



INDEPENDENT OFFICE OF
EVALUATION OF IFAD

ARRI 2015

ANNUAL REPORT ON RESULTS AND IMPACT OF IFAD OPERATIONS EVALUATED IN 2014

INDEPENDENT OFFICE OF
EVALUATION OF IFAD

ARRI 2015

ANNUAL REPORT ON RESULTS AND IMPACT OF IFAD OPERATIONS EVALUATED IN 2014

Contents

Abbreviations and acronyms	4	Annexes	85
Acknowledgements	5	1 Project and country programme evaluation methodology	85
Foreword	6	2 Evaluations included in the 2015 ARRI	87
Overview	9	3 Objectives of country programmes and individual projects evaluated	90
1 Introduction	19	4 Definition of the evaluation criteria used by IOE	101
Background	19	5 Project performance trends 2000-2014	103
Context of the 2015 ARRI: the IFAD9 period	21	6 Project performance ratings 2000-2014	109
Independent evaluation database and ARRI data source	22	7 Number of projects per each rating in the PCRV/PPA series	125
2 Performance 2000-2014	27	8 Peer-to-peer comparison: IOE-PMD ratings from 21 projects completed in 2011	126
Project performance	27	9 List of country programme evaluations completed by IOE (1992-2015)	130
Country programme evaluations	57	10 Response of IFAD Management to the Annual Report on Results and Impact of IFAD Operations evaluated in 2014	132
Benchmarking	61		
Recurrent issues in the IFAD9 period	65		
3 Learning theme: Sustainability of benefits	69		
Background	69		
Approach	69		
Main findings	70		
4 Conclusions and recommendations	79		
Conclusions	79		
Recommendations	82		

Abbreviations and acronyms

AfDB	African Development Bank
ARRI	Annual Report on Results and Impact of IFAD Operations
ADB	Asian Development Bank
CLE	corporate-level evaluation
COSOP	country strategic opportunities programme
CPE	country programme evaluation
CPM	country programme manager
DANIDA	Danish International Development Agency
FCS	fragile and conflict-affected states
GNI	gross national income
IED	Independent Evaluation Department (ADB)
IEG	Independent Evaluation Group (World Bank)
IFI	international financial institution
ICO	IFAD country office
IDEV	Independent Development Evaluation (AfDB)
IOE	Independent Office of Evaluation of IFAD
MICs	middle-income countries
M&E	monitoring and evaluation
NGO	non-governmental organization
PCR	project completion report
PCRv	project completion report validation
PMD	Programme Management Department
PPA	project performance assessment
PRISMA	President's Report on the Implementation Status of Evaluation Recommendations and Management Actions
RIDE	Report on IFAD's Development Effectiveness
RMF	Results Measurement Framework

Acknowledgements

The 2015 ARRI was prepared under the leadership of Ashwani K. Muthoo, IOE Deputy Director. He was ably supported by Simona Somma, IOE Evaluation Specialist, Renate Roels, IOE Evaluation Research Analyst, and Beatriz Nallar Gutierrez, IOE intern. The report was internally peer reviewed, thus benefiting from the comments and perspectives of other IOE staff. Melba Alvarez from the IOE Evaluation Communication Unit led the graphic design, layout and publishing of the report, as well as the production of the 2015 ARRI video.

IOE would like to express deep appreciation to IFAD Management and staff for their overall support and insightful comments on the draft final report, which have been duly considered in the preparation of the final report, in line with the IFAD Evaluation Policy. Comments by IFAD staff provided during the dedicated learning event held on 6 October and the feedback received on last year's edition of the ARRI by the Evaluation Committee and Executive Board have also been treated in the document.

Foreword

The Independent Office of Evaluation of IFAD (IOE) is pleased to present its thirteenth Annual Report on Results and Impact of IFAD Operations (ARRI), based on evaluations carried out in 2014. IFAD is among the very few multilateral and bilateral development organizations to produce such a report, reflecting the Fund's commitment to promoting transparency, accountability and learning for better institutional and operational performance.

The ARRI is a unique report that keeps evolving to provide IFAD Management, Member States and other actors in the development arena with an independent aggregated perspective on the results that the Fund has achieved in promoting sustainable and inclusive rural transformation. A number of innovative features introduced in this year's report underlie the evolution of the ARRI. For example, this year the report presents a more comprehensive explanation of the dataset used in the analytical underpinning of the document and thorough statistical analysis of the ratings available from all the evaluations informing the ARRI.

The 2015 ARRI confirms the positive results achieved by IFAD operations in reducing rural poverty and improving the living conditions of poor rural people, in particular in terms of increased income and assets, better human and social capital and empowerment, and gender equality and women's empowerment. In fact, 80 per cent of the projects exiting the portfolio in 2011-2013 were rated as moderately satisfactory or better for overall project achievement, 87 per cent for rural poverty impact, and 89 per cent for gender equality and women's empowerment.

The 2015 ARRI notes, however, that more can be done to raise the performance bar from moderately satisfactory to satisfactory or better across all evaluation criteria. There is scope to strengthen the performance of IFAD operations in critical areas in order to achieve greater development effectiveness, such as operational efficiency, monitoring and evaluation (M&E), and non-lending activities. Sustainability of benefits is another area where performance can be improved, as only 62 per cent of the operations were rated moderately satisfactory or better in 2011-2013. This topic was studied in depth in the 2015 ARRI, which identified key drivers of sustainability, such as the promotion of community-level ownership and responsibility, adequate integration of project objectives

into national development strategies, clear and realistic strategies for gender mainstreaming, and limiting factors, such as the lack of exit strategies, weak assessment and management of risks and too wide a geographic and subsector coverage of operations.

Taking into account these areas of challenge, the 2015 ARRI contains four main recommendations. The first is related to promoting better sustainability of benefits, through simpler design that carefully considers the country's policy and institutional context and embedding exit strategies early on in the project life cycle. The second is to ensure that key partners have the required incentives to promote sound M&E and that specific budget lines are allocated to M&E activities. The third relates to the need for COSOPs to include specific indicators, targets and cost estimates especially for non-lending activities. In this regard, more attention and resources are needed for national policy dialogue, knowledge management and partnership-building, which taken together are central for achieving IFAD's objectives related to scaling up impact. Lastly, IOE proposes to treat knowledge management as the learning theme for the 2016 ARRI, with an emphasis on how IFAD operations can learn to improve performance.

In closing, it is our hope that this latest edition will stimulate further discussion on ways to enhance the performance of IFAD operations, and on other key issues related to the development of agriculture and poor rural communities. As IFAD moves forward into the IFAD10 period starting in 2016, and with further adjustments in the areas that the 2015 ARRI has identified, the Fund has the opportunity to firmly position itself even further as a beacon in support of a more inclusive and sustainable rural transformation.



OSCAR A. GARCIA

Director

Independent Office of Evaluation of IFAD



Peru: Development of the
Puno-Cusco Corridor Project

The primary beneficiaries of the Puno-Cusco Corridor Project are subsistence farmers and herders marginally included in local markets.

Overview

Background

1. This is the thirteenth edition of the Annual Report on Results and Impact of IFAD Operations, which has been prepared by the Office of Evaluation of IFAD (IOE) each year since 2003. IFAD is among the very few multilateral or bilateral development organizations to produce such a report on an annual basis, reflecting the Fund's commitment to promoting transparency, accountability and learning for better institutional and operational performance.

Objectives

2. The ARRI has two main objectives: (i) to present a synthesis of performance of IFAD-supported operations based on a common evaluation methodology; and (ii) to 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. Moreover, as agreed with the Executive Board last year, the 2015 ARRI includes a dedicated chapter on sustainability of benefits, which was selected as the learning theme for this year's edition.

Context of the 2015 ARRI: the Ninth Replenishment of IFAD's Resources (IFAD9) period

3. The 2015 ARRI is the last such annual report produced during the IFAD9 period (2013-2015), building on evaluations of operations carried out in 2014. As such, it also provides an overview of the progress made so far with regard to selected priorities for the IFAD9 period, as agreed between Management and IFAD Member States. Moreover, the document

includes a section on cross-cutting issues and lessons emerging from a review of past ARRIs, with the aim of underlining key areas that need attention in the IFAD10 period (2016-2018).

4. It is important to clarify that this ARRI cannot provide a full account of the results achieved throughout the IFAD9 period because evaluations of operations completed in 2015 are currently being finalized. Therefore, a comprehensive assessment of IFAD's operational performance during the entire IFAD9 period will be included in the 2016 edition of the report.

Independent evaluation database and ARRI data source

5. The independent evaluation database is publicly available and includes ratings from 287 independent evaluations carried out by IOE since 2002. The database contains ratings for those projects that have been evaluated more than once by IOE over the years. Only the most recent ratings for each project evaluated by IOE are used in preparing the ARRI. As such, the 2015 ARRI draws on a database of 241 project evaluations completed by IOE since 2002, with a total lending volume of US\$4 billion. This represents 25 per cent of the funds IFAD has lent for projects and programmes since 1978.

Value and age of the portfolio

6. The 241 evaluations include ratings from the 35 individual project evaluations conducted in 2014. The total amount of lending of the 35 projects evaluated is US\$600 million, as compared to US\$714 million committed by IFAD in new loans and grants last year.

7. Of the 35 new projects evaluated included in the 2015 ARRI, seven were approved between 1997 and 2001, 20 between 2002 and 2005, and eight between 2006 and 2009. None of these projects are still ongoing: 20 closed between 2009 and 2012 and 15 between 2013 and 2015. The average project duration was 8.9 years, while eight projects had an implementation period of more than 10 years. Therefore, although these projects were designed 10 years ago or more, a large number of them were under implementation until recently.

New features

8. This year's ARRI presents several new features. First, a more thorough explanation has been provided regarding the dataset used to prepare the ARRI. This also includes a transparent account of the number of ratings available and used to assess country programme performance beyond the project level.
9. Second, in addition to a description of results in terms of proportions of projects rated as moderately satisfactory or better, the 2015 ARRI includes more thorough statistical analysis of available ratings. Moreover, the 2015 ARRI presents the results of a "peer-to-peer" comparison of the ratings in project completion report validations (PCRVs) and project performance assessments (PPAs) by IOE and the ratings in project completion reports (PCRs) by Management for the same sample of projects completing in the period 2007-2013, as well as a dedicated section on the strengths and weaknesses of PCRs.

Methodology

10. IOE project evaluation ratings are presented in two data series: (i) all evaluation data; and (ii) PCR/PPA data only. The former presents the project ratings from all evaluation reports going back to 2002; the latter contains only data from PCRVs, PPAs and impact evaluations. IOE has thus far completed 102 PCRVs/PPAs, which provides a solid

basis for analysing the performance of IFAD operations. This year's ARRI therefore devotes greater attention to the PCR/PPA data series, since the sample is more consistent and does not include any selection bias. Both data series present the ratings by year of project completion.

11. As mentioned above, the main trends in performance are explained through an analysis of the percentages of projects that are rated as moderately satisfactory or better. However, this analysis does not provide an immediate indication of how close or how far performance actually is from an assigned rating. The 2015 ARRI therefore also analyses the mean and the median rating for selected evaluation criteria, along with the most commonly used measures of dispersion of a distribution, which are the standard deviation and the interquartile range.

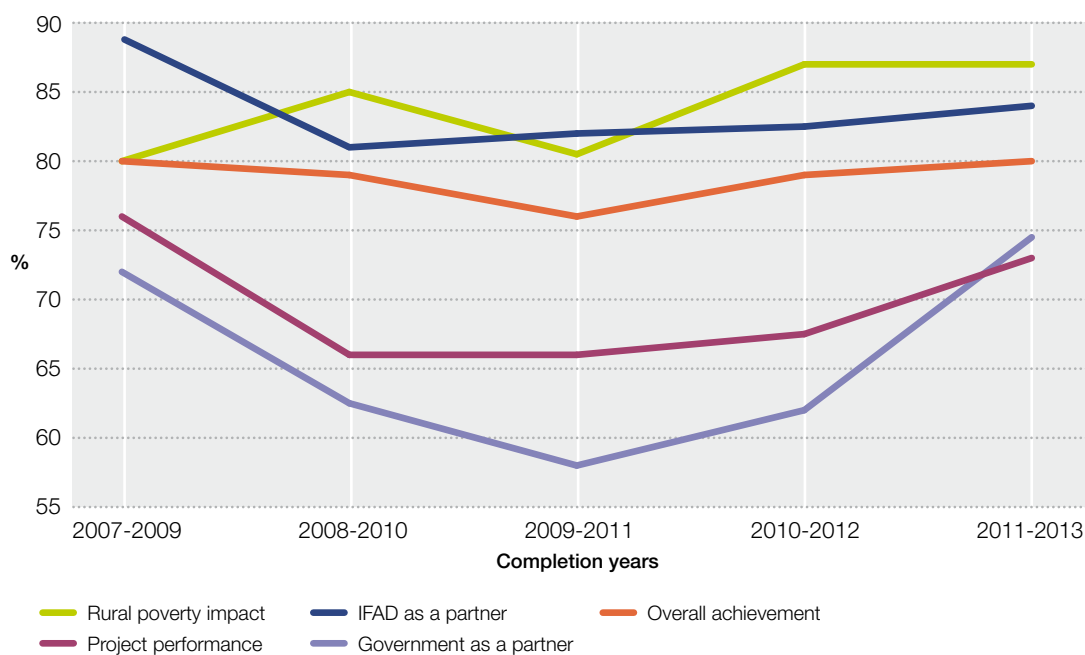
Project performance

12. IFAD operations are having a good impact on rural poverty: such impact is moderately satisfactory or better in 87 per cent of projects assessed in the period 2011-2013, as compared to 80 per cent in the period 2007-2009. Overall project achievement also shows positive results, with 80 per cent of the projects rated as moderately satisfactory or better in 2011-2013. More specifically, the 2015 ARRI highlights the strong attention to building human and social capital and empowerment and gender equality, which, taken together, are the cornerstones of IFAD's development approach.
13. The impact of IFAD-supported operations in improving the household income and assets of poor rural people is also positive: 87 per cent of projects were moderately satisfactory or better in 2011-2013, out of which 48 per cent were satisfactory. Moreover, IFAD is doing well in the core area of its mandate, agricultural productivity and food security, for which the 2011-2013 data shows the highest proportion of projects (43 per cent) with a satisfactory

- rating for agricultural productivity and food security since 2007-2009.
14. The percentage of projects rated as moderately satisfactory or better in strengthening and influencing institutions and policies increased from 69 per cent in 2008-2010 to 82 per cent in 2011-2013. However, 48 per cent of the projects closing in 2011-2013 are still only moderately satisfactory.
 15. As anticipated in last year's ARRI, IFAD's performance as a partner is good, with 82 per cent of the projects rated moderately satisfactory or better. Key contributors to IFAD's good performance include direct supervision and implementation support, and the fact that the organization has continued its decentralization efforts and experimented with alternative models for IFAD country offices (ICOs). The latter have helped the organization get closer to the ground, providing greater and more timely support to IFAD-funded operations, and strengthen communication and dialogue with key actors in the agriculture sector. In fact, a relation analysis conducted by the ARRI this year shows that project performance across a number of evaluation criteria – overall project achievement, innovation and scaling up, gender equality and women's empowerment, and efficiency – is better in countries with ICOs as compared to countries without them.
 16. However IFAD's decentralization process faces challenges, such as the need for adequate infrastructure for the country offices, greater outposting of country programme managers (CPMs) and resources to perform the diverse range of tasks assigned to them. These and other related issues – such as the cost dimension and the implications of ICOs for IFAD's non-lending activities (policy dialogue, knowledge management and partnership-building) – will be analysed in more detail in the planned corporate-level evaluation on IFAD's decentralization that IOE will conduct next year.
 17. In terms of benchmarking, the ARRI finds that IFAD's project performance in all regions continues to be comparable to that of the agriculture sector portfolio of the World Bank, with 75 per cent of the operations evaluated as moderately satisfactory or better. IFAD's project performance is better than the performance of the agriculture sector operations of the Asian Development Bank (ADB) and the African Development Bank (AfDB). There are, however, some inherent challenges in benchmarking, such as the differing sector coverage and sizes of the organizations under comparison, which need to be taken into account when interpreting the findings.
 18. To summarize, chart 1 shows performance trends since 2007 using five key evaluation criteria: project performance, overall project achievement, rural poverty impact, and the performance as partners of IFAD and of the government concerned.
 19. The chart shows a dip in performance in projects completing in 2009-2011, with a steady improvement in trends thereafter. While this deserves deeper analysis, such a dip in performance may be partly explained by two factors. First, a number of the projects evaluated that were completed in 2009-2011 were implemented in fragile states. Second, the dip might also reflect the introduction of IFAD's first comprehensive Evaluation Manual in 2008, which was the basis for the projects evaluated from 2009 onwards.
 20. Notwithstanding the above, a number of challenging areas demand continued attention. A large number of projects reveal moderately satisfactory performance in the vast majority of evaluation criteria assessed by IOE, while only a few projects are satisfactory or highly satisfactory. Therefore, there is scope for "raising the performance bar" from moderately satisfactory to satisfactory or better.

Chart 1 **Combined overview of the main evaluation criteria**

Percentage of projects rated moderately satisfactory or better
(PCR/PPA data series)



21. Greater improvements can be achieved in a number of areas, including in IFAD's operational efficiency, sustainability of benefits, environmental and natural resource management, and monitoring and evaluation (M&E). The average rating for efficiency is 3.6, which is less than moderately satisfactory. There are several factors that constrain efficiency, including implementation period overruns, high project management costs and, in some cases, high costs per beneficiary.
22. Sustainability of benefits is the other weakest-performing evaluation criterion, with an average rating of 3.7. Some of the factors limiting sustainability include weak assessment and management of risks, inadequate financial and economic analysis, and the lack of exit strategies. IFAD is conscious of the need to improve the sustainability of benefits and has recently developed an operational framework for scaling-up as one measure to address this.
23. Performance improvements are evident in natural resource and environmental management, given that 70 per cent of projects were moderately satisfactory or better in 2011-2013 in this impact domain. However, only a small proportion (14 per cent) were rated satisfactory, and only 2 per cent as highly satisfactory. Matters requiring attention include the need to (i) undertake more systematic environmental impact assessments, for example, when projects focus on the construction of rural infrastructure (e.g. small dams, irrigation and rural roads), and (ii) strengthen partnerships with a broader range of institutions dealing with natural resources and environmental management in partner countries. The challenges associated with M&E will be discussed later in this overview.
24. The results above are largely confirmed by the comparison analysis between IOE and the Programme Management Department (PMD) ratings for a sample of 97 projects completed in the period 2007-2013. Although, on average, all the criteria were rated higher in PCRs than in PCR/PPAs, the differences

were not vast. The largest disconnect is in the assessment of relevance, with PMD ratings tending to be on average 0.44 higher than IOE ratings. A similar pattern is observed in the mode rating for relevance, which is satisfactory (5) as per PMD ratings and moderately satisfactory (4) based on IOE ratings. Another disconnect worth highlighting is related to innovation and scaling up, with PMD ratings on average 0.29 higher than IOE ratings. Also, the mode rating based on PMD data is satisfactory (5), as compared to the moderately satisfactory (4) rating given by IOE.

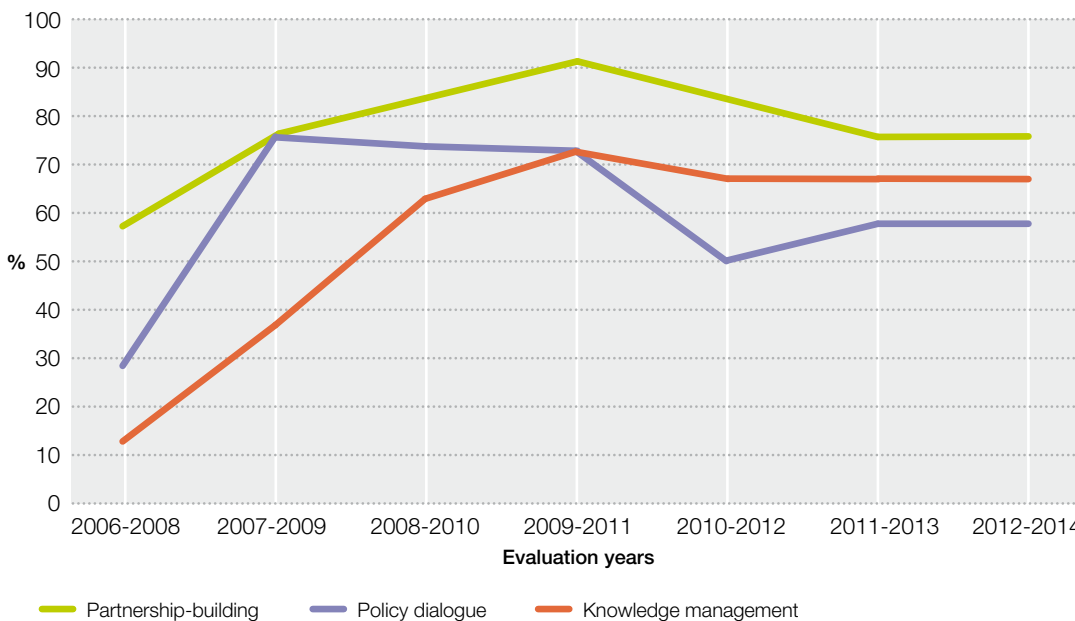
25. There is scope to bridge the gap between IOE and PMD ratings moving forward, in particular by ensuring further harmonization between IOE and PMD evaluation methods as well as strengthening the quality and underlying process for PCRs. The introduction of the second edition of the Evaluation Manual in 2016, together with

the new harmonization agreement between IFAD's independent and self-evaluation systems, will contribute to addressing the disconnect between results reported by IOE and IFAD Management.

Country performance

26. In addition to evaluating project performance, country programme evaluations assess results in non-lending activities and the performance of IFAD country strategies. Non-lending activities are increasingly recognized as essential instruments in IFAD country programmes to promote institutional and policy transformation and for scaling up the impact of IFAD operations. Chart 2 below provides a summary of performance in non-lending activities. It shows that, despite improvements made since 2006-2008, performance appears to have plateaued in the past five years, which will be discussed further below.

Chart 2 Performance of non-lending activities 2006-2014
Percentage rated moderately satisfactory or better by criteria



27. Country strategies normally outline objectives and areas of priority for national-level policy dialogue. However, evaluations find that IFAD is facing challenges in this area, such as setting over-ambitious policy dialogue agendas that are difficult to translate into operational plans due to such factors as the limited resources available to CPMs and the multiple responsibilities assigned to them. Another determinant of performance in this criterion is the strong focus on investment projects and operational matters, and insufficient attention to leveraging the Fund's rich project experience for policy dialogue purposes.
28. Performance in knowledge management has improved from 14 per cent of the country programmes evaluated being moderately satisfactory or better in 2006-2008 to 67 per cent in 2012-2014. Key drivers for this improvement include the adoption of a corporate strategy for knowledge management in 2007, the inclusion of knowledge management as an objective in some country programmes and the use of grant resources for knowledge management.
29. However, the country programme evaluations for Bangladesh and the United Republic of Tanzania identified some challenges in knowledge management. First, knowledge acquired during project implementation was not systematically captured and shared widely. Second, M&E systems put insufficient emphasis on evaluation and learning, and focused primarily on monitoring output-level achievements. Third, little evidence was found of due attention being paid to documenting experiences from grant-funded activities, many of which focused on innovations in technology development for smallholder agriculture and market access. Finally, greater attention should be devoted to learning from failures, which can prove to be as valuable as learning from successes for enhancing development effectiveness.
30. Of the country programmes evaluated in the period 2012-2014, 77 per cent were rated moderately satisfactory or better for partnership-building, up from 58 per cent in the period 2006-2008. IFAD's participatory and bottom-up approaches to rural transformation were appreciated, as was its work with civil society and non-governmental organizations, especially in the provision training and group formation. However, greater efforts are needed to strengthen cooperation with national-level institutions dealing with agriculture and rural development, and with multilateral and bilateral development organizations, including the Rome-based agencies, at the country level. Cooperation with the Rome-based agencies is good: for example, the Food and Agriculture Organization of the United Nations (FAO) hosts ICOs in many countries, but cooperation on programmatic matters (e.g. South-South and Triangular Cooperation) in partner countries is less developed.
31. In terms of the performance of country strategy [i.e. country strategic opportunities programme (COSOP)], IOE found 87 per cent of COSOPs are moderately satisfactory or better for relevance, but none highly satisfactory, while 74 per cent of CPEs found COSOP effectiveness moderately satisfactory or better, none highly satisfactory, and 26 per cent moderately unsatisfactory.
32. Two points related to COSOP effectiveness merit reflection. While COSOPs include an account of the performance-based allocation system (PBAS) allocation to be provided for investment projects and country grants, it does not include an estimate of costs needed for wider country programme management and pursuing the objectives set for non-lending activities. Though it is clear that IFAD's non-lending activities are intrinsically linked to its investment operations, evaluations underscore how resource and time constraints limit results in non-lending activities, especially at the national level and

therefore beyond the realms of individual projects and programmes.

