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## **Comments of the Independent Office of Evaluation of IFAD on the IFAD11 Impact Assessment Report**

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**Useful references:** Revised Evaluation Policy ([EB 2021/132/R.5/Rev.1](#)); and Multi-Year Evaluation Strategy of the Independent Office of Evaluation of IFAD ([EB 2021/134/R.36](#)).

**Action:** The Consultation on the Thirteenth Replenishment of IFAD's Resources is invited to review the comments of the Independent Office of Evaluation of IFAD on the IFAD11 Impact Assessment Report.

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## Comments of the Independent Office of Evaluation of IFAD on the IFAD11 Impact Assessment Report

### A. Introduction

1. Following past practice, the Independent Office of Evaluation of IFAD (IOE) has prepared written comments on the Eleventh Replenishment of IFAD's Resources (IFAD11) Impact Assessment (IA) Report.<sup>1</sup> In its comments on the IFAD10 IA report<sup>2</sup> presented to the Executive Board at its 127<sup>th</sup> session in September 2019, IOE had provided insights on the choice of the sample of projects submitted for IA and on key methodological features of the exercise. IOE acknowledges that, in 2020, further interactions took place with the Research and Impact Assessment Division (RIA) on the IFA10 IA methodology.
2. IOE appreciates RIA's conduct of individual project-level IAs. When they are available, IAs provide additional evidence that can be triangulated with other evidence sources. IOE encourages RIA to extend its technical support to borrowing governments and to project management teams, beyond the IA sample. This will help strengthen the evidence base of a larger number of projects.

### B. Observations on methodology

3. IOE has reviewed only the synthesis report of the IFAD11 IA. Within the time frame available, it was not feasible to review individual IAs prepared by RIA. IOE also notes that only one project covered by an IA was available for independent validation as of July 2022. For this reason, it was not possible to analyse the difference in evaluation ratings between projects with IAs and projects without, as was done for the IFAD10 IA.
4. Compared to the IFAD10 IA, the IFAD11 IA displays **several improvements**, notably:
  - (i) An increase in the size of the sample of projects assessed (24 projects instead of 17 under the IFAD10 IA, exceeding the initial target of 17 for IFAD11);
  - (ii) The synthesis IFAD11 IA report presents an analysis of potential selection bias for the projects selected (annex I, table 1);
  - (iii) The presentation and discussion of the IFAD11 IA report are more measured than in the IFAD10 IA report and some caveats are presented (annex I, section D). Robustness checks are presented as well (annex II); and
  - (iv) The report highlights both strengths (targets for improved income, improved productive capacities and increased market access were exceeded) and weaknesses (the improved nutrition target was not met).
5. These improvements make the IFAD11 IA report clearer and more credible than was the case for IFAD10. IOE recognizes the work done by Management for this IA and is aware of the methodological challenges and efforts that it entailed. At the same time, IOE wishes to share some caveats that will help appreciate the endeavour required for this exercise, as well as the potential limitations and qualifications on the findings.
6. IOE suggests that the **number of beneficiaries** reported in the document should be taken with a degree of circumspection. This applies to both the estimated total under IFAD11 (112 million) and the estimated number of beneficiaries experiencing improvements (paragraphs 7 to 9). Data on project outreach are based, ultimately, on project monitoring and evaluation (M&E) reporting. In IOE's experience, these

<sup>1</sup> Inputs are acknowledged from Professor Tauhidur Rahman, University of Arizona, United States; from Dustin Gilbert, senior impact survey specialist, Georgia; and from Nanthikesan Suppiramaniam, Lead Evaluation Officer, IOE.

<sup>2</sup> EB 2019/127/R.5.

are not fully reliable, due to: (i) multiple counting of the same beneficiaries (e.g. when a single beneficiary receives agricultural training support, credit and free agriculture inputs, project statistics may report this as three beneficiaries); and (ii) uneven project M&E reporting, which often confuses direct and indirect beneficiaries; in addition, the latter tend to be estimated based on generous assumptions.

7. The **criteria considered for the IA sample selection** included items such as “buy-in from the Government and IFAD” or “local or national conflicts” (footnote 5). From a practical perspective, these are reasonable concerns but also pose risks of underrepresenting situations of weak performance. The IFAD11 IA ran ex ante checks for possible sampling bias (annex I, table 1). This is an important step but some caution applies here as well. The tests of difference are conducted on indicators of project implementation progress; human, social, capital, empowerment, environment and natural resources; and financial data. Financial data are drawn from IFAD databases: while the tests do not detect statistically significant differences, these are sizeable and may signal that the type of investments that they finance is different indeed.
8. Non-financial indicators are generated by supervision missions, based on project M&E systems. At IFAD, self and independent evaluations have common findings about **weak reliability of M&E systems** and this needs to be considered. It would be useful to double-check the evolution of such indicators throughout the project life cycle and report on any changes or anomalies observed. Also related to project selection, it is not clear whether the analysis controls for **different project duration**. Some projects may belong to a very different generation or be part of a multi-phase endeavour, challenging comparability.
9. Another question related to comparability is whether any **difference in country and local-level project context** could be detected before the projects were launched. The impacts on the main indicators were estimated using pooled household data including country/project fixed effects. As there is only one project per country, country fixed effect is the same as the project fixed effect. It would be useful to clarify how this is interpreted.
10. **Meta-analysis of diverse interventions.** The IFAD11 IA summary, as in the past, is based on meta-analysis techniques. In the literature, a source of credibility for meta-analysis is the fact that the studies selected cover experiments that have more or less comparable objectives and are similar in nature and in measurement scale (e.g. a meta-analysis of assessments of conditional cash transfer programmes to promote nutrition and health). In contrast, the 24 projects included in the IFAD11 IA have diverse objectives and components. Thus, care needs to be applied when interpreting the aggregation of project-level impacts.
11. **In synthesis**, the IFAD11 IA has built on past experience and, overall, has applied meta-analysis techniques in a judicious manner. There are still validity threats given the nature of IFAD-funded projects and the diverse interventions that each project has supported, requiring prudent interpretation. Some caution is also needed before inferring that the changes observed can be solely attributed to the action of IFAD-funded projects.

