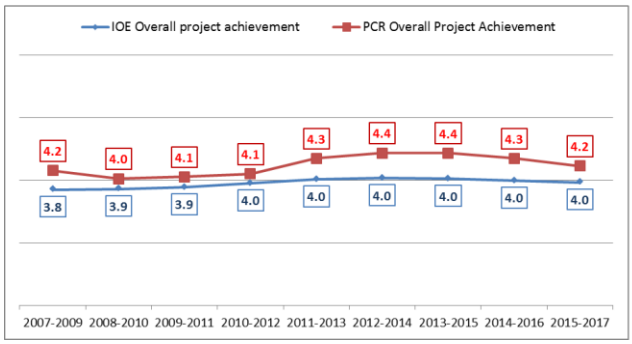
Chart 15
Government performance

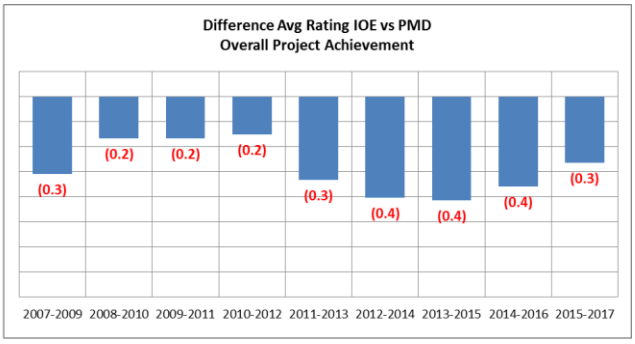


Source: IOE evaluation rating database (PCRV/PPE) and PMD project completion report rating database (PCR), April 2019.

3. Overall project achievement showed increasing distance between IOE and PMD since 2008-2010 and continuously lower distance until 2015-2017. Moreover, while IOE rating is flat, PCR ratings showed a declining trend since 2012-2014.

Chart 16
Overall project achievement





Source: IOE evaluation rating database (PCRV/PPE) and PMD project completion report rating database (PCR), April 2019.

4. **In summary,** the disconnect between IOE and PCR ratings is confirmed in the 2019 ARRI and it reflects an aligned trend for all criteria, with the exception of sustainability, GEWE and overall project achievement. In particular, the declining trend of ratings has started for both IOE and PCR in 2012-2014 for most of the criteria and has progressed in recent periods as well. Similar trends in this case corroborate ARRI findings and the reasons behind can be identified both in projects doing worse in general and PMD and IOE becoming more demanding. Moreover, the main area of disconnect is in the satisfactory zone with the moderately satisfactory ratings that IOE assigns, mostly replacing satisfactory ratings for the same criteria/projects given by PCR.

Part 2 - Analysis of disconnect by region

1. The regional average disconnect between IOE and PMD ratings shown in the table below were calculated through two steps. First, average disconnects between IOE and PMD ratings were obtained for each evaluation criteria within each region. Second, the average disconnects of each criteria were averaged within each region. For instance, the average disconnect shown for APR is the average of the mean disconnects between IOE and PMD ratings regarding relevance, effectiveness, etc. in all APR evaluations. This method was also applied to determine the overall average disconnect which includes all regions.

Table 1
Regional average disconnects
PCRV/PPE data series, 2007-2017

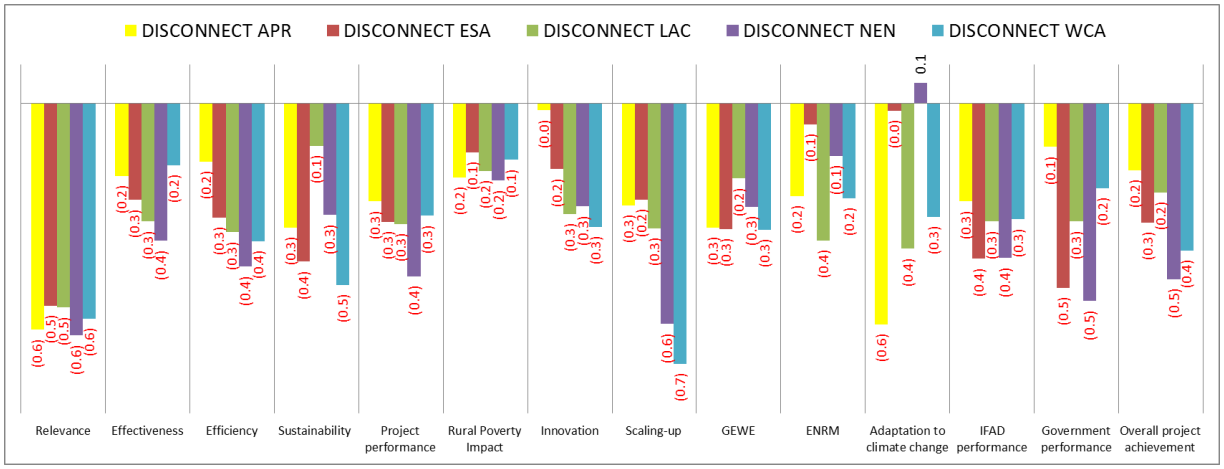
	Regions (PCRV/PPE 2007-2017)					
	APR	**ESA**	**LAC**	**NEN**	**WCA**	**All regions**
Average disconnect with PCR ratings	-0.26	-0.28	-0.30	-0.35	-0.34	-0.30

Source: IOE evaluation rating database (PCRV/PPE) and PMD project completion report rating database (PCR), April 2019.