33. Evaluations find scope to further strengthen the synergies between lending and non-lending activities, including South-South and Triangular Cooperation. This would ensure that all IFAD-supported activities are mutually reinforcing and contribute to achieving country programme objectives. Moreover, COSOPs rarely indicate the time frames they will cover, and, in many instances, the same strategy has guided IFAD operations for more than a decade.

Recurrent issues in the IFAD9 period

34. The 2015 ARRI highlights three recurrent issues in the IFAD9 period: M&E, non-lending activities and government performance as a partner.
35. In recent years, IFAD has focused on strengthening its results culture and learning loops, including by undertaking rigorous impact assessments of operations and seeking to strengthen its internal corporate performance-monitoring and -reporting instruments. However, one key dimension of IFAD's results assessment initiatives relates to M&E at the project and country levels alike, which remain challenging. This has been an area of concern for many years both to IFAD and to other development partners. In addition to the issues flagged above, evaluations have found several constraining factors in overall M&E activities, such as baseline surveys that are weak or, in many cases, unavailable or carried out late in the project life cycle and thus of limited use. Logical frameworks do not always have indicators that are easy to track and measure. In particular, more systematic attention is needed to collecting gender-disaggregated data and data on nutritional impacts so as better to discern the contribution of IFAD operations to food security and enhanced livelihoods in rural areas.
36. The incentive framework for effective and efficient M&E activities, both within IFAD and at the country level, merits attention. Budgets for M&E activities are not always transparently included in project cost tables. Similarly, supervision and implementation support activities do not systematically address challenges in this area. Well-functioning M&E systems are the bedrock of IFAD's results measurement system and a critical component for promoting accountability and learning, including for the preparation of PCRs, which are currently of variable quality. To date, the M&E of non-lending activities has not been sufficiently emphasized.
37. Though this ARRI and its precursors have seen improvements in the performance of non-lending activities, they remain moderately satisfactory on the whole (see chart 2). At the same time, the ARRIs have highlighted areas warranting attention in order to boost performance in non-lending activities, such as the advantages of outposting CPMs, the need to define attainable objectives matched by adequate resource allocations, the importance of better linking non-lending activities with IFAD's investment portfolios for wider integration of all activities into country programmes, and the need for strengthening partnerships at the country level.
38. Government performance as a partner is among the most important factors for ensuring the successful outcome of IFAD-financed projects. This is particularly important in the case of IFAD because governments have the main responsibility for the implementation of IFAD-financed projects and programmes. Although the mean rating for government performance as a partner in the period 2012-2014 is 4.1 (slightly over the moderately satisfactory mark), past ARRIs have highlighted several factors affecting government performance, including weak institutions, especially at the grass-roots level and in fragile situations; the frequent rotation of project management staff; and

insufficient knowledge and clarity about IFAD's procurement and financial management processes. The 2015 evaluations informing this ARRI found that such issues continue to limit government performance as a partner, raising concerns regarding fiduciary aspects, such as delays with and the quality of audit reports, and weak financial management.

Conclusions

39. Overall, IFAD operations are satisfactory and making good contributions to sustainable and inclusive rural transformation. The Fund plays an important role in development aid architecture in helping developing Member States tackle chronic challenges related to rural poverty, hunger and malnutrition. However, IFAD will need to pay greater attention to consolidating the many important changes introduced in the past five-to-seven years to raise the performance bar from moderately satisfactory to satisfactory or better. This will also support its important scaling-up agenda so as to have a broader impact on poverty.

Recommendations

40. The 2015 ARRI makes the following recommendations to IFAD Management.

Sustainability

41. The President's report submitted for Executive Board approval for each new operation should include a short section describing the specific measures that will be taken to ensure the sustainability of benefits after project closure. In particular, in collaboration with the government concerned, IFAD should prepare an exit strategy in each project well before completion, taking into account ongoing and planned IFAD investments and non-lending activities in the country. Such an exit strategy would transparently define the respective roles and responsibilities in post-project activities of the government, IFAD, community-based organizations and other stakeholders. Exit strategies would also indicate how the recently developed operational framework for

scaling up will be implemented to promote sustainability and any recurrent costs, and the corresponding funding sources, to ensure continuation of services to project beneficiaries. The joint responsibility of IFAD and the government in preparing such exit strategies should be clearly reflected in a new dedicated section in all financing agreements.

Monitoring and evaluation

42. All project cost tables should clearly include a separate budget line devoted specifically to M&E activities, which should not be embedded within other budget items. This would reduce the risk of funds allocated to M&E being used for other operational purposes. Baseline surveys should be performed at the design stage or no later than 12 months after the entry-into-force date of IFAD operations has been declared. More systematic attention should be given to sharpening indicators in general, and in collecting data on nutritional impacts and gender-disaggregated data. All COSOP results measurement frameworks should include specific and measurable indicators and targets for non-lending activities, for analysis and reporting during COSOP annual, midterm and completion reviews. Last but not least, IFAD should develop specific incentives and accountability provisions for staff so as to ensure the required attention to M&E activities in general.

IFAD country strategies

43. All new country strategies should contain realistic and achievable objectives based on IFAD's comparative advantage, track record and specialization in a particular country. COSOP documents should also more clearly specify the time frames covered by the country strategy and how lending and non-lending activities reinforce each other and collectively contribute to achieving COSOP objectives. This will require better accounting in COSOPs of the estimated costs (both programme and administrative resources) required

to achieve the stated objectives. Finally, taking into account resource implications, continued attention to conducting COSOP completion reviews would strengthen IFAD's accountability framework and ability to generate lessons for future country strategies and development interventions.

2016 ARRI learning theme

44. The Executive Board is invited to adopt the recommendation for IOE to treat knowledge management as the learning theme for the 2016 ARRI, with a particular emphasis on how IFAD operations can learn to improve performance.



United Republic of Tanzania:
First Mile Project

Woman sewing in a market.
“When the people buy wrappers
(kangas), they come here to have
the edges bound.” Riroda village
market, Babati, United Republic
of Tanzania. By focusing on
small enterprises, traders, and
small-scale farmers, the First
Mile Project aims to increase
food security in rural areas.

©IFAD/Mwanzo Millinga

1 Introduction

Background

1. The Annual Report on Results and Impact of IFAD Operations (ARRI) is the flagship report of the Independent Office of Evaluation of IFAD (IOE). In line with the requirements of the IFAD Evaluation Policy,¹ IOE has prepared this report on an annual basis since 2003, making this the thirteenth edition of the ARRI.
2. When the ARRI was first produced, IFAD was one of the very first development organizations to produce a report of this type. In fact, the Fund remains one of the very few multilateral and bilateral organizations to produce an annual evaluation similar to the ARRI.² The production of the ARRI is a reflection of IFAD's continued commitment towards strengthening accountability and transparency in reporting on results, as well as learning for better impact on the ground.

Objectives, methodology and audience

3. The ARRI consolidates and summarizes the results and impact of IFAD-funded operations on the basis of independent evaluations conducted in the previous year.³ 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.
4. The methodology used for conducting independent evaluations is documented in the IFAD Evaluation Manual (2009).⁴ A second

edition of the manual has been prepared in 2015 and will be implemented in January 2016 – forming the basis for all evaluations undertaken from 2016 onwards. The revised manual will affect the ARRI starting in 2017, as the 2016 ARRI will be based on evaluations performed in 2015 that follow the 2009 Evaluation Manual. Any implications of the second edition of the manual to the ARRI will be clearly outlined in the document's future editions.

5. The primary audiences of the ARRI are IFAD Management, staff and consultants, and the Fund's Evaluation Committee and Executive Board. However, the report is also of interest to recipient countries and the wider development community at large, including the United Nations Evaluation Group, the Evaluation Cooperation Group of the Multilateral Development Banks, and the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) Network on Development Evaluation.

Comments on the 2014 ARRI

6. Specific efforts were made by IOE in the preparation of the 2015 ARRI to carefully address the main comments of IFAD Management, the Evaluation Committee and the Executive Board on last year's edition of the ARRI. In particular, the suggestions contained in the Management Response on the 2014 ARRI have been addressed herewith, as appropriate.
7. Management asked IOE to update in a more timely manner the ARRI ratings database. In

¹ See <http://www.ifad.org/gbdocs/eb/102/e/EB-2011-102-R-7-Rev-1.pdf>.

² The Independent Evaluation Department of the Asian Development Bank (ADB) and the Independent Evaluation Group of the World Bank also produce annual reports similar to the ARRI.

³ Some of the evaluations included in this ARRI were finalized in the first part of 2015.

⁴ See document http://www.ifad.org/evaluation/process_methodology/doc/manual.pdf.

the past, IOE used to update the database in January with ratings that were used to construct the previous year's ARRI. To address this suggestion, IOE updated the ARRI database in July 2015, with all ratings that have informed this year's document. The same approach will be followed in the future. Management also requested IOE to explore the possibility of including independent evaluation ratings in the corporate Grants and Investment Project System. Discussions to operationalize this suggestion are ongoing with IFAD's Information and Communication Technology Division.

8. On another matter, Management suggested that projects still under implementation be included as part of individual country programme evaluations (CPEs), but that the data not be included in the ARRI dataset. In this regard, IOE has two observations: (i) it was agreed with Management during the preparation of the second edition of the Evaluation Manual in 2015 that – in the context of CPEs – IOE would evaluate projects against all evaluation criteria if they have passed the midway point of implementation; and (ii) CPEs are grounded on rigorous analysis, as they are based on thorough desk reviews and data collection and interactions with beneficiaries and other stakeholders in the field. Therefore, according to IOE, it is indeed appropriate to include such projects evaluated in CPEs in the ARRI analysis. Finally, it is important to note that IOE has not included the projects evaluated in the 2014 CPEs that are in their initial stages of implementation.
9. Management expressed concern that the data series yielded by project performance assessments (PPAs)/project completion report validations (PCRVs) is limited and thus may not provide reliable data on trends. In this regard, it is useful to recall that IOE conducts PCRVs in all closed projects and a select number of PPAs. With regard to the latter, starting in 2016 IOE will increase the absolute number of PPAs

performed, therefore the sample of PCRVs and PPAs will increase rapidly. Moreover, in a relatively short period of time (since 2011 with the adoption of the Evaluation Policy), IOE has conducted 100 PCRVs and PPAs, which is equivalent to 42 per cent of the total sample of evaluated projects included in the 2015 ARRI. Hence, the statement that the PPA/PCRv sample is limited in number needs to be interpreted with caution.

Learning themes

10. Since 2007, the ARRI has focused on one or two learning themes. The topics for the learning themes are agreed upon with the Executive Board, with the aim of deepening analysis on selected issues that merit additional reflection and debate in order to enhance the performance of IFAD operations. Chapter 3 addresses the learning theme selected for the 2015 ARRI, namely sustainability of benefits.⁵

The ARRI process

11. In terms of process, as in previous years, the draft ARRI document was internally peer-reviewed by IOE in September. Thereafter, an in-house learning workshop was held in October 2015 to discuss the ARRI's main findings and recommendations with IFAD staff. A dedicated meeting to discuss the draft document was also held with the IFAD President and other senior staff. Moreover, Management had the opportunity to prepare written comments on the document. All major comments received by IOE on the draft 2015 ARRI have been duly considered in the final document.
12. In terms of process, for the first time since the issuance of the first edition of the ARRI in 2003, the underlying data collection and analysis and report writing for the 2015 ARRI has been done entirely by IOE staff. This is a reflection of IOE's intention to increasingly insource its evaluation work, with the ultimate aim of cost savings and improved quality. However, it is important to note that IOE

⁵ The learning themes addressed by previous ARRIs include: sustainability and innovation (2007); country context and project-level monitoring and evaluation (2008); access to markets, and natural resources and environmental management (2009); efficiency (2010); direct supervision and implementation support (2011); policy dialogue (2012); understanding exceptional projects (2013); project management (2014); and sustainability of benefits (2015).

collaborated with the United Nations Food and Agriculture Organization (FAO) Investment Centre to produce an issues paper that has informed chapter 3 of the ARRI on sustainability of benefits.

Revised timeline for the ARRI

13. Since 2007, the ARRI and the Report on IFAD's Development Effectiveness (RIDE)⁶ by IFAD Management have been presented to the Evaluation Committee meeting in November and the Executive Board session in December. This has allowed for comprehensive discussions on the organization's operational performance and systemic issues and lessons.
14. However, as decided by the Executive Board in September 2015, both the ARRI and the RIDE will be presented to the September session of the Board starting in 2016. In line with the IFAD Evaluation Policy and Terms of Reference and Rules of Procedure of the Evaluation Committee, the latter will continue to consider the document before it is discussed by the Board.
15. This will have no implications on the robustness of the ARRI or data sources used in its preparation, given that the ARRI is based on independent evaluations completed in the previous year. However, it does imply that IOE will have less time to prepare the document, given that the document's date of submission to the Office of the Secretary for editing and translation will be advanced by about three months (from the beginning of October to the beginning July, depending on when the September Evaluation Committee meetings and Board sessions are planned each year).

Document structure

16. This year's ARRI is structured as follows: chapter 2 reports on the performance trends using independent evaluation ratings available from 2002, benchmarks the performance of IFAD operations against other international financial institutions (IFIs) and internal targets

adopted by the Fund, and highlights the major issues raised in the 2014 evaluations. Chapter 3 is devoted to sustainability of benefits of IFAD operations, which is the learning theme of the 2015 ARRI. The main conclusions and recommendations are presented in chapter 4.

Context of the 2015 ARRI: the IFAD9 period

17. The 2015 ARRI is the last edition of the document produced under IFAD's Ninth Replenishment Period (IFAD9) (2013-2015). As such and based on independent evaluations by IOE, this year's report also provides an overview of the progress made so far in selected priorities for the IFAD9 period, as agreed by Management with IFAD Member States.⁷ The document also includes a section on cross-cutting issues and lessons emerging from a review of past editions of the ARRI. In particular, the aim of this section is to underline key areas that will need attention, especially taking into account some of the priorities agreed for the IFAD10 period (2016-2018).
18. It is important to clarify that the evaluations conducted in 2015 could not inform this year's ARRI, given the majority were under implementation at the time the 2015 ARRI was prepared. However, the 2016 ARRI will include a fuller account of the achievements covering the entire IFAD9 period, based on all independent evaluations done between 2013 and 2015.
19. The four overall priorities for the IFAD9 period are summarized in table 1. For each priority, a number of areas of reform are envisaged. The 2015 ARRI focuses on two IFAD9 priority areas, namely "increasing operational effectiveness" and "enhancing IFAD's results management system". The other two priority areas are "increasing institutional effectiveness and efficiency" and "strengthening IFAD's financial capacity and management". The

⁶ The RIDE is prepared by IFAD Management, capturing the performance of the organization against the main indicators in the corporate Results Measurement Framework. As such, the report is an instrument to promote accountability and maximize institutional learning.

⁷ The priorities are shown in the final Report of the Consultation on the Ninth Replenishment of IFAD's Resources at <http://webapps.ifad.org/members/gc/35/docs/GC-35-L-4.pdf>.

Table 1 **Priorities and areas of reform for the IFAD9 period (2013-2015)**

IFAD9 priorities	Area of reform
1. Increasing operational effectiveness	<ul style="list-style-type: none"> – Scaling up – Private sector – Gender equality and women’s empowerment – Climate change and sustainable management of environmental resources – Project efficiency – Country-level decentralization – Fragile states – National monitoring and evaluation systems – South-South and Triangular Cooperation – Partnership and advocacy
2. Increasing institutional effectiveness and efficiency	<ul style="list-style-type: none"> – Institutional efficiency – Human resources reform
3. Strengthening IFAD’s financial capacity and management	<ul style="list-style-type: none"> – IFAD’s financial model – Internal resource mobilization – New sovereign donors and alternative financing modalities
4. Enhancing IFAD’s results management system	<ul style="list-style-type: none"> – Impact evaluation – Results reporting

⁸ The database may be accessed at: <http://www.ifad.org/evaluation/arrl/database.htm>.

rationale for focusing on the first two priorities is because IOE has the required evaluative evidence in the areas of reform specified under these priorities.

20. With regard to “increasing institutional effectiveness and efficiency”, IOE completed a major corporate-level evaluation (CLE) on IFAD’s efficiency (CLEE) in April 2013, which thoroughly covered the two areas of reform under this priority, namely institutional efficiency and human resources reform. An Action Plan to address the main recommendations from the CLEE was adopted by the Board in September 2013. Hence, it is too early for IOE to assess the outcomes of the various measures introduced by Management in the recent past.
21. In terms of “strengthening IFAD’s financial capacity and management”, IOE is completing the CLE on IFAD’s performance-based allocation system (PBAS), which will be presented to the Board in April 2016. It also

undertook a CLE on IFAD’s replenishments, which was completed in April 2014. The latter addressed several issues related to IFAD’s financial capacity and management, and its recommendations informed the IFAD10 Consultation last year and are currently being implemented by Management.

22. Hence, in a nutshell, through the aforementioned CLEs, IOE has also been able to assess progress in the priority areas of “increasing institutional effectiveness and efficiency”, and “strengthening IFAD’s financial capacity and management”.

Independent evaluation database and ARRI data source

23. In line with the Evaluation Policy and the practice followed by the Independent Evaluation Group of the World Bank, in 2013 IOE made its independent evaluation database⁸ available to the public. This database includes ratings from independent

evaluations done since 2002. The aim of this measure is to enhance transparency and accountability, as well as to make the IOE independent evaluation dataset available to IFAD staff, governing bodies and others interested in conducting further research and analytical work on smallholder agriculture and rural development.

24. It is important to clarify that ratings from all CPEs and project evaluations done by IOE are included in the independent evaluation database, thereby ensuring the completeness of the database. However, this implies that the database contains ratings for some projects that have been evaluated more than once by IOE over the years. This is because some ongoing projects evaluated and rated as part of CPEs would be evaluated again separately, once fully completed.
25. Therefore, it is essential to underscore that only the most recent ratings for each project evaluated by IOE are used in preparing the ARRI. This is critical to avoid counting project evaluation ratings twice when conducting the analysis and reporting on performance through the ARRI.
26. Based on the above, the 2015 ARRI draws on an overall sample of 287 project evaluations done by IOE since 2002 using a common methodology. However, as mentioned above, the ratings from 46 project evaluations were replaced with ratings from more recent evaluations of the same project. This means that the analysis presented in this year's document is informed by the ratings from 241 project evaluations.
27. The different data sources for project evaluations are summarized in table 2.
28. IFAD has funded 991 projects in the period 1978-2014, out of which 740 have been completed and 251 are ongoing.⁹ The total lending volume of the 991 projects is US\$16 billion. Since 2002, IOE has evaluated 241 projects for a total lending volume of US\$4 billion. This is equivalent to 25 per cent of the funds IFAD has lent for projects and programmes since 1978.
29. The 241 evaluations include ratings from 35 individual project evaluations done by IOE in 2014.¹⁰ The total amount of lending of the 35 projects evaluated is US\$600 million, as

⁹ Source: Grant and Investment Projects System.

¹⁰ The evaluation of the 35 individual IFAD-financed projects are included in 30 evaluation reports. This is because CPEs include the evaluation of more than one IFAD operation, according to established practice.

Table 2 **Types and sample size of project evaluations used in the 2015 ARRI**

Type of project evaluations	Sample size
Projects evaluated as part of CPEs	139
Project evaluations	100
Impact (project) evaluations	2
Total projects evaluated	241

Source: IOE independent evaluation database.

compared to US\$714 million committed by IFAD in new loans and grants in 2014. The 35 project evaluations are listed in annex 2 and include: six project evaluations covered in two CPEs, one impact evaluation (IE), 22 project completion report validations (PCRVs), and six project performance assessments (PPAs). Details on the objectives of the country programmes and individual projects evaluated can be found in annex 3. In addition, the CLE on IFAD's Engagement in Fragile and Conflict-affected States and Situations and two evaluation synthesis reports (on pastoral development and indigenous peoples)¹¹ have been considered in the preparation of the 2015 ARRI.

Age of the portfolio

30. Of the 35 new evaluated projects included in this year's ARRI, 7 were approved between 1997 and 2001, 20 between 2002 and 2005, and 8 between 2006-2009. None of these projects are still ongoing: 20 closed between 2009-2012 and 15 between 2013-2015. Moreover, the average project duration

was 8.9 years, with eight of them having an implementation period of more than ten years. This shows that although these projects were designed ten years ago or more, a large number were under implementation until quite recently.

31. The ARRI also assesses the performance of IFAD country programmes beyond the project level, using the assessments contained in CPEs. Table 3 provides an overview of the number of ratings available from CPEs conducted by IOE that have been used in the 2015 ARRI.
32. With regard to table 3, it is important to note that CPEs done before 2006 did not follow a common methodology and did not generally include ratings. However, with the introduction of the Evaluation Manual in 2008, all CPEs follow a consistent methodology and normally include an assessment and rating of the evaluation criteria included in table 3 (over and above as assessment of project

¹¹ CLEs and evaluation synthesis reports do not generally include evaluations/ratings of individual projects financed by IFAD.

Table 3 **Sample size and ratings from CPEs used in the 2015 ARRI**

	CPE sample size
CPEs conducted by IOE (1992-2015)	52
CPEs conducted between 2006-2015 (ratings analysed in the 2015 ARRI)	30
Evaluation criteria rated	
Policy dialogue	30
Knowledge management	30
Partnership-building	30
Overall non-lending activities (based on policy dialogue, knowledge management, and partnership-building)	30
COSOP relevance	30
COSOP effectiveness	23
COSOP performance (based on COSOP relevance and performance)	23
Overall IFAD-government partnership (based on portfolio performance, non-lending activities and COSOP performance)	23

Source: See chapter on CPEs in the IFAD Evaluation Manual (2009).

portfolio performance). The section on country programme evaluations of chapter 2 includes a summary of IFAD's operational performance beyond the project level.

New features

33. The ARRI continues to evolve, with significant changes made this year in terms of analysis and presentation of results. Firstly, a more thorough explanation has been provided on the data set used for the analytic underpinning of the document.
34. As in the past, the document provides an account of results in terms of the proportion of projects that are evaluated as moderately satisfactory or better, using three-year moving averages. However, this year's ARRI goes further; it also undertakes a distribution analysis of the ratings and analyses the ratings through calculations of modes, medians, means, standard deviations, and interquartile ranges.¹² The results of this analysis will be discussed in chapter 2.
35. Moreover, the 2015 ARRI presents the results of a "peer-to-peer" comparison of the ratings in PCR/PPAs by IOE and the ratings in project completion reports (PCRs) by Management for the same sample of projects completed in 2007-2013. This analysis allows an improved understanding of the "net disconnect" in ratings for each evaluation criteria by IOE and IFAD Management, with the final aim of better discerning the underlying causes for differences in project performance assessments and to identify lessons for improving the Fund's development effectiveness.
36. This year's document also includes a dedicated section on the strengths and weaknesses of PCRs, a core product of IFAD's self-evaluation architecture. The analysis is based on ratings of four evaluation criteria (PCR scope, quality, lessons, and candour) assessed in each PCR by IOE.
37. Finally, as discussed before, the document includes a transparent account of the number of ratings available and used to assess country programme performance, beyond the project level, in terms of non-lending activities (policy dialogue, partnership-building and knowledge management); COSOP performance (i.e. the relevance and effectiveness of IFAD country strategies); and overall IFAD-government partnership in reducing rural poverty.

¹² The mean is the average, whereas the mode is the most frequent occurrence in a data series. The median is the middle number in a sequence of numbers. The Standard Deviation is a measure of how spread out the numbers are in a data set. The interquartile range provides a measurement of how spread out the entirety of the data set is. In particular, the interquartile range indicates the gap between the first and third quartile and the spread of the middle 50 per cent of the data set.



Yemen: Tihama Environment
Protection Project

Boy selling sweets. Two thirds
of Yemenis are under 24 years
old, and half are less than
15 years of age. More than
50 per cent of all children suffer
from malnutrition.