### **C. Observations from a developmental perspective**

12. It would be beneficial to **contextualize the interpretation of findings**. For instance, with reference to the finding that beneficiary income is, on average, 23 per cent higher than without IFAD investments (paragraph 10), it would be helpful to specify whether this is nominal or in real terms and whether it refers to a point estimate or to the entire lifecycle of a project. Moreover, the practical importance of any given percentage change will depend on the starting conditions (it may be marginal in absolute terms if the starting point is low). As an example, the RIA IA of the Post-Tsunami Sustainable Livelihoods Programme for the Coastal

Communities of Tamil Nadu (India) found that gross revenues from fish vending were 43 per cent higher for beneficiary households than non-beneficiary ones. IOE conducted a project performance evaluation of this project, noting that this was remarkable in relative terms but in fact the additional income (equivalent to US\$68 per year) made little difference in purchasing power, as explained by women beneficiaries during field interviews.

13. In addition, considering the COVID-19 pandemic and the ensuing global economic crisis, it would be useful to qualify to what extent the 23 per cent increase reflects a net income increase for households with IFAD support or an income decrease for households without the project or (probably) a combination of both.
14. **The definition of impact** adopted in the IA reflects several but not all of the impact domains used at IFAD (with reference to the IFAD Evaluation Manual of 2015 or 2022). Notably, it does not include impact on institutions and policies. This is difficult to measure through surveys but important for rural development. If local or national institutions and policies can be made more pro-poor, they contribute to scaling up project-level impacts and support sustainability of benefits.
15. **A broader perspective: blending IA with the review of other evaluation criteria.** The international development evaluation practice is to adopt multiple evaluation criteria, so as to encompass several facets of development, as at the Development Assistance Committee of the Organisation for Economic Co-operation Development.<sup>3</sup> The impacts generated by a project will effect limited change if they are not sustainable. The IOE's 2022 Annual Report on the Independent Evaluation of IFAD explores this aspect by computing the share of projects rated moderately satisfactory or better for rural poverty impact, first on its own and then combined with other selected criteria (sustainability, scaling up and efficiency). Out of the projects that were completed between 2011 and 2020, 81 per cent were rated by IOE as moderately satisfactory or above for impact. However, 60 per cent of projects were rated moderately satisfactory or above for both impact and sustainability (i.e. 21 per cent of projects were rated moderately satisfactory or higher for impact but moderately unsatisfactory or lower for sustainability).<sup>4</sup> The key point is that, from a developmental perspective, impact is a central criterion but it is equally important to contextualize it and review it in conjunction with other criteria, to better qualify the findings.

#### **D. Summary of key points and concluding remarks**

16. The RIA practice of conducting individual IAs contributes to the evidence base at the project level. When triangulated with other evidence sources, it makes self and independent evaluation of impact more robust. By providing technical support to governments and project management units, beyond projects selected for IA, RIA could contribute to a stronger evidence basis for IFAD's portfolio.
17. The IFAD11 IA presents improvements compared to the past from a methodological point of view. Its narrative is clearer, better balanced, and includes methodological caveats. Given the nature of IFAD's portfolio, the diversity of project designs and objectives, and the varying national and local contexts, there are still challenges to full comparability between projects with IAs and those without. The claim that the changes observed are attributable solely to IFAD interventions needs to be taken with some caution. Moreover, the interpretation of the observed differences and their importance to the beneficiaries needs to be contextualized in order to be meaningful. From a broader developmental standpoint, assessing impact is important but IA findings need to be discussed in

<sup>3</sup> [https://www.oecd-ilibrary.org/development/applying-evaluation-criteria-thoughtfully\\_543e84ed-en](https://www.oecd-ilibrary.org/development/applying-evaluation-criteria-thoughtfully_543e84ed-en).

<sup>4</sup> Moreover, 70 per cent were rated moderately satisfactory or above for both impact and scaling up and 56 per cent were rated moderately satisfactory or above for both impact and efficiency.

the context of a review of other evaluation criteria to ensure a more nuanced and exhaustive analysis.

18. IOE acknowledges the work done by RIA and Management, and appreciates the opportunity to review the IFAD11 IA report. It also appreciates RIA's plan to test a randomized selection of projects for IFAD12. IOE remains available for any future consultation on this subject.