2. The graph below (PCRV/PPE data 2007-2017) shows some differences in disconnect amongst regions for the different criteria as show below:

- Relevance: lowest disconnect in ESA/highest in NEN
- Effectiveness: lowest disconnect in WCA/highest in NEN
- Efficiency: lowest disconnect in APR/highest NEN
- Sustainability: lowest disconnect in LAC/highest in WCA
- Project performance: lowest disconnect in APR/highest in NEN
- Rural Poverty Impact: lowest disconnect in ESA/highest in NEN
- Innovation: no disconnect in APR/highest in LAC and WCA
- Scaling up: lowest disconnect in ESA/highest in WCA
- GEWE: lowest disconnect in LAC/aligned disconnect amongst other regions
- ENRM: lowest disconnect in ESA/highest in LAC
- Adaptation to climate change: positive disconnect in NEN/no disconnect in ESA/highest in APR
- IFAD performance as a partner: lowest disconnect APR/highest disconnect in NEN and ESA
- Government performance as a partner: lowest disconnect in APR/highest in NEN
- Overall project achievement: lowest disconnect in APR/highest in NEN

Chart 1
IOE/PCR ratings disconnect by Regions



Source: IOE evaluation rating database (PCRV/PPE) and PMD project completion report rating database (PCR), April 2019.

Annex X. Analysis of performance by region

1. The tables below indicate the performance of every region within each criteria analysed in the most recent periods presented in the ARRI 2019. Table 1 presents the percentage of moderately satisfactory and better ratings (PCRV/PPE data series) by region in 2015-2017. Dark cells indicate a negative trend compared to the previous three-year period of 2014-2016. Table 2 indicates the magnitude of the decline or increase between 2015-2017 and 2014-2016.

2. The tables can be summarized with the following findings:

- APR performance declined across all criteria except ENRM, where all projects received moderately satisfactory or better ratings in 2015-2017. In comparison, last year's ARRI, performance improved across all criteria but rural poverty impact which slightly declines. The most substantial declined can be noticed in adaptation to climate change, IFAD performance, and innovation.
- ESA performance improved for half of the criteria, with innovation and adaptation to climate change presenting the most significant improvement (+6 share point). ENRM and IFAD performance show the most severe drops. All projects rated for innovation in 2015-2017 received moderately satisfactory or better ratings.
- LAC shows declining ratings across all criteria but relevance, efficiency, project performance, innovation and ENRM and shows double digits decreases in adaptation to climate change.
- NEN presents declining trends for all criteria but sustainability and ENRM. NEN experienced the most severe decline across all regions with seven criteria showing double digits decreases. Innovation presented the highest decline (-23 share points) and sustainability showed the best improvement (+12 share points).
- WCA performance improved for half of the criteria. However, in comparison with the other regions, the declines and improvements in criteria performance are moderate. In comparison with 2014-2016, ENRM presents the most significant improvement in WCA. Relevance shows the most alarming declines.

Table 1
Percentage of moderately satisfactory+ ratings by Region, 2015-2017

Criteria	APR (14 projects)	ESA (11 projects)	LAC (10 projects)	NEN (11 projects)	WCA (13 projects)
Relevance	86	82	80	82	85
Effectiveness	93	64	70	73	69
Efficiency	79	36	60	45	31
Sustainability	86	64	40	73	31
Project performance	86	45	50	45	46
Rural poverty impact	93	82	60	73	69
Innovation	79	100	80	64	77
Scaling-up	79	82	70	64	54
GEWE	86	73	70	36	85
ENRM	100	67	70	91	75
Adaptation to climate change	69	78	67	73	71
IFAD performance	86	73	90	82	85
Government performance	86	45	70	55	46
Overall project achievement	92	70	67	73	69

Negative Trend Positive Trend

Table 2
Percentage point increase/decrease between 2015-2017 and 2014-2016 period

Criteria	APR	ESA	LAC	NEN	WCA
Relevance	-9	-6	0	-5	-6
Effectiveness	-2	1	-3	-6	6
Efficiency	-6	-1	0	-7	-1
Sustainability	-4	1	-7	12	-1
Project performance	-4	2	3	-2	1
Rural poverty impact	-2	1	-7	-10	-3
Innovation	-11	6	0	-23	4
Scaling-up	-6	-6	-3	-19	4
GEWE	-9	-2	-3	-18	-1
ENRM	6	-12	3	0	8
Adaptation to climate change	-20	6	-10	-13	0
IFAD performance	-14	-9	-3	-9	-2
Government performance	-9	-5	-3	-15	-4
Overall project achievement	-2	3	-5	-10	6

Negative Trend **Positive Trend**