©IFAD/Giacomo Pirozzi

2 Performance 2000-2014¹³

38. This chapter is divided into four sections. The first section discusses project performance since 2000, followed by an analysis in the next section on country programme performance. The third section benchmarks the performance of IFAD-financed projects, and the last section summarizes recurrent issues in the IFAD9 period and lessons based on a review of previous ARRI, keeping in mind selected priorities in the IFAD10 period.

Project performance

Methodology

39. As mentioned earlier, it is useful to recall that each project is evaluated by IOE following the provisions of the Evaluation Manual, and is assessed and rated across seven internationally recognized evaluation criteria including: relevance, effectiveness, efficiency, rural poverty impact, sustainability, gender equality and women's empowerment,¹⁴ and innovation and scaling up.

40. IOE also has two composite evaluation criteria, namely: (i) project performance; and (ii) overall project achievement. Project performance is based on the ratings of three individual evaluation criteria (relevance, effectiveness and efficiency), whereas overall project achievement is based on all seven criteria applied by IOE. Last but not least, each project is also evaluated for IFAD and government performance as partners, in line with the practice at other IFIs. The definitions for each evaluation criteria is found in annex 4.

Rating scale and data series

41. 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 4.

¹³ The ARRI was first issued in 2003 based on evaluations done in 2002. These evaluations included IFAD-financed projects that were completed in 2000 onwards.

¹⁴ Also referred to as gender in other parts of the document.

Table 4 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 (2009).

42. Ratings of the different evaluation criteria are the foundation of performance reporting in IOE evaluations. The ratings 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 clear-cut evidence, following rigorous methodology and a thorough 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.

15 This includes impact evaluations by IOE, even though it is only referred to it as the PCR/PPA data series.

16 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.

17 Reporting by year of project completion is preferred as this includes all the inputs and changes to the project, not just project design and appraisal.

18 Presentation by year of evaluation results in a very wide spread of project approval dates and sometimes very old projects being included. Presentation by year of project completion provides a more homogenous cohort.

19 Three-year moving averages were first used in the 2009 ARRI, before IOE started undertaking PCR/PPAs. A three-year moving average allows for the assessment of trends in performance over time, and also overcomes any biases 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 and dividing the sum by three. The reason for introducing moving averages is that they produce statistically more valid results, since they smooth out short-term fluctuations and highlight long-term trends.

43. As in the last two ARRIs, IOE project evaluation ratings are presented in two data series: (i) all evaluation data; and (ii) PCR/PPA data only.¹⁵ The latter contains data only for completed projects and is used as a basis for calculating the "net disconnect" between independent and self-evaluation ratings by IFAD Management.

44. The "all evaluation data" series includes ratings from all types of project evaluations done by IOE since 2002, including CPEs. This data series now includes evaluation ratings from 241 IFAD-funded projects, including the 35 project evaluations done in 2014. One characteristic of this data series is that it includes the evaluation of projects that were not selected randomly, but instead followed other criteria.¹⁶

45. The "PCR/PPA data" series was introduced for the first time in the 2013 ARRI and only contains ratings from PCRVs, PPAs and impact evaluations. As mentioned earlier, since 2011, IOE conducts PCRVs in all completed operations covering the entire portfolio at exit. Therefore, there are no selection biases in the projects chosen for evaluation, distinguishing the PCR/PPA data series as compared to the "all evaluation data" series. The PCR/PPA data series currently includes ratings from

102 evaluations of the total 241 evaluations analysed in the 2015 ARRI.

46. The results reported in the ARRI are based on both of the abovementioned data series. However, this year's ARRI devotes greater attention to the PCR/PPA data series because its sample does not include any selection biases. The analysis has been carried out based on the year of project completion, rather than by the year of project approval¹⁷ or by the year when the evaluations were undertaken. This is consistent with most other IFIs, and is preferable to the previous method of presenting the data by the year of evaluation.¹⁸

Analysis of ratings

47. As in the past, the ARRI uses three-year moving averages to smooth both data series.¹⁹ This is particularly applicable to the "all data series", which also includes projects evaluated by IOE that are not selected on a random basis. Though the latter is not a concern in the PCR/PPA dataset, the main reason for using three-year moving averages in this case is to ensure a larger number of available ratings in each three-year period.

48. The main text of the ARRI includes charts and analysis on performance over time using three-year moving average based on the PCR/PPA data series, given its homogeneity as compared to the "all evaluation data series". Charts showing the moving averages of performance based on the "all evaluation data series" and by "IFAD replenishment periods" are included in annex 5, and are also considered as part of the analysis in the main text, as and where appropriate. However, only the "all data series" has been used for the analysis and reporting on performance by IFAD replenishment periods. This is because the ARRI reports on performance trends since the Fifth Replenishment period (2001-2003) onwards, and PCR/PPA data is not available from that period.

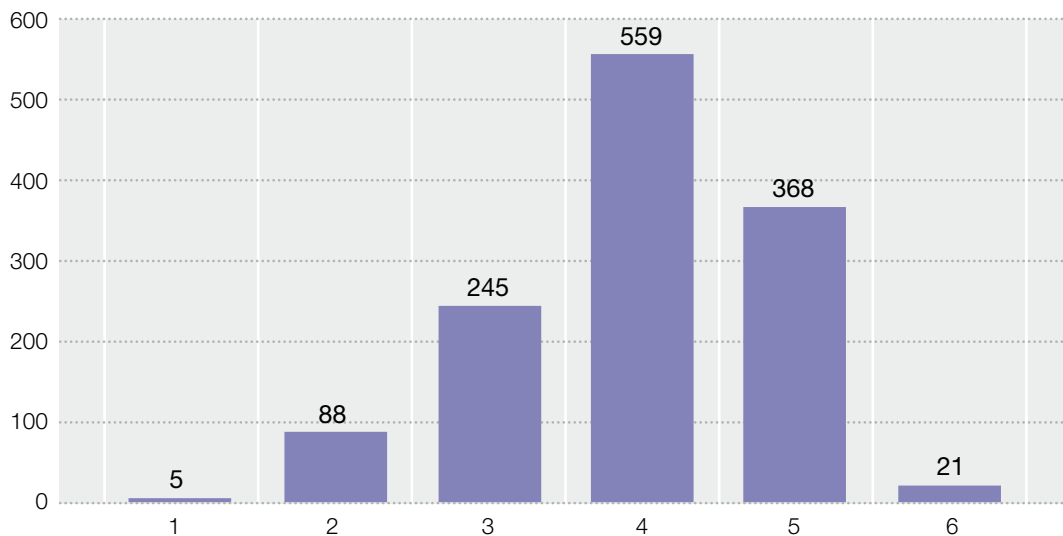
- 49. The main trends in performance are explained through an analysis of the percentages of projects that are rated as moderately satisfactory or better. However, as requested by the Evaluation Committee, the proportion of ratings for each evaluation criteria falling within the full range of the six point rating scale (i.e. from highly unsatisfactory to highly satisfactory) used by IOE are shown in annex 6.
- 50. IOE's six-point rating scale is linear and composed of whole numbers (without decimal points), which is similar to the practice of evaluation offices at other IFIs. This avoids over-complication in the rating system. However, assigning whole number ratings to evaluation criteria does not provide an immediate indication of how close or how far performance actually is from an assigned rating, without carefully reading the accompanying narrative.
- 51. Therefore, in this year's ARRI, in addition to the charts showing the percentages of projects rated moderately satisfactory or better, a second chart has been included to display the mean and the median rating for selected evaluation criteria, along with the most commonly used measures of dispersion of a

distribution, which are the standard deviation (SD) and the interquartile range (IQR).

- 52. The SD takes into account every variable in the dataset. When the values in a dataset are tightly bunched together, the SD is small and the data are concentrated around the mean. On the contrary, when the values are spread apart, the SD will be relatively large. The SD is usually presented in conjunction with the mean.
- 53. Means and SD are well suited for analyzing the ARRI database, for two main reasons: (i) the narrowness of the IOE rating scale, which spans from 1 to 6; and (ii) the relatively few outliers in the IOE ratings dataset. In this regard, the distribution analysis undertaken shown in chart 1 reveals that out of the total 1,269 ratings (in the PCRV/PPA dataset) across all evaluation criteria, there are few outliers.²⁰ That is, there are only 114 instances of ratings of 1, 2 or 6, which is 9 per cent of the total dataset.
- 54. However, as a complimentary analysis, this year's ARRI also calculates the median and IQR on the PCRV/PPA dataset (see table 5). The IQR is the range of data that lies

²⁰ Ratings of 1, 2 and 6 are considered outliers for the purpose of this analysis.

Chart 1 **Distribution of all ratings – PCRV/PPA data (N=1,269)**



Source: Independent evaluation ratings database, IOE.

Table 5 Averages and data dispersion per criteria – PCRV/PPA data

Criteria	Mean	SD	Mode	1st quartile	Median (2nd quartile)	3rd quartile	IQR
Relevance	4.3	0.80	4	4.00	4	5.00	1
Effectiveness	3.9	0.90	4	3.50	4	5.00	1.5
Efficiency	3.6	0.97	4	3.00	4	4.00	1
Project performance	3.9	0.79	4	3.51	4	4.46	0.85
Rural poverty impact	4.2	0.77	4	4.00	4	5.00	1
Sustainability	3.7	0.87	4	3.00	4	4.00	1
Innovation and scaling-up	4.2	1.04	4	4.00	4	5.00	1
Gender equality and women's empowerment	4.3	0.94	4	4.00	4	5.00	1
IFAD performance	4.2	0.88	4	4.00	4	5.00	1
Government performance	3.9	1.09	4	3.00	4	4.00	1
Overall project achievement	4.1	1.10	4	4.00	4	5.00	1
Household income and assets	4.2	0.86	4	4.00	4	5.00	1
Human and social capital and empowerment	4.4	0.85	5	4.00	5	5.00	1
Food security and agricultural productivity	4.1	0.85	4	4.00	4	5.00	1
Environment	3.9	0.75	4	3.00	4	4.00	1
Institutions and policy	4.1	0.95	4	4.00	4	5.00	1

Source: Independent evaluation ratings database, IOE.

between the first and third quartile of the distribution. Therefore, unlike the SD, this measure of dispersion does not take into account the full data set, but only the middle 50 per cent of the ratings which is closest to the median of the distribution (also called 2nd quartile), thus avoiding the presence of outliers in the distribution.

Block analysis

55. Before proceeding with more detailed analysis, the ARRI analyses the PCRV/PPA dataset as a block. Table 5 therefore provides a summary of the mode, mean and SDs, and median and IQR by evaluation criteria using all the ratings in the PCRV/PPAs dataset. There are some points worth highlighting:

- (i) Apart from human and social capital and empowerment, which is satisfactory, the mode and median show that project performance is moderately satisfactory in all other evaluation criteria. However, for a more nuanced understanding of performance, it is important to analyse the mean together with the SD, and the median with the IQR (as will be done in the next section).
- (ii) The analysis of the means reveals that all criteria are between 3.6 and 4.4. Operational efficiency (3.6) and sustainability (3.7) are the two worst performing evaluation criteria, with SDs of 0.97 and 0.87, respectively. Though both the mode and median rating

for efficiency and sustainability are moderately satisfactory, a large number of projects are moderately unsatisfactory or worse (as shown in annex 7) in these areas, underlining the need for caution in drawing conclusions using only the mode and median values.

56. The following paragraphs analyse the independent evaluation ratings according to three metrics: (i) analysis of trends in performance over time by moving averages and replenishment periods; (ii) relation analysis of project performance against key IFAD9 priorities; and (iii) peer-to-peer comparison of IOE and PMD ratings.

(i) Trends in performance over time

57. This section outlines the trends in performance over time for the two composite evaluation criteria (i.e. project performance and project overall achievement), rural poverty impact, and performance of partners (i.e. IFAD and government). The performance of IFAD operations in terms of relevance, effectiveness and efficiency is discussed under project performance, whereas sustainability, innovation and scaling up, and gender equality and women's empowerment are treated under overall project achievement. The section devoted to rural poverty impact includes the assessment of its five subdomains (household income and assets, human and social capital and empowerment, food security and agricultural productivity, natural resources and environment and climate change, and institutions and policies).
58. As mentioned previously, the PCR/PPA dataset is the primary basis of analysis in this chapter. Therefore, the text that follows includes two bar charts each – based on the PCR/PPA data series – for project performance, rural poverty impact, overall project achievement and performance of partners. The first chart shows the

percentage of projects that perform moderately or better, whereas the second one displays both the mean with the corresponding SDs and the median with the IQR. However, for the sake of transparency and completeness, annex 5 contains bar charts with the projects rated as moderately satisfactory or better based on the “all evaluation data series” and replenishment periods for all the evaluation criteria.

Project performance

59. This composite criterion is the arithmetic average of ratings for relevance, effectiveness and efficiency. Chart 2 shows a consistent trend in project performance since 2008 and that 73 per cent of the projects are rated moderately satisfactory or better in the period 2011-2013. However, no projects are rated as highly satisfactory for project performance and over 20 per cent are rated moderately unsatisfactory or worse. Similar trends are visible in the “all evaluation data series” and by “IFAD replenishment period”.
60. Chart 2.1 reveals that the mean project performance rating has improved since 2008. In fact, in 2011-2013, the mean project performance rating is 4.1, with an SD of 0.81, as compared to 3.83 with an SD of 0.73 in the period 2008-2010. The same chart shows that the median rating for project performance has remained 4 over time, though IQR analysis shows that the middle 50 per cent of the ratings in the period 2011-2013 fall between 3.7 and 4.7, with a greater proportion of projects above the median. The means based on “all evaluation data series” and “by replenishment period” have also improved.
61. As mentioned above, project performance is informed by the ratings of relevance, effectiveness and efficiency. In terms of relevance, 86 per cent of projects were rated as moderately satisfactory or better in the period 2011-2013, down from 96 per cent in 2007-2009. However, it is to be recognized that a greater proportion of projects are now

Chart 2 **Project performance – by year of completion**

Percentage of projects rated moderately satisfactory or better (PCR/PPA data series)



Chart 2.1 **Project performance – by year of completion**

Averages and dispersion in the distribution of ratings (PCR/PPA data series)



satisfactory (50 per cent in 2011-2013), as compared to 28 per cent in 2007-2009. The mean ratings for relevance have improved from 4.24 in 2007-2009 to 4.45 in 2011-2013, but with a bigger SD (up from 0.51 to 0.85) in the same period.

moderately satisfactory or better in 2007-2009 to 68 per cent in 2011-2013. Also, a slight improvement is visible in the mean rating for efficiency from 3.7 to 3.8, but with a widening of the SD from 0.88 to 1.01 in the same period.

62. The proportion of projects that are rated moderately satisfactory or better (80 per cent) has remained the same between 2007-2009 and 2011-2013 for effectiveness. The mean ratings (3.96 in 2007-2009 and 4.04 in 2011-2013) and the SD does not show any significant change either. There is a slight improvement in efficiency from 64 per cent

63. Evaluations reveal that there are a number of systemic factors that are constraining different dimensions of project performance. Complexity in design with over-ambitious objectives, multiple components and insufficient analytical work are frequently noted as having affected relevance. In this regard, for example, the Rural Rehabilitation and Community Development Project in

Box 1 Targeting indigenous peoples and pastoralists in IFAD operations
Strengths

- IFAD's support to participatory approaches, community development, empowerment and inclusion, that has enabled the organization to naturally follow a proactive ("do good") approach to supporting indigenous peoples. In the case of projects targeting pastoral communities, community-based participatory approaches to institution building has helped identify and manage key resources and/or conflict.

Weaknesses

- Uneven understanding of the particularities of pastoral development and indigenous peoples' issues.
- Insufficient attention to proper institutional analysis, sound socio-cultural and vulnerability analysis of different social groups, tailored and differentiated approaches to build on the culture, identity and knowledge of indigenous peoples' and pastoral communities.

Guinea Bissau offers a good example of high relevance to national policies and the needs of the poor, but limited results on the ground due to the unstable country context and fragile situation, which had not been adequately factored in at design. Sharper targeting and tailored approaches to address different social groups is also an area that deserves added attention in design, as found in the two evaluation synthesis reports that informed the ARRI (see box 1).

64. Factors that are affecting effectiveness include little ownership and participation of national and local authorities and beneficiaries. On the contrary, the effectiveness of IFAD operations is successful when projects are carefully designed and implemented and embedded in local and national institutions. In the Albania Programme for Sustainable Development in Rural Mountain Areas, effectiveness was constrained because the two main institutions (Mountain Area Development Agency and the Mountain Areas Finance Fund) created with IFAD support (including through a predecessor project in the country) have not emerged as sustainable institutions to support the smallholder agriculture development in mountain areas.

65. In terms of efficiency, the two project evaluations in India covered in the ARRI noted high turnover in project staff as a key factor affecting efficiency as well as the fact that each of these projects covered two different states, causing challenges to institutional coordination, monitoring and evaluation (M&E), and supervision and implementation support. The CPE for the United Republic of Tanzania noted high management costs in some operations, whereas the cost per beneficiary was found to be high in the Turkey Sivas-Erzincan Development Project.

Rural poverty impact

66. Impact on rural poverty is assessed using five impact domains: household income and assets; human and social capital and empowerment; food security and agricultural productivity; natural resources, the environment and climate change; and institutions and policies. Based on the assessments and ratings of these five domains, IOE provides an integrated overview of the rural poverty impact of IFAD operations.
67. Chart 3 shows that 87 per cent of projects assessed in the period 2011-2013 are moderately satisfactory as compared to 80 per cent in the period 2007-2009. Moreover,

Chart 3 Rural poverty impact – by year of completion

Percentage of projects rated moderately satisfactory or better (PCR/PPA data series)

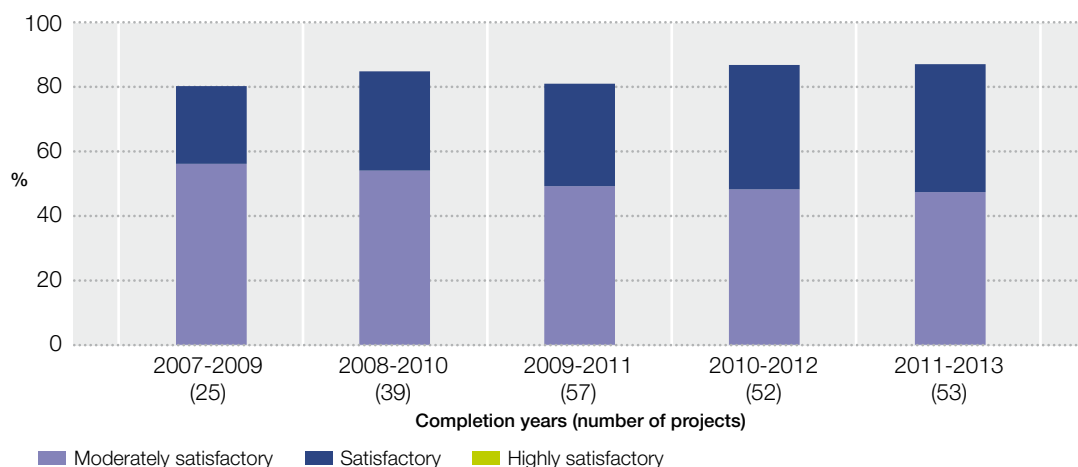
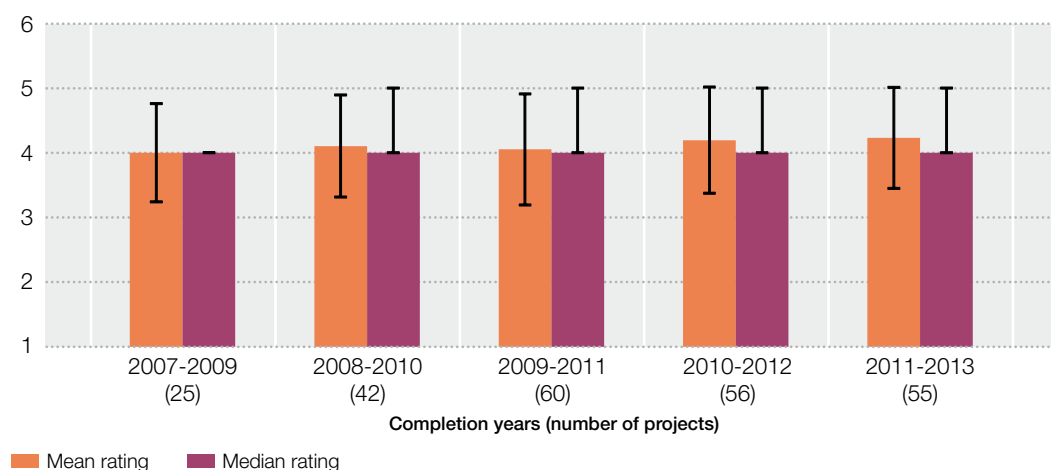


Chart 3.1 Rural poverty impact – by year of completion

Averages and dispersion of the distribution of ratings (PCR/PPA data series)



a greater proportion of projects are satisfactory in the 2011-2013 period, though nearly 40 per cent of the projects are only moderately satisfactory and none are highly satisfactory for rural poverty impact in this period.

68. Similar trends are visible in the “all evaluation data series” and by “IFAD replenishment period”. More specifically, 94 per cent of projects are moderately satisfactory or better in 2012-2014, as compared to 71 per cent in 2000-2002, using the “all evaluation data series”. A greater proportion of projects are also satisfactory in the 2012-2014 period. Likewise, 91 per cent of projects are

moderately satisfactory or better in the IFAD9 period, as compared to 71 per cent in the IFAD5 (2001-2003) period.

69. Chart 3.1 shows the average ratings for rural poverty impact together with the SD, as well as the median and IQR. It reveals that the mean rural poverty impact rating has improved since 2007-2009 from 4.0 to 4.2 in the period 2011-2013, with little variation in the SD in the two periods. The chart shows that the median rating for rural poverty impact has remained 4 since 2007, though the IQR analysis shows that the middle 50 per cent of the ratings in the period 2011-2013 falls between 4.0 and

5.0, which reflects that a greater proportion of projects are above the median as compared to the ratings in the period 2007-2009. The mean based on “all evaluation data series” shows an improvement from 4.07 (2000-2002) with an SD of 1.03, to 4.38 (2012-2014) with an SD of 0.59. There has been a slight reduction in the mean when the data is analysed by replenishment period, from 4.36 (IFAD5) with an SD of 0.89, to 4.26 (IFAD9) with a better SD of 0.62.

70. As described in the following paragraphs, this positive trend in rural poverty impact is driven by better performance in key thematic areas such as income and assets, human and social capital and empowerment, food security and agricultural productivity, and institutions and policies. Moreover, it is worth noting that human and social capital and empowerment, institutions and policies, and natural resources and the environment and climate change, together with gender, are areas in which some IFAD-financed projects are assessed as highly satisfactory. Yet, no projects are rated highly satisfactory for rural poverty impact overall in any of the data series analysed. Therefore, there are opportunities for performance improvements,

in particular in working towards raising the bar from moderately satisfactory to satisfactory or highly satisfactory impacts.

Household income and assets

71. Chart 4 shows that 87 per cent of projects are moderately satisfactory or better for income and assets in 2011-2013, as compared to 83 per cent in 2007-2009. However, what is more revealing is that a larger proportion of projects (45 per cent) are satisfactory in 2011-2013, as compared to 30 per cent in 2007-2009. The mean rating has also increased from 4.00 (2007-2009) with an SD of 0.93, to 4.23 (2011-2013) with a lower SD (0.88).

72. The 2014 evaluations found that there are a number of drivers in achieving better incomes and assets. These include improved rural services, rural roads for better connectivity, value addition of produce and access to input and output markets, as well as the importance of diversification of the economic base of the rural poor to reduce their vulnerability to unexpected events. The India impact evaluation of the Jharkhand-Chhattisgarh Tribal Development Programme (JCTDP) provides further evaluative evidence, supported by rigorous quantitative and qualitative analysis,

Chart 4 **Income and assets – by year of completion**

Percentage of projects rated moderately satisfactory or better (PCR/PPA data series)

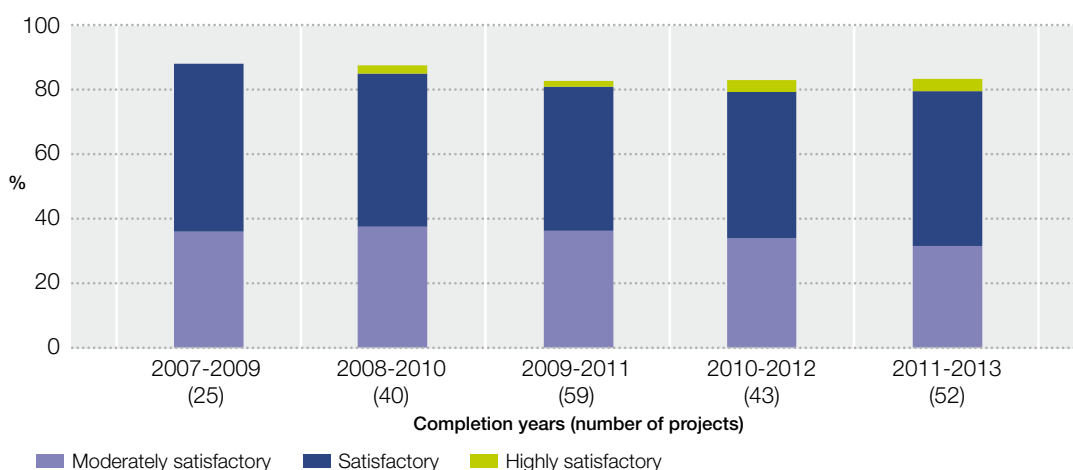


**Box 2 Some key drivers to improvements in income and assets:
lessons from the JCTDP impact evaluation**

The impact survey conducted by IOE in the context of the JCTDP impact evaluation covered 8,804 households, including treatment and comparison groups. The results of the survey show that the programme contributed to increased paddy production, introduction of income-generating activities and improved access to microfinance, resulting in higher monthly incomes in the treatment group by US\$6.49 in Jharkhand and US\$5.22 in Chhattisgarh. More specifically, the household monthly income of the members of the treatment groups was US\$24.1 in Jharkhand and US\$21.8 in Chhattisgarh, as against US\$17.6 in the comparison group in Jharkhand and US\$16.5 in Chhattisgarh.

Chart 5 Human and social capital empowerment – by year of completion

Percentage of projects rated moderately satisfactory or better (PCR/V/PPA data series)



of key drivers to improvements in income and assets (see box 2).

Human and social capital and empowerment

73. Chart 5 shows that 83 per cent of projects were moderately satisfactory or better for human and social capital and empowerment in 2011-2013, as compared to 88 per cent in 2007-2009. In spite of this slight reduction, it is to be noted that few projects were highly satisfactory in 2011-2013, whereas none were highly satisfactory in 2007-2009. The mean rating also decreased slightly from 4.40 (2007-2009) with an SD of 0.69, to 4.35 (2011-2013) with an SD 0.89.

74. The evaluation of the “Gente de Valor” project in the State of Bahia, Brazil, found

that the project’s participatory approach contributed to creating strong bonds and a sense of solidarity in the communities, and has promoted farmers’ willingness to learn and improve their living conditions. This approach is currently being replicated in other projects in Brazil and other countries in the Latin America and Caribbean region. The evaluation of the India Livelihood Improvement Project in the Himalayas found that investments in village infrastructure, and especially in bottom-up governance structures, show reduced conflicts and enhanced ownership and accountability within the community. Moreover, training activities focused on literacy, numeracy, basic health care and principles of self-help usually give

project participants basic tools to help better understand their situation and how best to address constraints to their development.

75. On the other hand, some evaluations emphasize the importance of the financial viability and sustainability of groups. For example, social capital has been strengthened among the target groups in the Agricultural Marketing Systems Development Programme in the United Republic of Tanzania. However, such social capital rests to a large extent on the financial viability of the groups and cooperatives. If these operate at a financial loss or with a negligible profit, the social capital is likely to fade away.

Agricultural productivity and food security

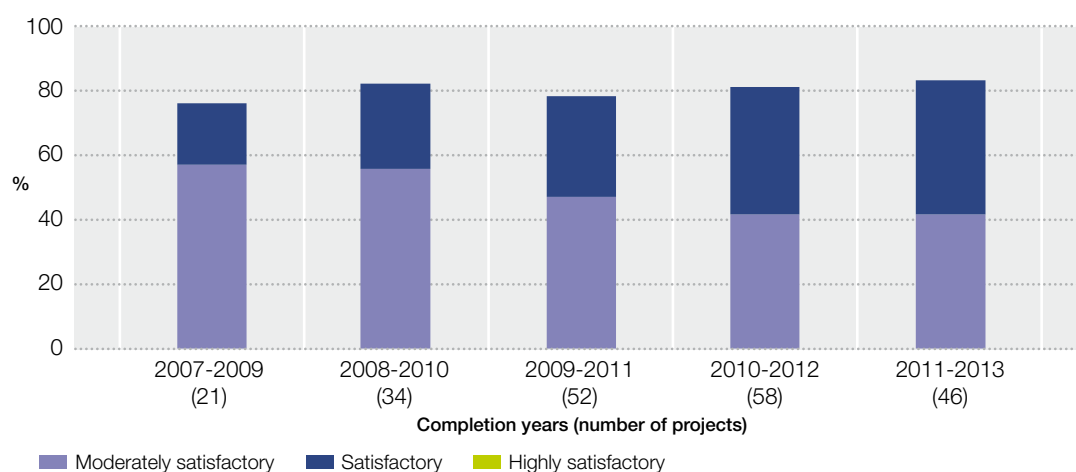
76. As illustrated in chart 6, the percentage of projects rated as moderately satisfactory or better increased steadily since 2009-2011. Eighty-three per cent of the projects are rated moderately satisfactory or better in the period 2011-2013. In the latter period, the data also shows the highest proportion of projects (43 per cent) with satisfactory ratings for agricultural productivity and food security since 2007-2009. The mean rating for this impact domain has increased from 3.81 in the

period 2007-2009 with an SD of 0.91, to 4.21 with an SD of 0.82.

77. In assessing this criterion, IOE evaluations are able to build on adequate quality and quantity of data available related to agricultural productivity (e.g. in terms of increases in yields). However, project-level M&E systems do not yet systematically collect data on nutritional impacts (e.g. children underweight or stunted), which makes assessing food security more challenging.
78. Notwithstanding the aforementioned, the 2014 evaluations find a number of factors contribute to better agricultural productivity and food security. For instance, the Project for the Promotion of Local Initiative for Development in Aguié in Niger is an example of how the establishment of grain banks would secure access to food for vulnerable groups and provide an increase in the time that they could dedicate to farming activities, resulting in an overall intensification of the agricultural production and productivity.
79. The introduction of sustainable and low-cost technologies is another important factor. The assessment of the portfolio performance in the

Chart 6 **Agricultural productivity and food security – by year of completion**

Percentage of projects rated moderately satisfactory or better (PCR/PPA data series)



Bangladesh CPE shows that the introduction of new production technologies/practices by the projects has significantly increased productivity and cropping intensity with a positive impact on food availability and thereby increased food security and reduced malnutrition. For example, the evaluation of the Bangladesh Market Infrastructure Development Project in Charland Regions reported malnutrition in the project area dropped from 16 per cent at baseline to 8 per cent at completion.

Natural resources and environment and climate change

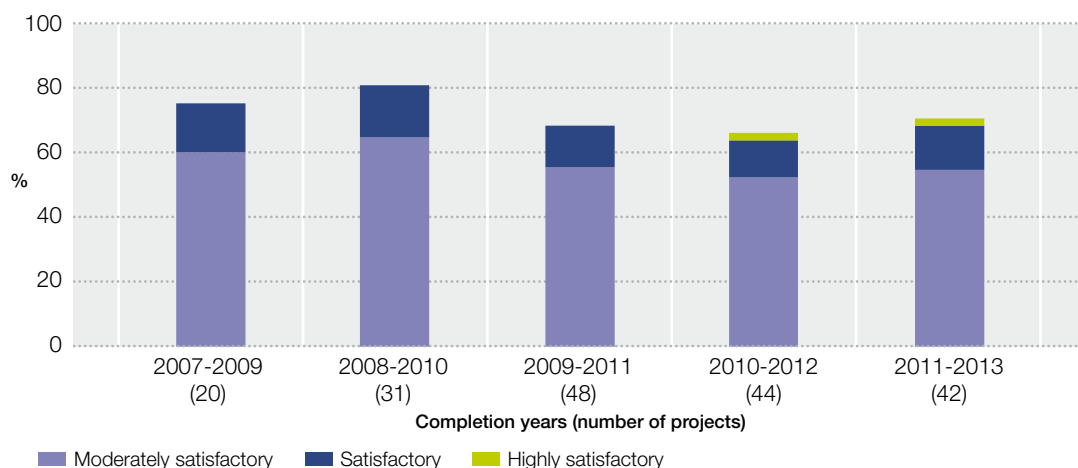
80. This impact domain is one of the weakest areas in the performance of IFAD operations and there is no marked trend, although there is some improvement since 2009. As demonstrated in chart 7, 70 per cent of projects are moderately satisfactory or better in this domain, but only a small proportion are rated satisfactory (14 per cent) and highly satisfactory (2 per cent). In fact, 55 per cent of the projects are moderately satisfactory and another 30 per cent are in the unsatisfactory zone. The mean rating also does not show improvement. In 2007-2009, the mean rating was 3.85 with an SD of 0.73, as compared to 3.84 with an SD of 0.80 in 2011-2013.

81. IFAD has undertaken important steps in the last five years towards enhancing the environmental sustainability of its operations. The establishment of the IFAD Environment and Climate Change Division in 2010, the 2011 environmental policy, the Adaptation for Smallholder Agriculture Programme and the collaboration with the Global Environment Facility, and the inclusion in the IFAD10 Results Measurement Framework (RMF) of a dedicated indicator to assess “support for smallholder adaptation to climate change”, are examples of IFAD’s efforts towards improving its environmental impact. The recent introduction in 2015 of the social, environmental, and climate assessment procedures (SECAP) is another example of IFAD’s efforts to improve impact in this domain.

82. However, in 2014, only seven projects were rated as moderately satisfactory or better for environment and natural resources. The Mount Kenya East Pilot Project for Natural Resource Management was an outlier, as it was rated highly satisfactory (6) for this impact domain. This project was successful because it paid attention to protecting, enhancing and rehabilitating natural resources, worked on awareness raising of rural communities,

Chart 7 Natural resources and environment and climate change – by year of completion

Percentage of projects rated moderately satisfactory or better (PCR/PPA data series)



and made efforts to collect environmental data that form the baseline for future assessments and inform the development of environmental policies.

83. The Bangladesh CPE highlights that the activities related to environmental protection have a positive impact also on agricultural productivity and food security. The improved stability of the agricultural land on the chars, soil improvements, improved water availability through irrigation, the introduction of short-season rice varieties and growth of fodder for livestock, boosted diversification and increased agricultural production in the areas of the country where IFAD is active.
84. Areas that will need attention moving forward is the need to undertake more systematic environmental impact assessments, for example, when projects focus on the construction of rural infrastructure (e.g., small dams, irrigation and rural roads). Other constraints limiting appropriate natural resources and environmental management were the lack of broader partnerships with national authorities other than the ministry of agriculture, low investments in the subsector

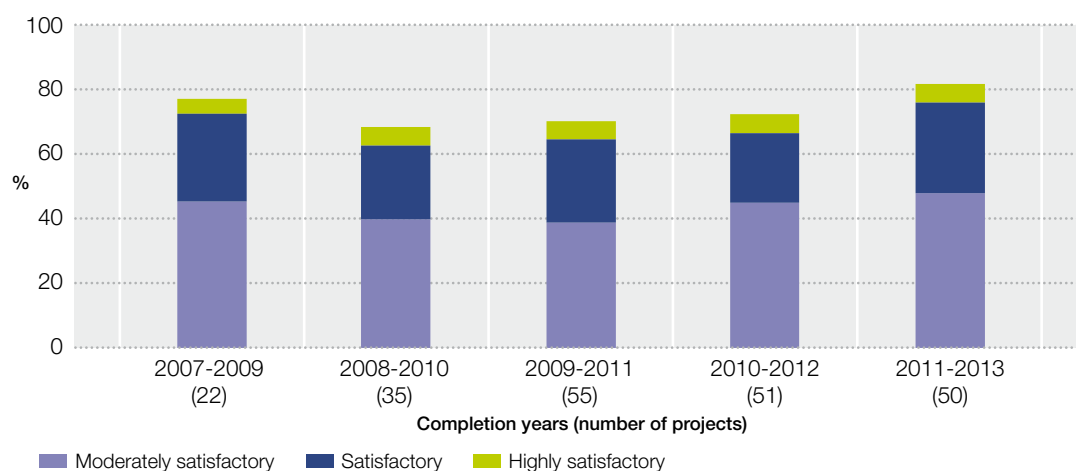
and the lack of policy engagement. Finally, closer monitoring would have helped to ensure that environmental activities envisaged at appraisal were actually undertaken. In Guinea Bissau, poor monitoring resulted in several activities not being conducted in the Rural Rehabilitation and Community Development Project.

Institutions and policies

85. The ratings for this impact domain have improved markedly, as shown in chart 8. More specifically, the percentage of projects rated as moderately satisfactory or better increased from 69 per cent in 2008-2010 to 82 per cent in 2011-2013, even though 48 per cent of the projects in 2011-2013 are still only moderately satisfactory. The projects rated unsatisfactory decreased from 32 per cent to 19 per cent over the same time period. The mean ratings have also improved from 3.94 with an SD of 1.03 (2008-2010) to 4.17 with an SD of 0.91 (2011-2013).
86. In 2014, only two projects were rated highly satisfactory for their impact on institutions and policies. The Support Project for the Strategic Plan for the Transformation of

Chart 8 **Institutions and policies – by year of completion**

Percentage of projects rated moderately satisfactory or better (PCR/PPA data series)



Agriculture in Rwanda had a significant impact on the structure and direction of the entire agricultural sector in Rwanda. In turn, the policies and institutional arrangements have had a significant impact on increased project efficiency and effectiveness. The Rural Enterprises Project – Phase II in Ghana has had an exemplary impact on institutions at the national and district levels. The project undertook a number of policy dialogue activities towards the elaboration of a more conducive policy framework for the promotion of small and medium rural enterprise development and affected significant policy changes in this subsector.

87. On the other hand, factors negatively affecting the impact on institutions and policy are mainly related to failures in converging with national programmes and policies, and in sustainably linking grass-roots institutions supported by the programme to line departments, as was the case of the JCTDP in India. Moreover, the Ethiopia Agricultural Marketing Improvement Programme shows that the change of the implementing ministry from Ministry of Agriculture and Rural Development to the Ministry of Trade during the course of implementation reduced the effectiveness of the capacity-building efforts at the federal, regional and woreda (third-level administrative division) levels, given that the project had worked with the Ministry of Agriculture and Rural Development until then and the change in implementing ministry meant changes in implementation arrangements at all levels.

Overall project achievement

88. This is a composite evaluation criterion which provides an assessment of IFAD-funded projects drawing upon the ratings for project performance, rural poverty impact, innovation and scaling-up, gender equality and women's empowerment, and sustainability.
89. Chart 9 shows 80 per cent of projects are rated as moderately satisfactory or better in

2011-2013. Moreover, the number of projects rated satisfactory increased from 20 per cent in 2007-2009 to 38 per cent in 2011-2013. However, none are highly satisfactory. This is confirmed by the "all evaluation data series", as 83 per cent of projects were rated moderately satisfactory or better in 2012-2014, as compared to 70 per cent in the early 2000s. The same is evident by replenishment period, with 80 per cent of the projects rated as moderately satisfactory or better in IFAD9 as compared to 76 per cent in IFAD5.

90. Chart 9.1 shows the mean ratings for overall project achievement together with the SD, as well as the median and IQR. It reveals that there has been an improvement in the mean rating for overall project achievement from 3.92 with an SD of 0.80 in 2007-2009, to 4.13 with an SD of 0.85 in 2011-2013. The median rating for overall project achievement has remained a 4 since 2007, though the IQR analysis shows that the middle fifty per cent of the ratings for projects closing between 2010-2012 and 2011-2013 falls between 4.0 and 5.0, which reflects that a greater proportion of projects are above the median as compared to the ratings in the periods 2007-2009, 2008-2010 and 2009-2011.
91. The mean based on "all evaluation data series" shows an improvement from 3.98 (2003-2005) with an SD of 0.80, to 4.19 (2012-2014) with an SD of 0.76. With regard to performance by replenishment periods, there has also been an increase in the mean from 3.88 (IFAD6) with an SD of 0.81, to 4.11 (IFAD9) with an SD of 0.71.

92. While the results on project performance and rural poverty impact have been reported earlier in the document, the following paragraphs include a summary of performance in terms of sustainability, innovation and scaling up, and gender equality and women's empowerment.

Sustainability

93. Ensuring the sustainability of benefits of its operations remains a challenge for IFAD,

Chart 9 Project overall achievement – by year of completion

Percentage of projects rated moderately satisfactory or better (PCR/V/PPA data series)

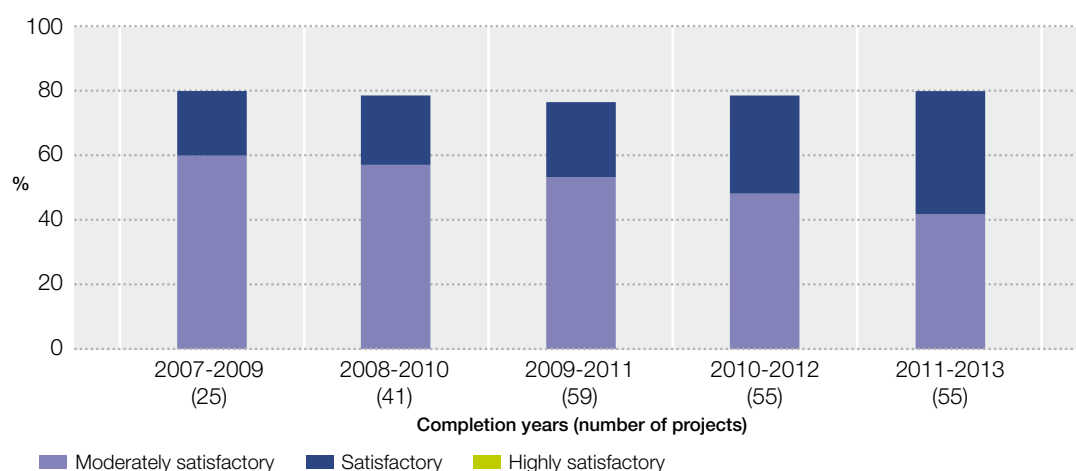
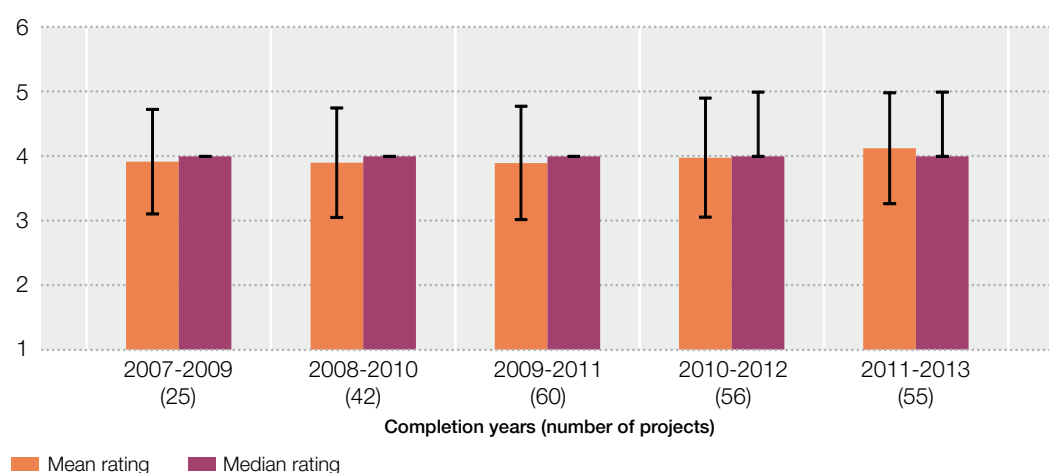


Chart 9.1 Project overall achievement – by year of completion

Averages and dispersion of the distribution of ratings (PCR/V/PPA data series)



with only 62 per cent of the projects rated as moderately satisfactory or better in 2011-2013, out of which 47 per cent are only moderately satisfactory. There is little improvement since 2007-2009, where 60 per cent of the projects evaluated were moderately satisfactory or better. The mean rating for sustainability also shows very little improvement, from 3.68 (2007-2009) with an SD of 3.68, to 3.71 (2011-2013) with an SD of 0.78. The median rating is a 4 (moderately satisfactory) with the IQR ranging between 4 and 3.

94. As further underlined in the 2015 learning theme on sustainability of benefits (chapter 3),

some of the factors limiting sustainability include the lack of exit strategies, weak assessment and management of risks, and inadequate financial and economic analysis. IFAD is conscious of the need to improve the sustainability of benefits, and has recently developed an operational framework for scaling up, as one measure to promote greater sustainability.

Innovation and scaling up

95. Innovation and scaling-up is one of the core principles of engagement of IFAD as enshrined in the Strategic Framework 2011-2015 and one of the main priorities for the IFAD9 period.

Chart 10 Sustainability of benefits – PCR/V/PPA – by year of completion

Percentage of projects rated moderately satisfactory or better (PCR/V/PPA data series)

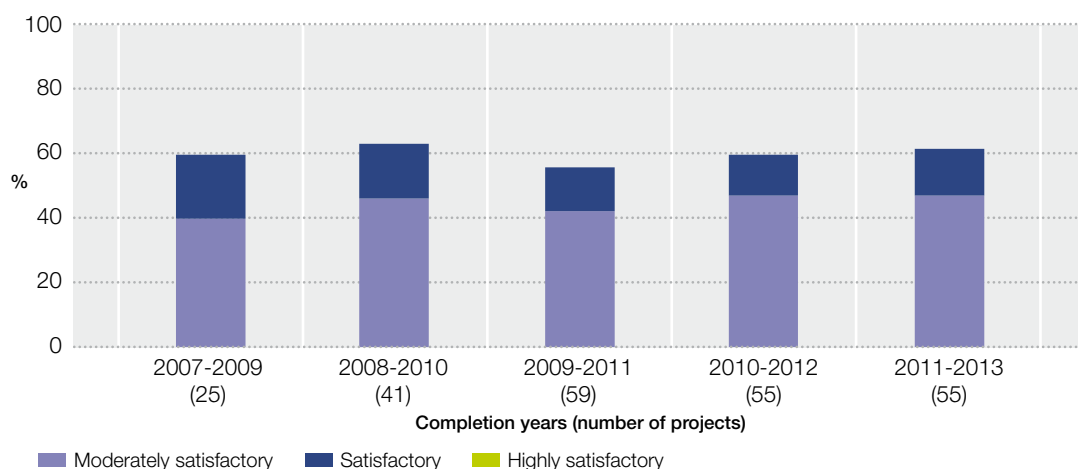


Chart 11 Innovation and scaling-up – by year of completion

Percentage of projects rated moderately satisfactory or better (PCR/V/PPA data series)



In particular, scaling up is “mission critical” for IFAD, to ensure a wider impact on rural poverty reduction and sustainability of benefits. The PCR/V/PPA data series in chart 11 reveals an upward trend for this criteria since 2008, with the percentage of moderately satisfactory or better projects increasing from 72 per cent in 2008-2010 to 82 per cent in 2011-2013. A greater number of projects are rated as satisfactory (42 per cent) in 2011-2013, as compared to 28 per cent in 2007-2009.

96. The mean also increased from 4.04 with an SD of 0.92 in 2007-2009, to 4.25 with an SD

of 0.94 between 2011-2013. The median rating is moderately satisfactory (4), with an IQR between 5 and 4, which is better than in 2007-2009 when the IQR was between 5 and 3.

97. The projects evaluated in 2014 show increasing attention to introducing innovative technologies, developing niche market products and pioneering new forms of cooperation with the private sector, national and local government and farmers’ organizations. A valuable example of public-private-sector partnership is illustrated by the Uganda Vegetable Oil Development Project,

with the private sector providing US\$120 million in cofinancing for oil palm processing.

98. The Decentralized Programme for Rural Poverty Reduction in Ha Giang and Quang Binh Provinces in Viet Nam was assessed innovative for the use of self-management boards, which played an important role in supervision and M&E for small-scale infrastructure, as well as in the allocation of local development budgets to village communities for the development of community infrastructure.
99. There are also some good examples of scaling up. The Project to Promote Local Initiatives for Development in Aguiè in Niger influenced the national policy on agriculture and rural development in relation to the importance attached to the valorization of small farmers' agriculture as a mainstay of local development. Another good example may be found in the Sudan South Kordofan Rural Development Programme, which experimented with a village-based extension model, which is being scaled up by the Ministry of Agriculture all over Sudan.
100. In spite of some good examples, scaling up is not as mainstreamed as possible. Apart

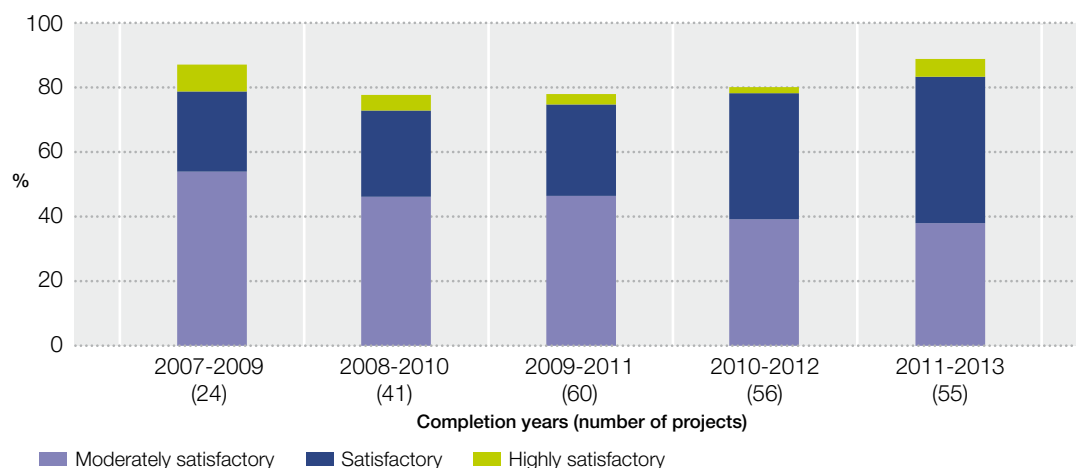
from insufficient attention to non-lending activities and some engagement with private operators for specific project activities (e.g. agro-processing), country-level public-private partnerships are still not sufficiently developed. Partnership with larger private-sector agents will need to be enhanced at the country level to accelerate scaling-up of impact. In this regard, the new operational framework for scaling up is a welcome initiative, which broadly aims to systematize IFAD's efforts to scale up. The framework also recognizes that the principles of scaling up and sustainability are closely linked and feed into each other, underlining that a clear assessment is needed of the key spaces and the institutional actors that will give a local initiative continuity in the absence of donor funding.

Gender equality and women's empowerment

101. Chart 12 reveals an improvement in this criterion since 2008-2010, when 78 per cent of projects evaluated were moderately satisfactory or better, as compared to 89 per cent in 2011-2013. Moreover, a greater proportion of projects (51 per cent) are satisfactory or better in 2011-2013, as compared to 32 per cent in 2008-2010.

Chart 12 **Gender equality and women's empowerment – by year of completion**

Percentage of projects rated moderately satisfactory or better (PCR/PPA data series)



Box 3 An example of a highly satisfactory programme in gender equality and women's empowerment

The Dhamar Participatory Rural Development Project (Yemen)

In a backdrop of extreme gender bias towards men, the project's main achievements were:

- The adoption of a participatory development approach with the key objective of empowering communities (especially women) to participate in and benefit from development planning and project execution;
- The empowerment of women through literacy, awareness-raising about their rights, and active involvement in all community organizations; and
- The development of women's economic enterprises financed by savings and credit groups established by them.

102. In addition, the mean rating in 2008-2010 was 4.10 with an SD of 0.92, whereas the mean rating in 2011-2013 was 4.42 with an SD of 0.85. The median throughout the period analysed was 4, with the IQR remaining constant between 5.0 and 4.0. IFAD's good performance is also recognized by UN Women in the context of its annual assessment of the implementation of the UN System-Wide Action Plan on gender.

103. This positive finding is in line with the analysis in previous ARRIs and confirms the role and attention devoted in IFAD-financed operations to gender issues, including in complex contexts such as the Dhamar Participatory Rural Development Project in Yemen (see box 3).

104. On the same note, the findings of the India JCTDP impact evaluation reveal that IFAD is boosting participatory community-based development approaches focusing on women and other disadvantaged groups. Women are supported to participate in grass-roots organizations and in undertaking alternative IGAs to improve their economic base.

105. However, there are opportunities for improvement, as only 6 per cent of the projects are highly satisfactory. Women's empowerment cannot be adequately addressed without considering the relations between women and

men and the awareness level of men regarding gender issues. Therefore, project designs need to more comprehensively articulate gender strategies that can ensure women have enhanced roles in decision-making and resource allocation processes, enabling them to secure access to inputs and outputs to promote on- and off-farm activities for better incomes.

106. The results of the JCTDP impact evaluation reflect the need for adequate gender equality strategies. For example, the impact survey by IOE found that the share of men that considered women's empowerment as a driver for the economic improvement of the family as a whole is also very low (10 per cent on average) and higher in the comparison group. Along the same lines, only 51 per cent of men in both beneficiary and comparison groups considered women's empowerment as a condition for social development.

107. Finally, additional efforts are needed to ensure that women and men have equal access to training opportunities to improve their entrepreneurial skills, create market linkages and strengthen business capacities. Also, further improvements are needed in collecting gender-disaggregated data in order to feed the Results and Impact Management System (RIMS) and the PCRs with reliable evidence of project impact on gender.

Performance of partners

108. This criterion assesses the contribution of two key partners (IFAD and the government) to project design and execution, monitoring and reporting, supervision and implementation support, and evaluation.

53 per cent moderately satisfactory or better in the IFAD5 period, to 86 per cent in the IFAD9 period. Similar trends over time are visible using the “all evaluation data series”.

IFAD’s performance as a partner

109. Chart 13 reveals that IFAD’s performance as a partner is rated moderately satisfactory or better in 84 per cent of the projects in 2011-2013. Data analysed according to replenishment periods shows a decisive improvement in IFAD’s performance from

110. However, since 2010 no projects have been rated as highly satisfactory in any of the data series analysed. Moreover, the data in chart 13 suggest that the performance of IFAD as a partner: (i) remains moderately satisfactory in 41 per cent of the projects; and (ii) in nearly one out of 5 projects funded is in the unsatisfactory zone.

Chart 13 IFAD performance – by year of completion

Percentage of projects rated moderately satisfactory or better (PCR/PPA data series)

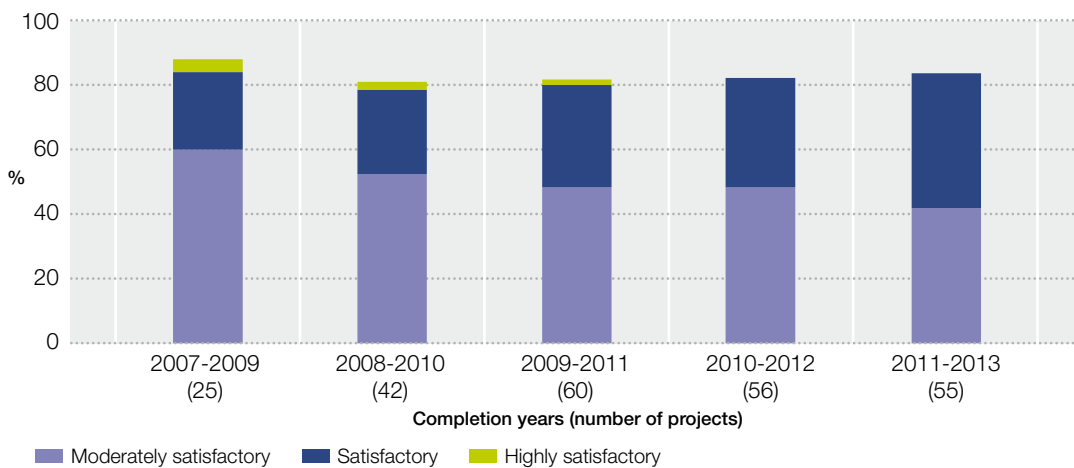
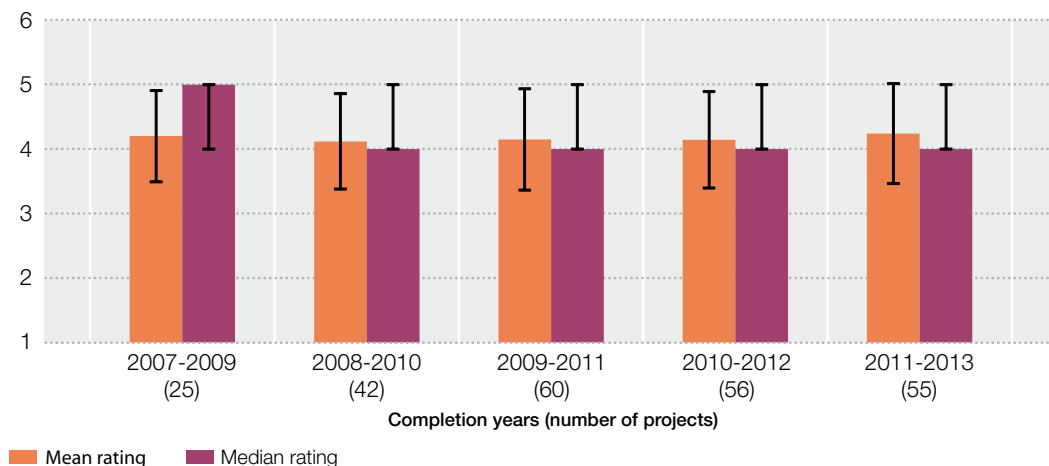


Chart 13.1 IFAD performance – by year of completion

Averages and dispersion of the distribution of ratings (PCR/PPA data series)



111. Chart 13.1 shows that the mean rating in 2008-2010 was 4.12 with an SD of 0.74, whereas in 2011-2013 it improved to 4.24 though with an SD of 0.78. Similar improvements in means are evident based on the “all evaluation data series”. The mean in the IFAD9 period is 4.36, as compared to 3.73 in the IFAD5 period, with more or less the same SD in both periods. The chart also shows that the median rating of 4 has remain unchanged since 2008-2010, with a constant IQR between 5.0 and 4.0.
112. In spite of the generally good performance, the 2014 evaluations found some challenges in relation to IFAD’s performance as a partner. For example, the evaluation of the Albania Programme for Sustainable Development in Rural Mountain Areas noted that project design did not adequately include some of the recommendations from IOE’s previous evaluation in the country and suggestions from IFAD’s ex ante quality assurance process. The Turkey Sivas-Erzincan Development Project evaluation noted that the midterm review was not undertaken, and that supervision and implementation missions did not systematically include experts in key thematic areas of challenge faced by the project (e.g. M&E and value chain development).
113. The 2014 CPEs highlighted some additional limitations. The United Republic of Tanzania CPE points to the frequent CPM rotation (five in the past ten years), and to limited partnership with United Nations agencies and the private sector. The Bangladesh CPE found insufficient attention was devoted to knowledge sharing, which has constrained IFAD’s visibility and brand in the country as well as opportunities for scaling up successful innovations and development approaches.
114. Although there are opportunities for further improvement as highlighted above, the 2014 evaluations recognize that IFAD is valued and trusted by governments for its focus, flexibility and responsiveness. For instance, the United Republic of Tanzania and the Bangladesh CPEs recognized the overall positive performance of IFAD as a partner, in particular underlining that IFAD’s country presence was a key determinant for better development effectiveness. The issue of country presence will be discussed later in this chapter.
- Government performance as a partner**
115. The rating of government’s performance has improved steadily since 2009-2011, as chart 14 shows. Fifty-eight per cent of projects in 2009-2011 were moderately satisfactory or better, as compared to 74 per cent in 2011-2013. The “all evaluation data series” also shows improvements from 67 per cent moderately satisfactory or better in 2000-2002 to 84 per cent in 2012-2014. Yet, no projects are rated as highly satisfactory and the majority (at least 50 per cent) are only moderately satisfactory in both the PCRV/PPA and all evaluation data series. There is little difference in government performance when analysing the data across the different replenishment periods.
116. Chart 14.1 reveals that the mean rating in 2008-2010 was 3.71 with an SD of 0.99. This improved to 3.91 in 2011-2013, with a lower SD of 0.84. Similar improvements in means are evident based on the “all evaluation data series”, especially since 2003-2006. The mean in the IFAD9 period improved to 4.09 with a 0.70 SD, as compared to IFAD6 in which government performance had the worst mean and SD values (e.g. 3.79 and 1.04). The chart also shows the median rating of 4 has remain unchanged since 2007-2009, but the IQR changed, from between 4.0 and 3.0 in 2007-2009, to between 4.0 and 3.5 in the 2011-2013 period. This means that more projects are closer to 4 than to 3.
117. Government’s performance is key to ensuring the success of IFAD-funded projects. This is particularly true because recipient governments have the main responsibility

for the execution of IFAD-supported projects and programmes. The Support Project for the Strategic Plan for the Transformation of Agriculture in Rwanda, the Pakistan Programme for Increasing Sustainable Microfinance and the Ghana Rural Enterprises Project – Phase II are examples from the 2014 evaluations which rated government performance as satisfactory.

adherence to procurement guidelines, the quality and timeliness of audits and the high level implementation support and leadership from national authorities.

118. The evaluation reports highlight key factors of satisfactory performance, such as the timely availability of counterpart funding, the

119. On the other hand, unsatisfactory performance is often rooted in the weak institutional capacity at national and local level and high staff turnover, as the evaluation of the Agricultural Marketing Improvement Programme in Ethiopia shows. Moreover, some projects reveal concerns with fiduciary aspects, such as delays in and inadequate

Chart 14 **Government performance – by year of completion**

Percentage of projects rated moderately satisfactory or better (PCR/PPA data series)

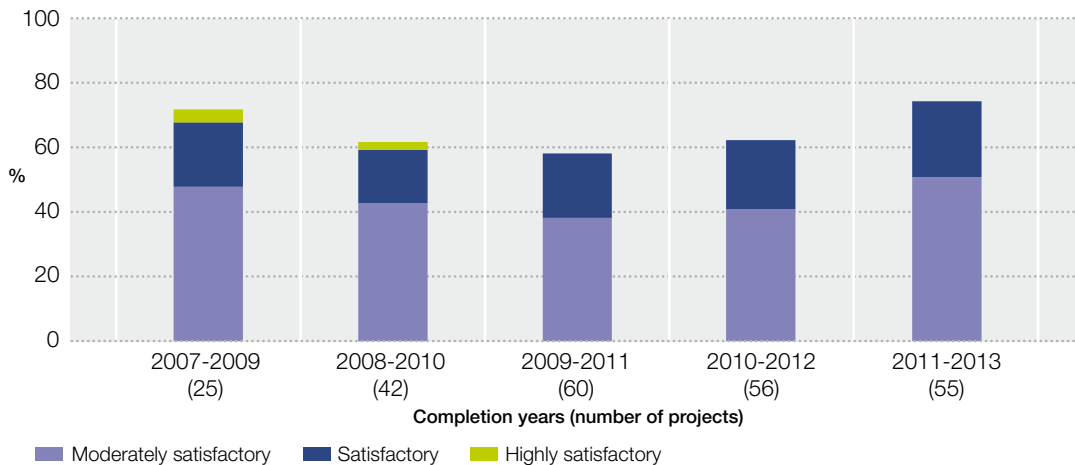


Chart 14.1 **Government performance – by year of completion**

Averages and dispersion of the distribution of ratings (PCR/PPA data series)



Box 4 Example of M&E arrangements in the Bangladesh Market Infrastructure Development Project in Charland Regions (MIDPCR)

An independent M&E unit was established within the project management unit (PMU), headed by an M&E specialist with a field monitoring officer (FMO) based in each of the five districts, plus a computer operator in both zonal offices. The PMU also hired a short-term consultant to assist with data analysis and report writing and to support the MTR and PCR. At MTR the M&E section carried out a total of ten baseline and impact studies (2009-2010). The M&E section of the PMU also carried out an impact assessment of the improved market connecting roads and ghats, impact studies on fish, vegetable and poultry subsectors and two knowledge, attitude and practice surveys to assess the effectiveness of training on homestead vegetable cultivation and beef fattening, and prepared a number of case studies.

quality of audit reports and weak financial management. In this regard, as part of the second edition of the evaluation manual, IOE will devote more systematic attention to assessing fiduciary aspects as part of government's performance in the evaluations done in 2016 onwards.

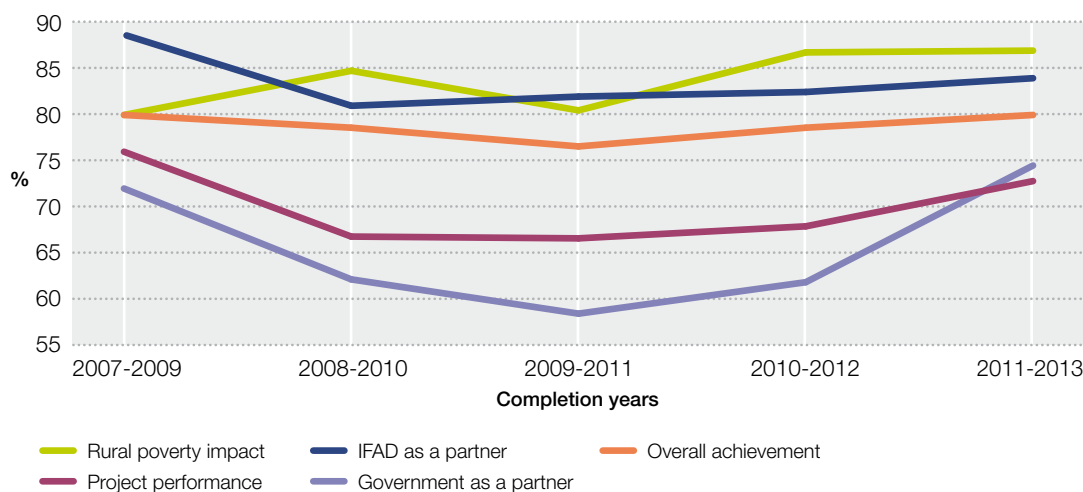
and implemented a comprehensive and overarching framework for public investment in the agriculture sector. The Government of Bangladesh was commended for the overall supportive policy environment, enhanced coordination between the government and development partners, and for the successful M&E system at project level, as described in the example in box 4.

120. The performance of government is evaluated positively also in the United Republic of Tanzania and the Bangladesh CPEs, which assigned government performance a rating of 4 and 5 respectively. In particular, the Government of the United Republic of Tanzania was recognized for having developed

121. To summarize the aforementioned, chart 15 provides a visual overview of the trends in project performance, overall project achievement, rural poverty impact, and performance of partners. The chart shows

Chart 15 Combined overview of the main evaluation criteria

Percentage of projects rated moderately satisfactory or better (PCR/PPA data series)



a dip in performance in projects completed in 2009-2011, with a steady improvement in trends thereafter. While this deserves deeper analysis, such a dip in performance may be partly explained by two factors. Firstly, part of the projects evaluated that completed in 2009-2011 were implemented in fragile states, where the policy and institutional environments are weak as compared to other country contexts. Secondly, it might also be a reflection of the introduction of IFAD's first comprehensive evaluation manual in 2008, which was the basis for the projects evaluated in 2009 onwards.

122. All in all, the 2014 evaluations show a positive picture of performance. The percentage of

projects rated as moderately satisfactory or better are above 70 per cent for all evaluation criteria, with the exception of efficiency (65 per cent) and sustainability (62 per cent). Notwithstanding the aforementioned, table 6 shows the performance of IFAD-financed projects, by evaluation criteria, when only considering satisfactory or better ratings. The analysis reveals that projects score best in terms of relevance, and worse in terms of environment and sustainability.

(iii) Relation analysis

123. As mentioned in the introduction, the 2015 ARRI provides an analysis of project performance on selected key priorities for

Table 6 **Ranking of evaluation criteria – percentage of projects completing in 2011-2013, rated as satisfactory or better**
(PCR/PPA data only)

	Evaluation criteria	Percentage of projects rated satisfactory or better (N=55)
Best	Relevance	56.4
	Human and social capital and empowerment	51.9
	Gender equality and women's empowerment	50.9
	Innovation and scaling up	45.5
	Household income and assets	44.7
	IFAD as a partner	41.8
	Food security and agricultural productivity	41.7
	Rural poverty impact	39.6
	Overall project achievement	38.2
	Institutions and policies	34.6
	Effectiveness	30.9
	Government as a partner	23.6
	Project performance	21.8
	Efficiency	21.8
	Worst	Environment and natural resources
Sustainability		14.5

the IFAD9 period, namely: innovation and scaling-up, gender equality and women's empowerment, operational efficiency, performance of fragile states,²¹ and country level decentralization. The performance of projects with respect to innovation and scaling-up, and gender equality and women's empowerment – which are also IFAD9 priorities – has already been described in the previous section.

124. The next paragraphs outline the analysis of project performance in fragile states and in countries where IFAD has set up a country office, in relation to four evaluation criteria: overall project achievement, innovation and scaling-up, operational efficiency, and gender. The rationale for this analysis is to further analyse and validate evidence from IOE evaluations that IFAD's operational performance tends to be: (i) better in countries with an ICO; and (ii) worse in fragile states as compared to other country categories. In this regard, the evidence suggests that with ICOs, for example, the Fund is able to promote more timely and continuous supervision and implementation support, which is one driver of better performance, and that weak institutional capacities are a major limiting factor in fragile states affecting the performance of IFAD operations.

125. Overall project achievement was chosen for this comparative analysis, because it is the most holistic composite evaluation criteria. The other three criteria were chosen because, as mentioned above, IFAD committed to promote further innovation and scaling-up, enhance efficiency and strengthen gender equality and women's empowerment, as part of its priorities for the IFAD9 period.

126. The analysis was conducted on the PCRV/PPA data series and the results, displayed in charts 15, 16 and 17, are presented in terms of: (i) the percentage of projects that have performed moderately satisfactory or better in

the above criteria in the presence of a country office,²² as compared to those implemented without an ICO; and (ii) the percentage of projects that have performed moderately satisfactory or better in the above criteria in fragile states, as compared to those in non-fragile states.

127. It is important to clarify that the ARRI uses the current list of countries classified as fragile states by IFAD Management. This is with the understanding that – following the CLE on Fragile States (April 2015) – IFAD decided to develop a new strategy for engagement in fragile situations to be presented to the Board in 2016, which will include a new definition and methodology for classifying countries facing situations of fragility. Pending the development of the new strategy, the 2015 ARRI therefore uses the current IFAD system for classifying countries as fragile states.

Country level decentralization

128. IFAD's country presence was initiated in 2003 as the Field Presence Pilot Programme, with offices in 15 countries and a budget of US\$3 million for three years. To date, 40 country offices have been established and this number is expected to increase to 50 by the end of 2015. In fact, IFAD Management declared 2015 the year of ICOs, further illustrating its commitment to organizational decentralization for better performance.

129. As shown in chart 16, the percentage of projects rated as moderately satisfactory or better for overall project achievement is similar (77 per cent) in countries with or without ICOs. This analysis has not gone into further detail of countries with or without outposted CPMs; this will be done in the context of the CLE on decentralization in 2016. However, the analysis reveals that the proportion of projects rated as satisfactory is greater with ICOs. In particular, 44 per cent of projects in countries with ICOs are satisfactory, as compared to 26 per cent without ICOs. Similar patterns can be observed for innovation

²¹ The definition adopted by IFAD for its work in fragile states is as follows: "Fragile states are characterized by weak policies, weak institutions and weak governance, resulting in meagre economic growth, widespread inequality and poor human development. Fragile states are more exposed to the risk of outbreaks of violence than are non-fragile states. Fragile states may be well endowed with natural resources or be resource-poor." This definition was included in IFAD's corporate Policy on Crisis Prevention and Recovery, which was adopted by the Executive Board in April 2006.

²² Projects qualified into the "country office" group if IFAD field presence existed in the country of implementation for at least half of the project's duration. The effectiveness date and completion date were used as starting and ending dates, respectively.

Chart 16 Overall project achievement – by year of completion

Percentage of projects rated moderately satisfactory or better (PCR/PPA data series)

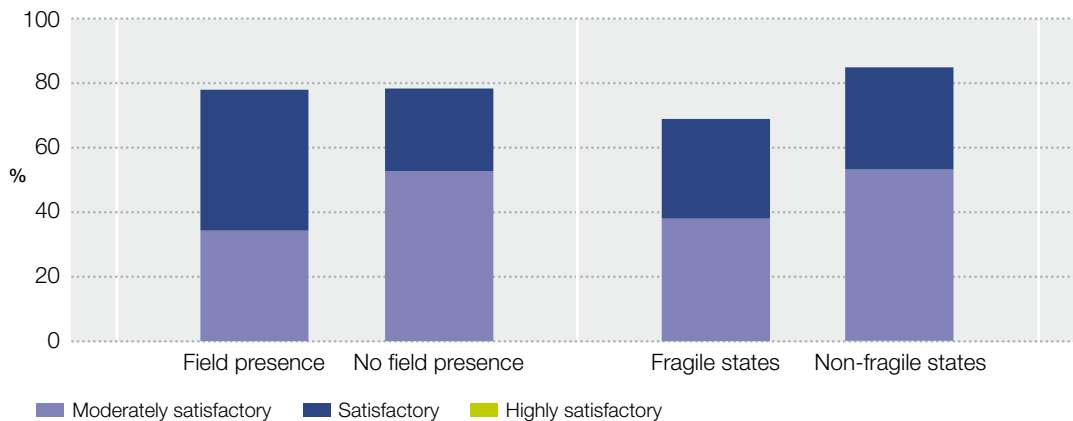
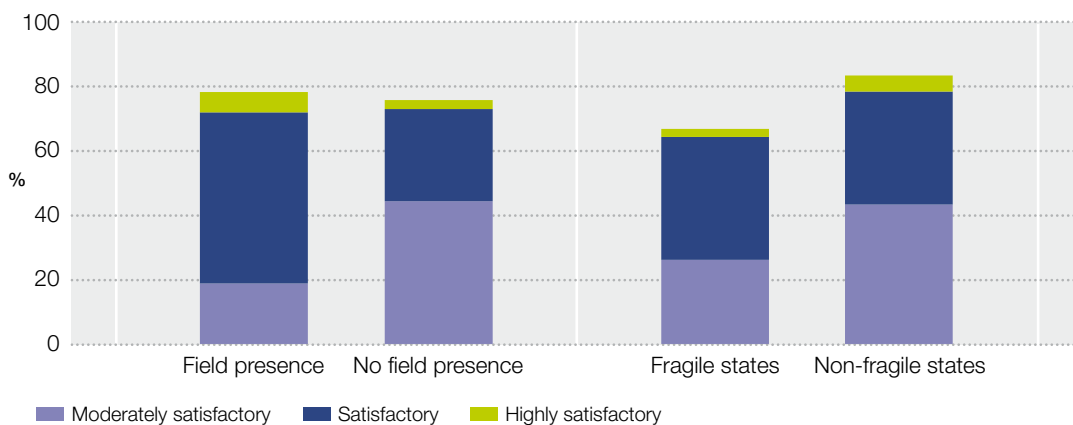


Chart 17 Innovation and scaling up

Percentage of projects rated moderately satisfactory or better by criteria (PCR/PPA data series)



and scaling up, and for gender equality and women's empowerment.

130. For innovation and scaling up (chart 17), projects implemented in countries with ICOs had a slightly larger proportion of highly satisfactory ratings than projects without ICOs. However, a greater proportion of projects are satisfactory (53 per cent) for innovation and scaling up with ICOs, as compared to 29 per cent in countries without ICOs. Among other reasons, the presence of an ICO allows IFAD to engage more actively in policy dialogue, knowledge sharing, and partnership-building, which are critical drivers for scaling up. For example, the Bangladesh CPE revealed that the setting

up of the country office in Dhaka has been a positive move in strengthening project implementation and improving partnership both with the Government and with the United Nations Country Team as well as with other development partners. At the same time, the evaluation notes that improvements in policy dialogue would be achieved if the country office were staffed with more senior IFAD staff. The issues related to ICOs are discussed in more detail in the section on CPEs.

131. When looking at performance related to gender equality and women's empowerment (chart 18), projects in countries with ICOs have a higher proportion of highly satisfactory

Chart 18 **Gender equality and women's empowerment**

Percentage of projects rated moderately satisfactory or better by criteria (PCR/PPA data series)

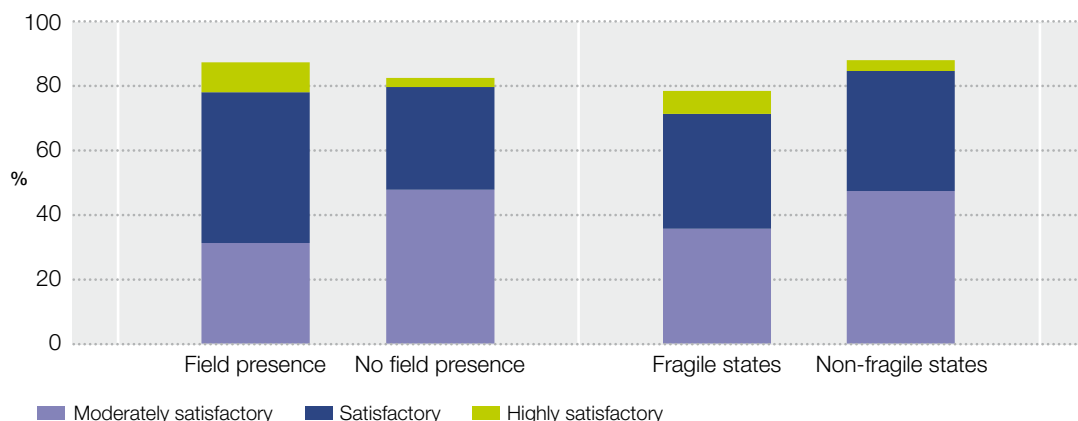
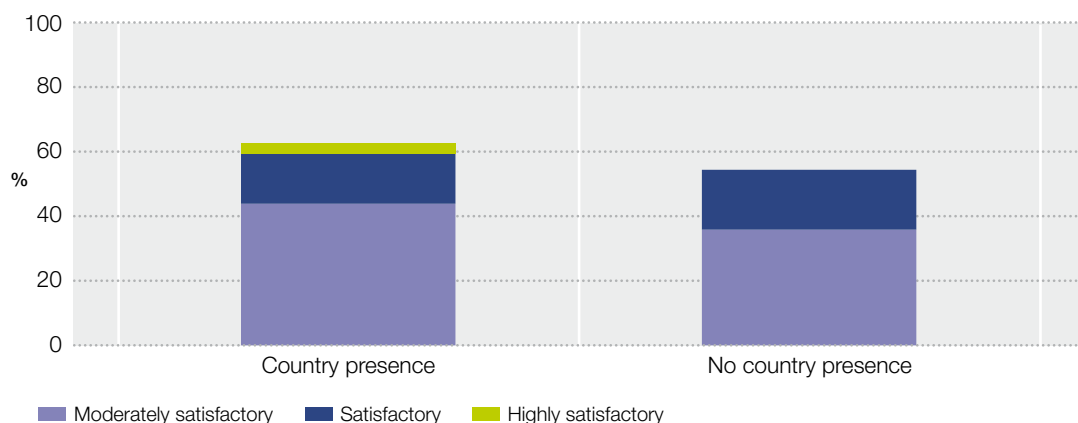


Chart 19 **Operational efficiency**

Percentage of projects rated moderately satisfactory or better by criteria (PCR/PPA data series)



ratings (9 per cent), as compared to countries without ICOs (3 per cent). Moreover, projects in countries with ICOs have a considerably larger proportion of satisfactory ratings (47 per cent) than those with no ICO (32 per cent). One explanatory factor for better performance in countries with ICOs is that several offices have a dedicated staff member or consultant responsible for gender mainstreaming.

132. In addition to the above, the ARRI also undertook an analysis of the relation between ICOs and operational efficiency (see chart 19). This analysis also reveals that operational efficiency is better in countries with ICOs than without. In general, the above analysis confirms the findings in most CPEs that

ICOs are critical drivers for achieving better development effectiveness.

Fragility and conflicts

133. Non-fragile states have performed better than fragile ones in all three criteria. In particular, with regard to overall project achievement, nearly 70 per cent of the projects were rated moderately satisfactory or better in fragile countries, as compared to 84 per cent in non-fragile states.

134. Along the same lines, innovation and scaling-up is moderately satisfactory or better in 85 per cent of the projects implemented in non-fragile states as compared to 69 per cent in fragile states. Moreover, while 88 per cent

projects were rated moderately satisfactory or better in non-fragile states for gender, the same percentage drops to 78 per cent in fragile states. This result reinforces the findings of the CLE on fragile states which call for greater customization and further sharpening of IFAD approaches and operating model to achieve better outcomes in fragile and conflict-affected states and situations.

(ii) Peer-to-peer comparison

135. This is the first time such an analysis is included in the ARRI. As mentioned in chapter 1, the aim of this analysis is to assess the “net disconnect” between PMD and IOE ratings for each criteria included in PCRs and PCRVs. This allows for a better understanding of where differences lie in reporting on performance and the underlying reasons for those differences.
136. Therefore, this section includes a comparison of IOE and PMD ratings for a sample of 97 projects completed in the period 2007-2013.²³ All projects compared have been rated by PMD in the PCRs, and subsequently by IOE in the PCR/PPA. In line with the IFAD Evaluation Policy, IOE validates the entire portfolio of IFAD-funded projects at exit in any given year, therefore there are no sampling biases in the selection of projects which have been used in this peer-to-peer comparison.
137. The ratings for the above-mentioned projects are analysed as follows: (i) by comparing the entire ratings dataset from the 97 closed projects by each evaluation criteria; and (ii) by comparing the percentage of projects rated as moderately satisfactory or better for five evaluation criteria, namely project performance, rural poverty impact, overall project achievement, IFAD performance and government performance.
138. In addition to the above, in annex 8 the ARRI presents the list of the 21 projects completed in 2011 together with the corresponding ratings for the main evaluation criteria used by IOE and PMD. The year 2011 was chosen for this analysis, given that 2011 is the year in which the largest number of PCRVs/PPAs were available for completed operations.
139. Table 7 shows the comparison of IOE and PMD ratings for all evaluation criteria, using the mean and mode figures. The analysis shows that although on average all the criteria are rated higher in PCRs than in PCRVs/PPAs, the differences are not generally that large.
140. The largest disconnect is in the assessment of relevance, with PMD ratings tending to be on average 0.44 higher than IOE ratings. A similar pattern is observed in the mode rating for relevance, which is satisfactory (5) as per PMD ratings and moderately satisfactory (4) based on IOE ratings. A review of PCRVs find that this is because – in analysing and rating relevance of a project – the PCRs primarily assess the relevance of project objectives and do not focus sufficiently on the relevance of design. IOE assessments and ratings for relevance cover both aspects – review of project objectives and design – which are both critical in ensuring effectiveness. Another explanatory factor is that many PCRs only assess relevance of the project as embedded in design documents, while IOE assessments include an analysis of relevance both at the time of design as well as at project completion.
141. Another disconnect worth highlighting is related to innovation and scaling up, with PMD ratings being on average 0.29 higher than IOE ratings. Also, the mode rating based on PMD data is satisfactory (5), as compared to moderately satisfactory (4) by IOE. One of the main reasons for the disconnect is the different definitions used by IOE and IFAD Management in assessing and rating scaling up. In line with the IFAD Evaluation Manual, IOE provides a favourable assessment and rating to scaling up if projects or specific aspects of IFAD-financed projects are scaled up by other partners such as the government, private sector, or other development partners,

²³ Although IOE's PCR/PPA data set includes 102 projects, only 97 of them are used because 3 of them do not correspond to the period analysed (2007-2013) and 2 of them are not comparable to the PCR database due to differences in how loans are grouped together.

Table 7 **Comparison of IOE's PCR/PPA ratings and PMD's PCR ratings for all evaluation criteria**

Criteria	Mean rating		Disconnect of mean rating	Mode ratings	
	IOE	PMD		IOE	PMD
Relevance	4.32	4.75	-0.44	4	5
Effectiveness	3.92	4.15	-0.24	4	4
Efficiency	3.63	3.90	-0.26	4	4
Project performance	3.93	4.25	-0.31	4	4
Rural poverty impact	4.13	4.17	-0.04	4	5
Sustainability	3.67	3.96	-0.29	4	4
Innovation and scaling-up	4.11	4.40	-0.29	4	5
Gender equality and women's empowerment	4.28	4.46	-0.18	4	4
IFAD performance	4.16	4.44	-0.27	4	5
Government performance	3.80	3.98	-0.18	4	4
Overall project achievement	4.00	4.19	-0.19	4	5
Household income and assets	4.15	4.32	-0.16	4	5
Human and social capital and empowerment	4.35	4.52	-0.17	5	5
Food security and agricultural productivity	4.08	4.27	-0.18	4	5
Environment	3.86	4.11	-0.26	4	4
Institutions and policy	4.07	4.32	-0.25	4	5

without further IFAD funding. On the other hand, IFAD Management ratings reflect the understanding that scaling up can also be done by IFAD itself, for example, through the financing of a successor project with or without funding from other partners.

142. Finally, table 7 shows that the mode rating – from the 97 PCR/PPAs analysed – is 4 (moderately satisfactory) in 15 out of 16 evaluation criteria. On the other hand, the mode in PMD ratings is 5 (satisfactory) in 9 out of 16 evaluation criteria, implying that the frequency of satisfactory ratings is significantly higher in PMD data.

143. The general trend in the above analysis is further supported by the second type of

analysis which is presented in charts 20 and 21. Although the percentage of projects rated moderately satisfactory or better is generally similar in the selected criteria, a higher percentage of projects have been rated satisfactory or better in PCRs than in PCR/PPAs. The greatest difference is in project performance, where 42 per cent of PCR ratings were satisfactory or better, while only 18 per cent of IOE ratings fell in these category. Moreover, the PMD and IOE ratings for IFAD performance also show an important disconnect with 55 per cent and 34 per cent of satisfactory or better projects, respectively, in PCRs and PCR/PPAs.

144. There are opportunities for narrowing the disconnect between IOE and PMD ratings

Chart 20 **Comparison of PCR and PCRV/PPA ratings for project performance, rural poverty impact and overall achievement**

Percentage of projects rated moderately satisfactory or better by criteria

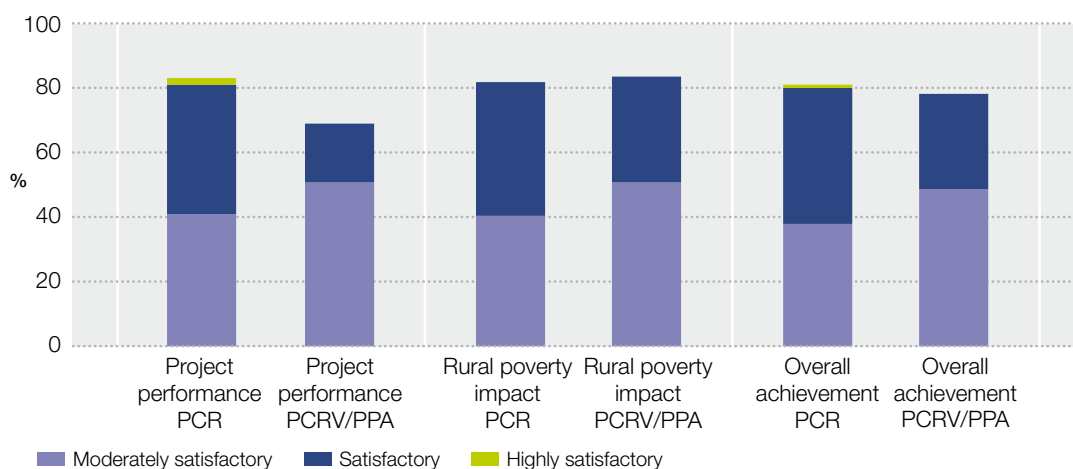
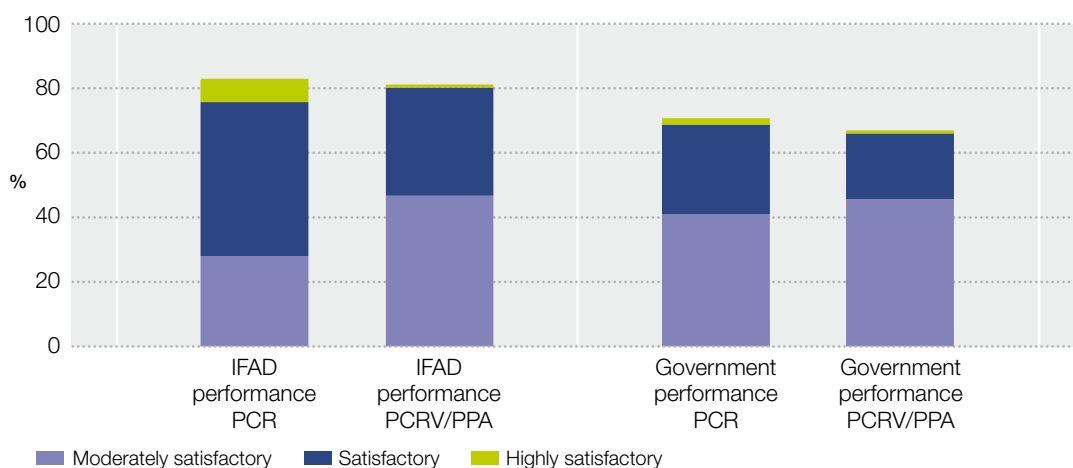


Chart 21 **Comparison of PCR and PCR/PPA ratings for performance of partners**

Percentage of projects rated moderately satisfactory or better by criteria



moving forward, in particular by ensuring further harmonization between IOE and PMD evaluation methods as well as strengthening the quality and underlying process for PCRs (the latter will be discussed in the next section of this chapter). In particular, the introduction of the second edition of the Evaluation Manual in 2016, together with the new harmonization agreement between IFAD's independent and self-evaluation systems, will also contribute to narrowing the disconnect in results reports by IOE and IFAD Management.

Project completion reports

145. PCRs are a key product in IFAD's self-evaluation architecture, for both strengthening accountability and learning. Each IFAD-supported project is required to produce a PCR within six months of the project completion date. As per the financing agreements of loans provided by IFAD, recipient governments are responsible for preparing PCRs, based on the current IFAD guidelines, which date back to 2006 but are currently being revised by Management. However, on a case-by-case basis, IFAD

Table 8 **Quality of PCR documents**

(PCR/PPA data series)

Evaluation criteria for assessing PCRs	Percentage satisfactory or better		Percentage moderately satisfactory or better	
	2010-2012	2011-2013	2010-2012	2011-2013
Scope	41.8	48.1	73	79.6
Quality	19.6	22.2	54	68.5
Lessons	47.3	52.8	84	88.7
Candour	39.3	50	71	88.9
Overall rating for PCR document	37.7	43.8	70	77.1

Source: PCRVs by IOE.

supports governments in preparing PCRs by mobilizing consultant resources to help them in specific areas to ensure the final products are of the required quality.

evidence included in the document). Ratings for each of these criteria is aggregated in the PCRVs to provide an overall rating of the PCR document.

146. As mentioned earlier and in line with IFAD's Evaluation Policy (2011), IOE validates all PCRs. This is a fundamental task, as it expands the evidence and analytical base for other independent evaluations by IOE, and is similar to the practice followed in other multilateral development banks. IOE has specific guidelines for validating PCRs, which have been developed further in the context of the second edition of the Evaluation Manual to be implemented in 2016. Discussions are ongoing between IOE and Management to harmonize PCR and PCR validation (PCRv) guidelines, so that similar methodologies are applied to facilitate comparison of results reported through IFAD's independent and self-evaluation systems.
147. 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) data (e.g. robustness in terms of the evidence base used in forming evaluative judgements); (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).
148. There are a number of quality and process issues that IOE has found in the validation of the PCRs that should be addressed moving forward. While it is encouraging that efforts are being made to ensure that 100 per cent of closed projects produce a PCR, the quality of the final documents is considerably variable. As seen in table 8, less than half the PCRs produced in 2011-2013 are considered satisfactory or better, though there is some improvement as compared to the period 2010-2012.
149. That noted, some good PCRs are available (for example, of the Burkina Faso Sustainable Development Programme), which was considered satisfactory by IOE in the validation process – in particular in terms of the inclusion of lessons and candour, but such examples are few. At the same time, challenges in the production of PCRs remain, including in the quality of data used, focus on outputs rather than outcomes, and inconsistency between narrative and ratings. Thus, given the opportunities to further enhance quality across the board, a more systematic internal quality assurance process for all PCRs within PMD would be welcome.

150. There are two important process issues that deserve attention. Firstly, PCRs as submitted by governments do not generally include ratings to the evaluation criteria covered in the document. Ratings are assigned by the Office of the Associate Vice-President, PMD, as a separate process based on PMD's review of the PCRs, which was carried out by consultants. Some consultation takes place with the concerned CPM, but the involvement of the regional divisions in the assignment of ratings is generally limited. Also, consultations with the government is not included in this rating process. This causes delays in the finalization of PCRs and the ratings are not ultimately included in the PCR documents, but retained in a separate document/database, thus not providing a complete self-evaluation of the projects. Hence, the process for assigning ratings and ensuring completeness of PCRs needs reflection.
151. Secondly, IOE found that there is often a one and a half to two-year time lag between project completion, preparation of the PCR and ratings by PMD and the submission of the PCRs with ratings to IOE. This delay has important implications in the preparation of PCRVs by IOE, which in turn affects the PCR/PPA data series used in the ARRI. In fact, in this year's ARRI, the last subperiod analysed is 2011-2013, which means that IOE did not receive any PCRs for projects completing in 2014 to be included in the 2015 ARRI. Therefore, it is imperative that the time lag in submitting complete PCRs with ratings to IOE be shortened, so that each year the ARRI can provide a more contemporary update on IFAD's operational performance.
152. CPEs provide broader assessments of IFAD-government partnerships in the reduction of rural poverty and serve to inform the development of new country strategies and IFAD-supported activities in the country.
153. Since 2010, the ARRI contains a dedicated chapter on CPEs, to analyse and report on performance beyond the project level and to identify lessons that cut across IFAD country programmes. In line with such practice, this chapter provides a synopsis of the performance on: (i) non-lending activities (i.e. policy dialogue, knowledge management and partnership-building); and (ii) country strategies (i.e. the COSOP) in terms of relevance and effectiveness. It also includes a section on cross-cutting issues of importance to ongoing and future IFAD country strategies.
154. A total of 52 CPEs have been carried out by IOE since the product was introduced in the 1990s (see annex 9 for the complete list). Of these, 30 CPEs have been conducted since 2006, based on a consistent methodology including the use of ratings, which allows for the aggregation of results across country programmes. This year's ARRI includes two CPEs – Bangladesh and the United Republic of Tanzania.

Non-lending activities

155. Non-lending activities (policy dialogue, knowledge management and partnership-building) are increasingly recognized as essential instruments in IFAD country programmes to promote institutional and policy transformation and to scale up impact of IFAD operations. Chart 22 shows the performance of IFAD's non-lending activities between 2006 and 2014. Though there have been improvements since 2006-2008, performance appears to have plateaued in the past five years, as discussed in the next paragraphs.
156. Fifty-eight per cent of CPEs conducted between 2012-2014 rated national level policy dialogue as moderately satisfactory or better, which is better than the 29 per cent reported for 2006-2008. However, it is still below the 70 per cent target set in the IFAD9 (2013-2015) RMF. Having said that, a more accurate picture of performance in national level policy dialogue against the RMF target will only be

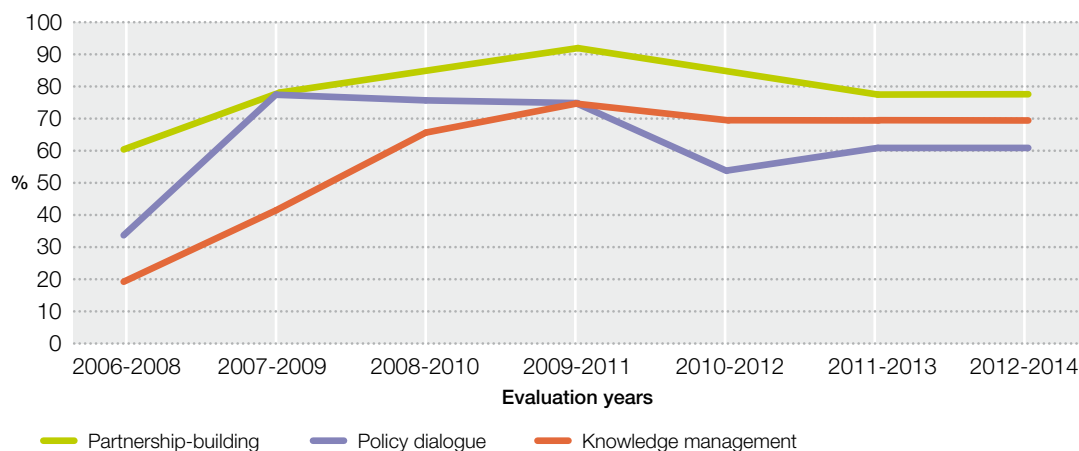
Country programme evaluations

Background

152. CPEs provide broader assessments of IFAD-government partnerships in the reduction of rural poverty and serve to inform the development of new country strategies and IFAD-supported activities in the country.

Chart 22 Performance of non-lending activities 2006-2014

Percentage rated moderately satisfactory or better by criteria



possible in the 2016 ARRI, which will also include the CPEs undertaken this year.

157. The 2014 CPEs highlight some important issues related to national level policy dialogue that merit to be addressed in future country strategies. The CPE for the United Republic of Tanzania concluded that both the 2003 and 2007 COSOPs set an over-ambitious agenda for policy dialogue, which are difficult to translate into operational plans also in light of the limited resources available and multiplicity of responsibilities of the CPM. The Bangladesh CPE noted that the focus of the government-IFAD partnership was largely on operational matters, and insufficient attention was devoted to leveraging on the Fund's rich project experience to conduct and enrich dialogue on broader sectoral policies and institutions.

158. In terms of knowledge management, performance has improved from 14 per cent moderately satisfactory or better of the country programmes evaluated in 2006-2008 to 67 per cent in 2012-2014. Key drivers for this improvement include the adoption of a corporate strategy for knowledge management in 2007, inclusion of knowledge management as an objective in some country programmes (e.g. China), and the use of

grant resources for knowledge management (e.g. the three-year grant to IFADAFRICA for integrating knowledge management and learning in IFAD-supported projects in Eastern and Southern Africa). However, the demand, especially from middle-income countries, for IFAD's experience, lessons and good practices is increasing, also in the context of South-South and Triangular Cooperation. There is therefore opportunity to do more and further improve performance.

159. Both the United Republic of Tanzania and Bangladesh CPEs identified some challenges in knowledge management. Firstly, knowledge acquired during project implementation was not systematically captured and shared widely. Secondly, M&E systems have not sufficiently emphasized evaluation and learning, but focused mostly on monitoring output level achievements. Thirdly, little evidence was found that due attention was made to documenting experiences from grant-funded activities, many of which focus on innovations in technology development for smallholder agriculture and market access. Finally, more attention ought to be devoted to learning from failures, which can prove to be as valuable as learning from successes for enhancing development effectiveness.

160. Seventy-seven per cent of the country programmes evaluated between 2012-2014 were rated moderately satisfactory or better for partnership-building, which is higher than 58 per cent in the period 2006-2008. Though good improvements have been made, performance in this indicator is lower than the 90 per cent target set in the IFAD9 RMF. However, as for policy dialogue, a more accurate picture on partnership-building in the IFAD9 period will be provided in next year's ARRI, once the 2015 CPEs have also been completed and factored into the analysis.
161. The CPEs of Bangladesh and the United Republic of Tanzania found that IFAD has strong partnerships with government agencies, who appreciate IFAD's participatory and bottom-up approaches to rural transformation. However, in Bangladesh, limited partnership with the Ministry of Agriculture was raised as a point deserving attention in the future, an issue also raised in other CPEs (e.g. India in 2010 and China in 2014). Partnerships with civil society and NGOs were found to be good, especially in the provision of training and group formation.
162. Partnership with donors was good in the United Republic of Tanzania in the context of IFAD's participation in agricultural sector-wide approaches, and positive efforts have been made in Bangladesh to cofinance projects with the ADB and the World Bank. The ICO in the United Republic of Tanzania is hosted by FAO, and WFP is the host agency of the ICO in Bangladesh. However, in spite of this and some cooperation in technical assistance at the project level, wider cooperation with the Rome-based agencies remains underexploited in these countries. Both CPEs underlined limited partnerships with the private sector, for example in value chain development.

Table 9 **Results of COSOP relevance, effectiveness and performance**

Percentage of country programmes rated moderately satisfactory or better^a

Rating	COSOP relevance	COSOP effectiveness	COSOP performance ^b
6 Highly satisfactory	0	0	0
5 Satisfactory	30	13	30
4 Moderately satisfactory	57	61	52
Total moderately satisfactory or better	87	74	82
3 Moderately unsatisfactory	13	26	17
2 Unsatisfactory	0	0	0
1 Highly unsatisfactory	0	0	0
Total moderately unsatisfactory or worse	13	26	17
Country programmes rated	30	23	23

^a The seven CPEs completed before 2009 did not contain ratings for COSOP relevance, effectiveness and overall performance, since this rating was not required by the IOE methodology at that time. IOE thus decided to assign ratings on the basis of the evidence available in the seven CPEs. This was possible for country strategy relevance in all seven cases, but there was insufficient evidence to provide reliable ratings for country strategy effectiveness and overall COSOP performance.

^b COSOP performance is a composite rating based on the individual ratings for COSOP relevance and COSOP effectiveness. This composite rating is not an arithmetic average of the individual ratings for relevance and effectiveness, but rather a round number based on the available evidence and the objective judgement of the evaluations.

Source: Country programme evaluations by IOE from 2006-2014.

COSOP performance

163. 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 helped sharpen their results-orientation. Each CPE includes an assessment and ratings for COSOP performance, which entails the review of relevance and effectiveness of IFAD country strategies. Based on these ratings, CPEs also generate an overall rating for COSOP performance.
164. Table 9 summarizes the ratings from the 30 CPEs done between 2006-2014. Eighty-seven per cent of the country strategies evaluated by IOE found IFAD country strategies to be moderately satisfactory or better for COSOP relevance, but none are considered highly satisfactory. Seventy-four per cent of CPEs found COSOP effectiveness to be moderately satisfactory or better, none to be highly satisfactory, and 26 per cent are moderately unsatisfactory. Finally, COSOP performance is moderately satisfactory or better in 82 per cent of the country programmes evaluated.

Systemic issues

165. COSOPs are generally strong in aligning IFAD objectives with the country's main policies for smallholder agriculture and rural development, and they are generally developed following broad-based consultations with multiple stakeholders. Given the relatively limited resources invested in preparing COSOPs (between US\$30,000 and US\$50,000), some are less strong on context and risk analysis that would enable a better understanding of the opportunities and challenges facing the agriculture sector.
166. Past CPEs have noted that COSOP effectiveness could be further enhanced if they were to be fully costed and a summary of such analysis included in the documents.

This is generally not the case at the moment, apart from the PBAS allocation for loan-funded investment projects and country grants. Costing would involve estimating the administrative budget (including and human and financial resources) required to operationalize the COSOP to ensure more realistic objectives and effectiveness. This is critical because CPEs find that insufficient resources is one of the key reasons for limited effectiveness, especially in non-lending activities including South-South and Triangular Cooperation.

167. Another driver of COSOP effectiveness is the effectiveness of the project portfolio in the country evaluated. This is critical because, though attention to non-lending activities is gradually increasing, including South-South and Triangular Cooperation, the majority of IFAD assistance is still channelled through loan-funded investment projects. However, as mentioned earlier in the ARRI (see table 5), the mode and median rating for project portfolio effectiveness is moderately satisfactory, and the mean is 3.9, which is close to moderately satisfactory.
168. There are two further issues worth underlining raised in most CPEs done by IOE. The first point is the importance of ICOs, which have helped the organization get closer to the ground, providing greater and more timely support to IFAD-funded operations, and to strengthen communication and dialogue with key actors in the agriculture sector. However, CPEs also find that in many countries – especially larger countries with several ongoing operations – the level of human resources (e.g. for procurement and administrative services) and infrastructure available (e.g. information and communication technology) in ICOs is insufficient to promote the desired effectiveness. Although IFAD has experimented with alternative models in ICOs, CPEs have also tended to favour the outposting of CPMs from IFAD headquarters as the preferred model, supported by national country presence officers and assistants.

This is because international staff as head of the ICOs bring the required seniority and credibility, and generally have the breadth of experience (also in other IFAD country programmes) that enables them to better tap into high-level policy dialogue, enhance the Fund's visibility and brand, as well as promote strategic partnerships beyond the project level, including with the private sector. In any case, IOE will undertake a more detailed analysis of ICOs in 2016 – including on costs and the implications of ICOs for non-lending activities – in the context of the CLE on IFAD's decentralization.

169. The second issue relates to the systematic undertaking of COSOP completion reviews, a recommendation included in the 2014 ARRI. However, COSOP completion reviews are still not being undertaken across the board, though they were prepared in both Bangladesh and the United Republic of Tanzania and were of good quality. COSOP completion reviews (just as project completion reports, which are required in all cases) would give an opportunity to IFAD Management and other partners to collectively assess the results achieved at the country level and to generate lessons for future country strategies and activities. Moreover, COSOP completion reviews would strengthen the analytic base for CPEs by IOE, and further align IFAD's broader independent and self-evaluation architecture with the existing practice in other IFI. The ARRI does however recognize that undertaking COSOP completion reviews is likely to require additional administrative resources.
170. Finally, the Bangladesh CPE found limited synergies between lending and non-lending activities. Such a finding has also been documented in other CPEs and points to the need for more effort in ensuring that all IFAD interventions are mutually reinforcing so they can collectively lead to better effectiveness of IFAD country programmes.

Benchmarking

171. In line with the practice of previous ARRI, the 2015 report benchmarks the performance of IFAD operations externally, against the performance of the agriculture sector operations of other development organizations. Moreover, internal benchmarking is done against the targets included in the IFAD9 and IFAD10 RMFs, and across the five geographic regions²⁴ covered by IFAD operations.

External benchmarking

172. It is useful to map IFAD's performance in relation to selected development organizations. The ARRI benchmarks performance with other IFIs and regional development banks, in particular the African and Asian Development Banks and the World Bank.²⁵ These organizations have been selected because, like IFAD, they are members of the Evaluation Cooperation Group of the Multilateral Development Banks and therefore broadly use similar evaluation methodologies and have independent evaluation offices. Another reason is because, although each organization is different in size and has a different geographic focus, they have similar operating models as IFAD. That is, 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.
173. This year, the period compared is 2005-2014. This is because comparable data²⁶ is available for this time frame, thus enhancing the reliability of the benchmarking exercise. The data analysis has been undertaken using the independent evaluation ratings databases made available to IOE by the evaluation offices of the three banks earlier in the year.
174. Table 10 summarizes the results of the benchmarking done in this year's ARRI. Overall, it can be concluded that IFAD's project performance in all regions continues to be comparable to that of the World Bank, with

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

25 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 ratings as part of their evaluations, while the nature and focus of operations and geographic coverage of the latter is significantly different from IFAD.

26 The rating used for IFAD is project performance which is a composite of relevance, effectiveness and efficiency. For ADB it is the Independent Evaluation Department (IED) overall rating of agriculture and rural development projects, which is a composite of relevance, effectiveness, efficiency and sustainability. For the World Bank, it is the Independent Evaluation Group (IEG) outcome rating for agriculture and rural development projects, which is a composite of relevance, effectiveness and efficiency, similar to IOE's project performance criterion. For AfDB it is the Independent Development Evaluation (IDEV) project performance rating for agriculture projects, which is a composite of relevance, effectiveness and efficiency, similar to ADB.

Table 10 **Project performance – Percentage of agricultural and rural development projects completed in 2005-2014 rated moderately satisfactory or better**
(all evaluation data series)

Time period	IFAD	IFAD Africa	IFAD Asia and the Pacific	ADB	World Bank	AfDB
2005-2014 (percentage)	75	74	78	63	74	65
Number of agricultural projects evaluated	193	90	54	86	360	91

Source: Independent evaluation rating databases of AfDB, ADB, IOE and the World Bank.

75 per cent of the operations evaluated as moderately satisfactory or better.

175. In the Asia and Pacific region, IFAD's project performance is better than the performance of the agriculture sector operations of the Asian Development Bank. However, it is important to note that the success rate of the Bank's projects are based on the ratings of four evaluation criteria, namely relevance, effectiveness, efficiency and sustainability, whereas IFAD's project performance does not include the sustainability rating. Similarly, IFAD's project performance in Africa is better than the performance of the agriculture operations of AfDB, but their assessments also include the sustainability rating. Hence, the data needs to be interpreted with some caution.
176. Finally, even though the ARRI compares IFAD's project performance with the agriculture sector operations of the other three banks, it is important to note that IFAD-funded projects have some distinguishing characteristics, such as enhanced focus on remote rural areas, targeting of disadvantaged populations (e.g. indigenous peoples, pastoralists and artisanal fishers), grass-roots institution building, bottom-up participatory resource allocation methods, and work in fragile situations. All these factors make the design, implementation, supervision and evaluation of IFAD-funded projects rather challenging.

Internal benchmarking

177. Table 11 benchmarks the internal performance against selected indicators and targets in the IFAD9 and IFAD10 RMFs. One qualification is necessary to interpret the data. While the IFAD9 targets are for end-2015, the ARRI data cut-off point is end-2014, and therefore a more accurate picture of performance against the IFAD9 targets can only be provided in the 2016 ARRI – which will also be informed by the evaluations completed this year. Moreover, the reason for including the IFAD10 targets, which are for end-2018, is to draw attention to those areas that might be particularly lagging and need special consideration in the future. Actually, the targets for 2018 in the IFAD10 RMF are the same as in IFAD9, given the aim is to consolidate achievements, rather than set new targets beyond what experience suggests is achievable.
178. Table 10 illustrates that performance is generally good. Further attention will be needed in operational efficiency and sustainability. Improvements in effectiveness and innovation and scaling up are possible, especially in relation to the respective targets. There is room also for improving performance in project relevance, and it is therefore unfortunate that this criterion has been dropped from the IFAD10 RMF. In light of current performance, the reintroduction of the relevance criterion with an appropriate target in the IFAD10 RMF would merit serious consideration.

Table 11 **Internal benchmarking – Projects rated moderately satisfactory or better against RMF targets**
(Percentage)

Outcome indicators (percentage of projects rated moderately satisfactory or better) at completion	All evaluation data 2012-2014	PCR/V/ PPA 2011-2013	2015 Targets from the 2013-2015 IFAD9 RMF	2018 Targets from the 2016-2018 IFAD10 RMF
Relevance	84	85	100	-
Effectiveness	81	80	90	90
Efficiency	67	65	75	80
Rural poverty impact	94	73	90	90
Sustainability	68	62	75	85
Innovation and scaling up	81	82	90	90
Gender equality and women's empowerment	91	89	90	90
Government performance as partner	84	75	80	80

179. The internal benchmarking exercise in this year's ARRI has been further developed. To provide a more nuanced appreciation of performance, table 12 benchmarks project performance, rural poverty impact and overall project achievement across the five geographical regions covered by IFAD operations. Previous ARRI only benchmarked performance using the overall project achievement criterion.

180. It is also important to note that benchmarking performance across regions should not be considered tantamount to assessing the performance of the corresponding IFAD regional division. This is because the regional divisions' performance is only one, although important, factor affecting project performance. The performance of IFAD operations is especially driven by government performance, and it is the government that is ultimately responsible for project execution and other factors (such as quality of service providers, evolution in country context, etc.).

181. As in previous years, Asia and the Pacific region (APR) shows the best results in all

evaluation criteria analysed. Between 2000-2014, APR has the highest proportion of projects that are moderately satisfactory or better, and also the highest proportion of projects that are satisfactory or better. One key factor is that 84 per cent of the projects evaluated by IOE in APR show a moderately satisfactory or better performance for government performance, confirming that the latter is one of the single most important determinants of successful outcomes. The performance of IFAD operations in the West and Central Africa region continues to remain the weakest.

Enhancing IFAD's results management system

182. Related to the internal benchmarking and the self-assessment of results by Management, two areas of reform were defined as part of IFAD9 priorities towards "enhancing IFAD's results management system", which are impact evaluations and results reporting. In general, IFAD is devoting attention to building a strong results culture and strengthening learning loops.

Table 12 **Internal benchmarking – Comparison across geographic regions from 2000-2014**

(All evaluation data series)

Project performance	Asia and the Pacific N=70	Latin America and the Caribbean N=38	East and Southern Africa N=49	Near East, North Africa and Europe N=37	West and Central Africa N=48
Percentage of projects rated moderately satisfactory or better	87	76	77	78	58
Percentage of projects rated satisfactory or better	50	49	27	14	21

Rural poverty impact	Asia and the Pacific N=66	Latin America and the Caribbean N=35	East and Southern Africa N=43	Near East, North Africa and Europe N=35	West and Central Africa N=46
Percentage of projects rated moderately satisfactory or better	89	83	84	77	61
Percentage of projects rated satisfactory or better	48	31	33	26	24

Overall project achievement	Asia and the Pacific N=70	Latin America and the Caribbean N=37	East and Southern Africa N=49	Near East, North Africa and Europe N=37	West and Central Africa N=48
Percentage of projects rated moderately satisfactory or better	86	76	78	78	62
Percentage of projects rated satisfactory or better	49	27	22	14	19

183. With regard to impact evaluation, Management has set up an impact evaluation programme and is conducting 30 such evaluations of IFAD-funded projects, using quantitative and qualitative methods in partnership with several external agencies. The newly established Strategic Planning and Impact Assessment Division, headed by a director, will be dedicated to the topic, and a comprehensive source book on impact evaluations has also been developed. Management has committed to present a synthesis report on the 30 impact evaluations to the Board in December 2015, together with IOE comments thereon. The IOE comments on the initiative will contain an assessment

of the methodologies and process followed and results reported. However, it has since been decided to shift the presentation of the synthesis report to the April 2016 Board.

184. It is important to note that IOE also conducts impact evaluations, however they are not part of the impact evaluations being undertaken by Management during the IFAD9 or IFAD10 periods. Moreover, projects selected by IOE for impact evaluations do not overlap with those covered by Management. Among other issues, impact evaluations allow IOE to more rigorously measure rural poverty impact in IFAD operations based on the application of innovative methods and processes. The

increasing experience gained by IOE also enables it to contribute more thoroughly – building on the first-hand knowledge generated – in both internal and external debates and platforms on impact evaluations.

185. IOE has conducted two impact evaluations so far, in Sri Lanka in 2013 and in India in 2014. It is undertaking a third impact evaluation in Mozambique in 2015 and has planned a fourth impact evaluation in 2016 in a project/ country yet to be selected. The main lessons learnt from the Sri Lanka and India impact evaluations are summarized in box 5.
186. With regard to results reporting, during the IFAD9 period, each year Management presented to the Board its Report on IFAD's Development Effectiveness (RIDE), accompanied by IOE comments on the document. The RIDE reports results based on the indicators included in the IFAD9 RMF and has been further developed building on IOE comments, and now also contains dedicated annexes on gender, ex ante quality assurance and grants. In addition, Management presented a midterm review of the IFAD9 commitments to the first session of the Tenth Replenishment Consultation in February 2014, and at the same session, also presented a summary of the results included in several external assessments of IFAD including by the Multilateral Organisation Performance Assessment Network (MOPAN), several bilateral development agencies (Australia, Finland, Sweden, Switzerland and the United Kingdom), and the Brookings Institution and the Centre for Global Development. All in all and in spite of the need to improve M&E systems (see below), attention to impact evaluations and results reporting was good during the IFAD9 period.

Box 5 **Lessons learnt from impact evaluations undertaken by IOE**

- Undertaking an in-depth technical evaluability assessment at the outset of any impact evaluation is fundamental. Among other issues, it allows evaluators to select appropriate methods and instruments for data collection and analysis, taking into account the findings from the evaluability assessments.
- The absence of or poor quality baseline surveys pose major challenges, particularly to ex post impact evaluations. Under such circumstances, specific methods must be deployed to reconstruct baseline situations at the time of the evaluation, allowing for a more rigorous assessment of the changes induced by the operation being evaluated.
- IOE adopted a quasi-experimental mix-methods approach (i.e. propensity score matching), allowing the assessment of impact in a quantitative manner while also paying attention to qualitative aspects of IFAD operations. At the same time, IOE also assessed other key evaluation criteria (e.g. project efficiency and sustainability) in the context of its impact evaluations, providing a more comprehensive assessment of project results.
- Impact evaluations take time and careful ex ante planning is essential to ensure timely completion of the exercise. In particular, within the IFAD context, hiring a company to collect primary data requires competitive bidding, which is labour and time intensive. To overcome this challenge, for its second impact evaluation in India, IOE recruited a national company for the collection of primary data through a closed bidding process, thus reducing the costs for data collection as well as time taken for the competitive process.

Recurrent issues in the IFAD9 period

187. There are several recurrent issues that the ARRI have highlighted in the IFAD9 period, in particular the challenges associated with operational efficiency, environmental and natural resources management, and sustainability of benefits. These issues have been extensively analysed and discussed in different fora and in previous ARRI and other IOE evaluations. Therefore, excluding these issues, this section highlights only three recurrent issues (i.e. M&E, non-lending activities and government performance as a partner) from the IFAD9 period raised by a review of previous ARRI. Though these issues have been discussed for several years within the context of the ARRI and other individual evaluations, improvements are slow. It is therefore critical that they be addressed in a timely and comprehensive manner for better development effectiveness.

Monitoring and evaluation

188. The ARRI have highlighted the importance of effective and efficient country and project-level M&E systems. They are at the core of assessing results for accountability and learning for better development effectiveness, and at the foundation of achieving the IFAD9 priority of enhancing IFAD's results management system. M&E systems are also essential for better knowledge management, partnership-building and policy dialogue, which in turn are important for accelerating the scaling up of impact, a key area to increasing operational effectiveness and ensuring the sustainability of benefits of IFAD operations. Well-functioning M&E systems are also useful management tools, allowing implementing agencies to make necessary adjustments during project execution to ensure the desired final outcomes.

189. As mentioned in previous paragraphs, IFAD has focussed in recent years in strengthening its results culture and learning loops, including by embarking on undertaking rigorous impact

assessments of IFAD operations and paying attention to strengthening its internal corporate performance monitoring and reporting instruments. However, one key dimension of IFAD's results assessment initiatives relates to monitoring and evaluation at both the project and country levels, which continue to remain a challenge. This has been an area of concern for many years, for both IFAD and other development partners.

190. This year's ARRI notes there are some good examples of M&E systems. For example, the Support Project for the Strategic Plan for the Transformation of Agriculture in Rwanda is one of them. The project set up a simplified sector-wide M&E system directly linked to the three project implementation units' M&E systems (IFAD, World Bank and AfDB). Such a mechanism further stimulated learning at IFAD, in the Ministry of Agriculture and in the sector at large. The significant number of knowledge products developed has helped capture innovations and success stories for replication and scaling up.

191. However, there is scope to improve performance in this area as the quality of M&E systems is variable on the whole. Issues affecting M&E performance include the lack of an incentive framework, both at IFAD and at the country level for effective and efficient M&E activities, including strengthening the capacities of the staff assigned to M&E functions in project management units. This would enhance the quality of baseline surveys, which at the moment do not generally have data on comparison groups, and logical frameworks, that do not contain easily measurable indicators. Nor do they collect gender-disaggregated data on a systematic basis, and as mentioned earlier, data on nutritional impact is scant. Data on changes in incomes due to IFAD operations are also not readily available.

192. Other M&E limitations have been: the focus on collection of output level data, rather than

outcome and impact data; and not all projects have a specific budget line in project cost tables allocated to M&E. Beyond the project level, few countries have been successful in M&E activities in relation to non-lending activities. In summary, M&E systems need enhancement so that reliable evidence on results and impacts are generated to systematically inform policy and decision-making and project design and implementation.

Non-lending activities (policy dialogue, knowledge management, and partnership-building)

193. All COSOPs have a dedicated section on non-lending activities which is a sign of the importance they have in achieving country strategy objectives, alongside investment operations. IFAD is increasingly recognizing that – while loan-funded investment projects are the core of its operations – it needs to achieve results in non-lending activities for increased effectiveness and to avoid the “micro-macro paradox” of having successful investment projects in specific geographic areas that do not contribute sufficiently to rural poverty reduction more broadly at the country level.
194. Though this ARRI and past ARRIs have seen improvements in the performance of non-lending activities, on the whole they are still moderately satisfactory. At the same time, the ARRIs have highlighted areas that merit attention to ramp up performance in non-lending activities, such as the advantages of outposting of CPMs, the need to define attainable objectives, the importance of better linking non-lending activities with IFAD’s investment portfolios for wider integration of all activities in country programmes, and the need for strengthening partnerships including with the Rome-based agencies at the country level in policy dialogue, knowledge sharing, and South-South and Triangular Cooperation. While it is clear that IFAD’s non-lending activities are intrinsically linked to its investment operations, evaluations are

underlining that resource and time constraints are limiting results in non-lending activities, especially for such activities at the national level (beyond the realms of individual projects and programmes).

Government performance as a partner

195. Unlike in projects funded by other United Nations specialized agencies, programmes or funds or bilateral aid agencies, IFAD-funded projects are entirely implemented by recipient country authorities, with the support of other national institutions such as local NGOs and private-sector actors. Therefore, government performance as a partner in the design and implementation is a central driver of successful outcomes of IFAD-financed projects.
196. Although the mean rating for government performance as a partner in the period 2012-2014 is 4.1, past ARRIs have highlighted that government performance has been affected by several factors, including weak institutions, especially in rural areas and at the grassroots levels. This is exacerbated in fragile situations where IFAD has a very large number of operations and where performance is further constrained by limited human resource capacities and knowledge of IFAD procurement processes, financial and other fiduciary aspects of project management and M&E requirements and delays in the appointment and frequent rotation of project management staff.
197. To address weaknesses in government performance, in 2013 IFAD provided a grant to FAO for a pilot programme covering 15 projects in 10 countries to improve fragile states’ capacity to plan, manage and implement agricultural programmes, with the aim of fostering better development outcomes. This was a good, but one-off initiative that needs to be institutionalized more widely in IFAD operations, to support governments to build the much required capacities that are the cornerstone of sustainable and inclusive rural transformation.



Ghana: Rural Enterprises
Project

Robert Andoh, car painter,
Ekumfi Esuehyia, Ghana.
“Since I received the spraying
equipment, things are moving
fast. I now have my first
apprentice. Sometimes, I spray
up to four cars in a month.”

©IFAD/Nana Kofi Acquah

3

Learning theme: Sustainability of benefits

Background

198. As agreed by the Executive Board in December 2014, the 2015 ARRI learning theme focuses on the sustainability of benefits of IFAD-funded operations. Sustainability was selected as the 2015 learning theme because it has recurrently been an area of weak performance in IFAD operations.

Definition of sustainability

199. Sustainability is one of IFAD’s central principles of engagement in delivering on its mandate of rural poverty reduction. In line with the OECD/DAC definition of sustainability, the IFAD Evaluation Manual defines sustainability as “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.

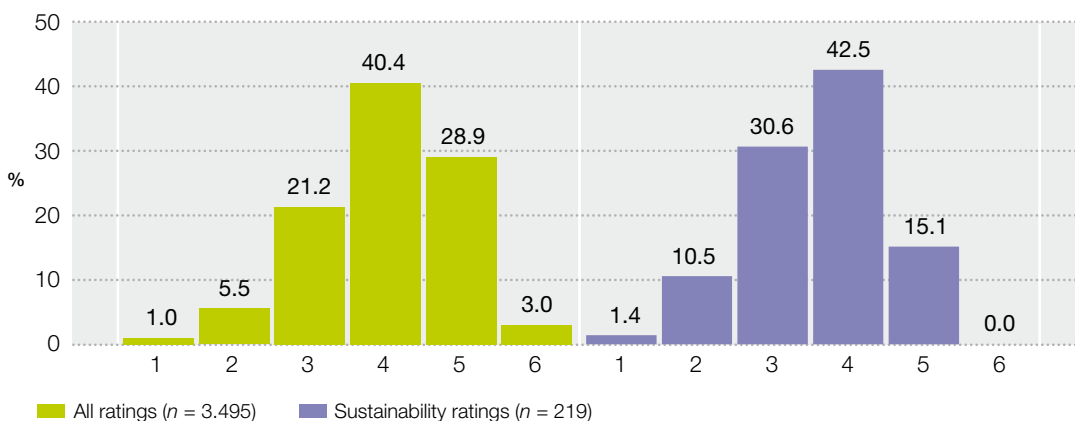
Objectives of the learning theme

200. The overall objectives of the learning theme are to: (i) deepen the understanding of results in sustainability; and (ii) identify key factors that drive or limit the achievement of sustainable benefits.

Approach

201. The results presented in this chapter draw from the findings of three complementary analyses: (i) statistical analysis of the “all evaluation data series” ratings, with a specific focus on sustainability, to examine the relationships between sustainability and other evaluation criteria; (ii) country visits to China, Ghana and Mozambique to assess the post-completion sustainability in six IFAD-supported projects; and (iii) desk review of previous evaluations and studies as well as an outlier analysis of ten closed IFAD-supported

Chart 23 Proportion of all ratings and ratings for sustainability of benefits



projects that were previously rated either high or low for sustainability to identify the drivers and limiting factors for sustainability.

Main findings

Statistical analysis

202. Chart 23 shows that 57 per cent of the historically available independent evaluation ratings for sustainability (219) are in the satisfactory zone, whereas 43 per cent lie in the unsatisfactory zone. However, a large number of projects rated satisfactory are in effect only moderately satisfactory and none are highly satisfactory for sustainability. The same figure also shows that a greater proportion of sustainability ratings are in the unsatisfactory zone (43 per cent as mentioned earlier), as compared to the proportion of unsatisfactory ratings (28 per cent) for all criteria evaluated by IOE since 2002.
203. The mean rating for sustainability of the entire data set analysis is 3.59 with an SD of 0.92. Chart 24 shows how mean sustainability ratings differ by region and by subsector

(i.e. the IFAD project types). It shows that the mean rating for IFAD-supported projects is highest in the Asia and Pacific region and lowest in the West and Central Africa region, thus confirming the findings from the benchmarking analysis done in the previous chapter. However, in none of the regions is the mean more than moderately satisfactory (4). Sustainability also differs by subsector, though less consistently than by region. On average, sustainability ratings are higher than the mean for access to credit and research projects, whereas they are lower than the mean for irrigation and livestock projects.

204. A correlation analysis of the mean rating for sustainability with the mean ratings for all other evaluation criteria rated by IOE was also conducted. The aim of this analysis was to assess the extent of the relationship between sustainability and the other evaluation criteria. The results of this analysis are shown in chart 25. In a nutshell, the correlation analysis reveals that IFAD's efforts to improve project sustainability might best focus on: (i) overall project achievement: (ii) project

Chart 24 Mean ratings of sustainability by region and sector

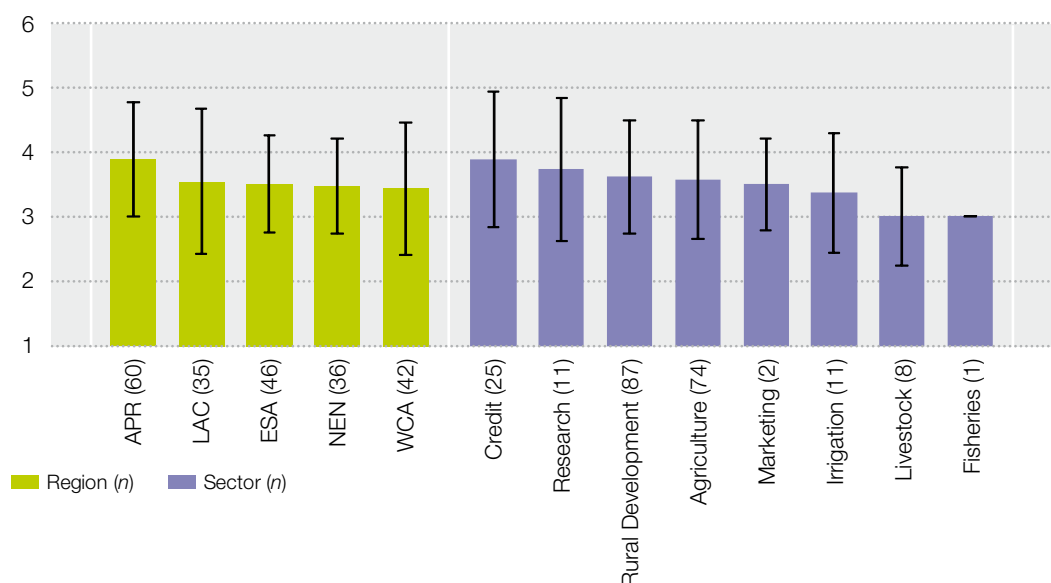
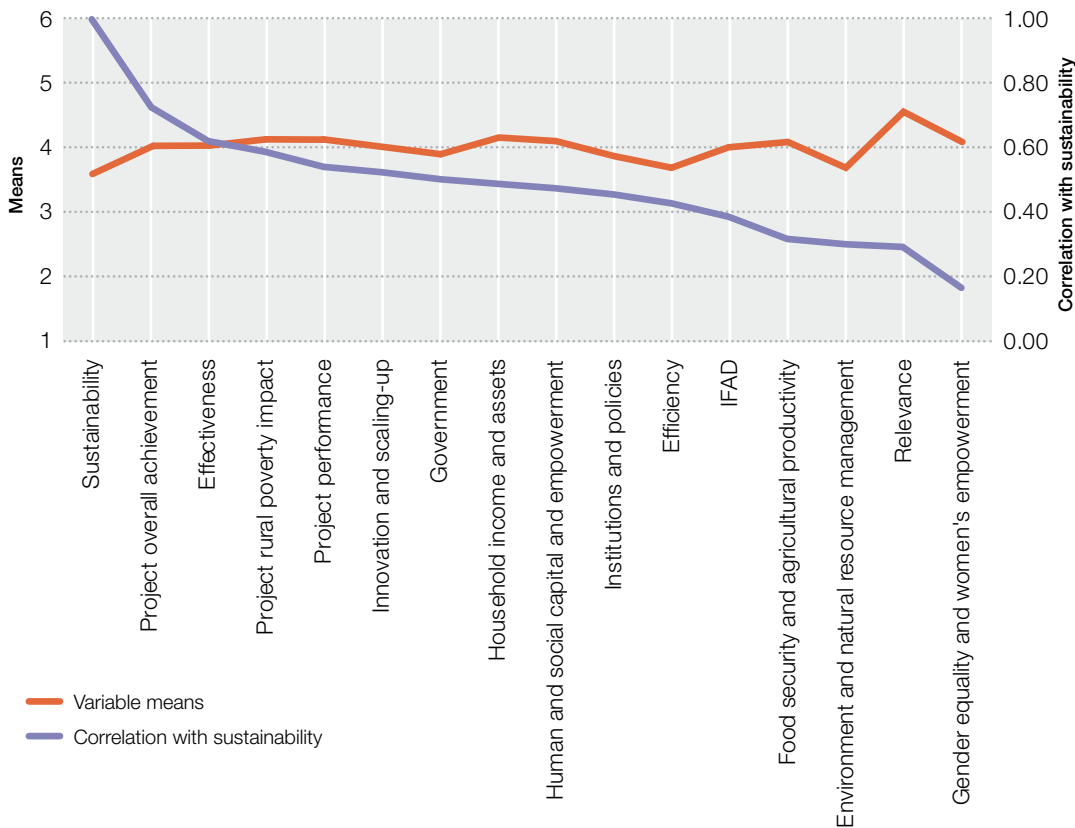


Chart 25 Means of each evaluation criteria correlated with the mean for sustainability



performance; (iii) effectiveness; and (iv) rural poverty impact.

205. However, it is important to keep in mind that correlations are linear associations between criteria, which do not explain why they are associated (or not). Given the aforementioned, the results of the correlation analysis were triangulated with other sources of evaluative evidence such as in-depth project reviews and country visits to identify drivers and limiting factors to the achievement of sustainable benefits.

206. A further analysis was undertaken (see table 13) to benchmark only the ratings for the sustainability of IFAD-financed projects with the agriculture sector operations of ADB and the World Bank.²⁷ For all three organizations, the table shows less than sixty per cent of operations evaluated in

2005-2015 are moderately satisfactory or better for sustainability. However, the results for sustainability of IFAD operations are better than in the two comparator organizations.

Key drivers and limiting factors for sustainability

207. As mentioned above, this analysis was conducted triangulating evidence from different sources: (i) desk reviews of available IFAD studies on sustainability, including the ARRIs produced since 2003; (ii) in-depth review and outlier analysis of ten projects; and (iii) country visits to China, Ghana, and Mozambique.

208. This learning theme has narrowed down the analysis and distilled four main drivers that can contribute to promoting sustainability of benefits, which are discussed here below.

27 These two organizations were selected given the availability of separate ratings for sustainability.

Table 13 **Sustainability – Percentage of agricultural and rural development projects completed in 2005-2014 rated moderately satisfactory or better**

Time period	IFAD	ADB	World Bank
2005-2014 (percentage)	58	56	51
Number of agricultural projects evaluated	101*	86	227

Source: Independent evaluation ratings databases of ADB, IOE and the World Bank.

*PCR/PPA data series.

Firstly, there is need for adequate integration of project objectives into national development strategies

209. That is, designing project objectives in full harmony with government development strategies and long-term vision is an essential driver for ownership and sustainability. In this context, it is necessary to have sufficient political will in the country to advance the promotion of smallholder participation and empowerment in agricultural and rural development initiatives. For example, the Rural Enterprises Project II (REP-II) in Ghana was designed with the aim of ensuring that project interventions were mainstreamed into the national system. The delivery mechanisms proved to be well anchored in both national and district level institutions, while the commitment of national stakeholders to sustain benefits was still strong four years after project completion.
210. When projects are adequately connected with policies at the national level, they are more effective in supporting the government's institutional, policy and legal developments for lasting impact of project benefits. For example, the Sofala Bank Artisanal Fisheries Project supported Mozambique's Fisheries Sector Economic Development Plan and the development of the policy and regulatory framework for the Strategic Plan for the Artisanal Fisheries Sector (PESPA 2006). In so doing, it laid the foundations and guidelines for further development in the subsector. At the time of the country visit – three years after completion – all national and sector policies, strategies, and plans continued to guide project interventions, thereby providing a conducive environment and the required continuity to sustain project impacts. The perception among all interviewed heads of key government institutions was that the project was a milestone in the development of the country's artisanal fishery subsector. Moreover, the innovative and ambitious livelihoods approach introduced by the project reportedly delivered wide-ranging, tangible and sustainable results beyond fishery development.
211. It is equally important that projects' objectives align with complementary initiatives of other development partners working in agriculture and rural development in the same country. In some cases, although the national policy and institutional environment provide cohesion, stability and commitment to continuing project benefits, there may be contradictions in donors' approaches that undermine project sustainability. For example, in the Sofala Bank Artisanal Fisheries Project in Mozambique – some of the donor interventions in the agricultural and fisheries sectors were based on "hand-out" approaches, which clashed with the development rationale on which the IFAD projects were based – i.e. participation of beneficiaries. When these interventions were implemented side-by-side, the contradictions caused confusion and even suspicion towards participatory approaches on the ground.

Secondly, investment in activities that enhance communities' human and social capital through inclusive development is another driver of sustainability

212. Building human and social capital and promoting effective participation and empowerment of rural communities are key drivers of lasting social benefits. Those drivers are essential to achieving IFAD's mandate for rural poverty reduction, as set forth in its Strategic Framework 2011-2015: "enabling poor rural people to improve their food security and nutrition, raise their incomes and strengthen their resilience." The IFAD projects reviewed in this study employed various ways to promote equitable participation and adequate outreach to benefit different community members, for example, through the introduction of (i) quotas for participation for vulnerable groups, like women and youth; (ii) targeted skills-training for groups usually not included in development interventions; and (iii) alternatives tailored to the poorest or most remote households.
213. In the case of Microfinance for Marginal and Small Farmers Project (MFMSFP) in Bangladesh, the project impacted considerably on the human capital of participating households through improved nutrition and capacity-building, and by helping communities make linkages with external actors. These included public agencies, such as the Department of Agricultural Extension, which provided training and other support for technical and social aspects of development. In value-chain development projects, such as the Agricultural Markets Support Programme in Mozambique, the main sustained social benefits were found five years after project completion – farmer group development resulted in improved local leadership and enhanced levels of trust along the value chain, as well as in the community as a whole.
214. The Northern Region Poverty Reduction Programme in Ghana introduced incentive mechanisms to stimulate the incorporation of community needs into district planning processes, making district assemblies' access to resources dependent on performance and delivery to communities. The practice of developing community action plans as the basis for Medium-Term District Plans, was found one year after project completion to be fully integrated into the decentralized planning process of the National Development Planning Commission. As such, aside from sustaining project benefits, the project's new approach influenced the Government of Ghana to transform its decentralized planning process from top-down to bottom-up, with lasting impact.
215. In addition to the above, IFAD should promote investments in activities that strengthen rural enterprises and producer organizations and promote markets. Strengthening the capacity of individual farmers and producers, rural enterprises or producer organizations to manage themselves and to strengthen their position in markets and vis-à-vis government is essential to ensure their ability to operate beyond the life of the project without outside support. Key factors contributing to this continuity were a combination of social mobilization, access to microfinance, strengthened market linkages, and the provision of guidance, technical support and training. Vertically along value chains, the ability of producers to satisfy buyers' product requirements and fulfil contractual obligations enhanced business trust and resulted in continuous trade deals.
216. The MFMSFP in Bangladesh provides a good example of the far-reaching effects of intensive guidance of producer organizations. In the highlighted case of Mozambique's sugar cane producer "Association Against Poverty", the sustainability of financial benefits was attributed to the quality of local leadership and its vision, proactive attitude and business acumen demonstrated in its growing influence within the community as a promoter of local economic development ideas – some of which

were funded by the Fair Trade Foundation – as well as the ability to manage the association’s production and financial activities successfully. The risk to the financial sustainability in this case was largely external and connected to the global sugar market and price fluctuations.

Thirdly, clear and realistic strategies for gender mainstreaming are crucial in promoting sustainability

217. In fact, the learning theme found that the absence of appropriate gender strategies can lead to: (i) project designs that do not pay sufficient attention to tailoring gender and poverty targeting, as in the case of the Northern Region Poverty Reduction Programme in Ghana, and (ii) limited attention to gender issues during implementation even when gender is embedded at design as a cross-cutting issue, as shown in the outlier analysis of the Guatemala National Rural Development Programme. In both cases, the lack of gender strategies compromised sustainability.
218. On the other hand, gender-equality benefits are more likely to achieve long-term sustainability when gender strategies: (i) include realistic targets for women’s participation and (ii) strengthen relevant national and PMU capacities to address gender issues in implementation. In most of the projects reviewed, special attention was given to gender-equality issues and the promotion of specific benefits targeted to women, including income generation and increased representation in farmer groups or local government, both of which have proven to contribute considerably to empowering women and improving their self-perceived well-being. For example, in the Rural Finance Sector Programme (RFSP) in China, gender equality and women’s empowerment was promoted through: (i) gender sensitive training for all stakeholders at each level; (ii) involvement of women’s federations in programme design and implementation; (iii) inclusion of women into village-investment

groups; and (iv) design and implementation of women-specific activities, including health and education interventions and a women’s credit programme for income generation. These activities brought sustainable human and social capital benefits that were visible five years after project completion, including higher women’s literacy rates, reduced maternal mortality rates and increased women’s decision-making in household and community affairs.

Finally, promoting community-level ownership and responsibility is another key driver

219. The sustainability of economic benefits deriving from infrastructure improvements, such as construction of roads and markets, depends heavily on the extent to which governments and communities assume ownership and responsibility for ongoing maintenance and operations. In the projects reviewed, benefits at the community level were sustained when governments at the local, district and national levels were committed to continuing activities in the areas of leadership, political support, provision of funds for selected activities, provision of human resources, continuity of supportive policies and participatory development approaches, institutional support, community management and contributions as appropriate. Building community-level institutional capacities to promote ownership and responsibility was particularly effective in areas of governance, coordination, conflict resolution, social supports, access to formal or informal technical assistance, and maintaining and operating community infrastructure. The presence of competent and dedicated leaders able to mobilize the community was important for sustaining local level economic benefits.

Factors limiting sustainability

220. The 2015 ARRI learning theme identifies five major limiting factors constraining sustainability of benefits, which are discussed here below.

221. The first is related to weak assessment and management of risks. Project designs have a tendency to be ambitious, especially regarding the potential for successful delivery mechanisms. This is often a result of inadequate understanding of socio-political and institutional risks during project design, a situation that is aggravated by poor management of risks during implementation.
222. The Gash Sustainable Livelihoods Regeneration Project (GSLRP) in Sudan is a good example of these risks. Although the project met a number of its objectives, its overall achievements and sustainability fell short, mostly because the initial aspirations were ambitious, and the project area was challenging. Project design had underestimated the complexities of the social, political and institutional contexts. IFAD had to address delicate issues of access to land and water resources in a society with a strong tribal hierarchy and power structure, which was risky but courageous in pursuit of targeting disadvantaged poor people.
223. Box 6 below presents two examples from Latin America of underestimating institutional risks to sustainability.
224. Secondly, carrying out a sound financial and economic analysis (FEA) during project design, appraisal, and implementation can make a notable difference in achieving desired economic outcomes and increasing the likelihood of sustained economic benefits. In many projects reviewed that aimed at enhancing productivity and profitability of smallholder production systems and smallholders' access to markets, a FEA was not found to be an integral part of the project. This omission compromised the ability of decision makers to identify bottlenecks and make the required adjustments that could have led to better sustainability. Based on a sensitivity analysis carried out during project design, a FEA can be the tool for quantifying the effects of actual changes in key parameters during a project's implementation (e.g. costs, benefits, outreach, adoption and the pace of implementation) and the tool for validating the assumptions incorporated in the logical framework. A FEA may also help identify new risks during implementation or adjust the assumptions made during design, thus helping to identify risk-mitigating measures and modifications to implementation arrangements as needed. This review identified some good examples of effective

Box 6 Underestimating institutional risks to sustainability: The cases of Guatemala and Mexico

The design of the National Rural Development Programme (PRONADER) in Guatemala failed to identify major institutional weaknesses in the project's governmental counterpart, the Ministry of Agriculture. The analysis of the decentralization process that was taking place in Guatemala was inadequate and did not predict institutional changes that proved detrimental to implementation. The programme's poor performance and lack of sustainability were due largely to the highly fluctuating political and institutional context in the country. The Strengthening of the National Watershed Programme in Mexico had similar limitations. The programme's poor performance, premature closure and absence of any sustainable intervention were caused largely by an underestimation of institutional risks at all governmental levels as well as IFAD's failure to engage in policy dialogue with the Government to provide adequate supervision and follow-up on project implementation.

uses of FEAs during implementation (through business plans) that helped ensure resources were used for financially viable investments as a precondition for adoption and sustained use of technologies by beneficiaries.

225. The Rural Enterprises Project II in Ghana provides a good example of financial analysis being a core element of any microproject or enterprise development plan, as a precondition for accessing project funds. Similarly, in the Armenia Rural Areas Economic Development Programme, the identification of commercially-derived infrastructure was based on an assessment of the economic viability and market linkages, and the requirement that all investments should be able to generate an economic internal rate of return of >10 per cent (among other criteria).
226. The third limiting factor relates to wide geographic and subsector coverage of operations. The tendency to target wide geographic areas and numerous subsectors decreases the likelihood of sustained benefits. General social and economic factors that define the environment within which the project is implemented have a significant impact on the level of risk to long-term sustainability, especially in cases where these factors are largely outside of the project's scope to mitigate. Realistic objectives and focused components, requiring the involvement of few agencies and simple institutional coordination efforts facilitates achievement of sustainable benefits.
227. The selection of project intervention areas was also found to have major impacts on the potential sustainability of benefits. For example, in the Agricultural Markets Support Programme in Mozambique, the ability of rural enterprises to operate without outside support beyond the life of the project – which was visited five years after completion – was influenced by external factors related to the choice of target area. There was a notable difference between sustainability of the same project
- benefits between the north and the south of the country. In the north, benefits were not sustained due to the difficult business environment, which included high poverty, low human resource capacity, poor infrastructure development and low overall levels of trade. By contrast, in the south, more benefits were sustained as a result of the more favourable peri-urban business context favoured by shorter distances between businesses, higher technical and business skills and regular exposure to external and urban markets. Moreover, in the south, higher levels of literacy, especially among adult women, proved to have far-reaching social benefits.
228. The fourth constraint is the lack of exit strategies. The projects reviewed for this study transitioned to local control at the end of project implementation with varying degrees of success. In most organizations, including IFAD, designing and implementing viable exit strategies during the life of the project is a recurrent weakness that limits sustainability. For example, the project for the Restoration of Earthquake Affected Communities and Households (REACH) in Pakistan lacked an exit strategy. The absence of a process for handing over operations from the Pakistan Poverty Alleviation Fund to the Earthquake Reconstruction and Rehabilitation Authority lead to an institutional gap and the abrupt closure of regional and field operations upon the project's completion. This was also a consequence of a mismatch between project objectives and national development plans, the latter of which expressed no interest in maintaining the rural roads in remote areas built under the project. As a result, the thousands of community organizations established by the project were left with no support, as no funding was made available for institutional development or for maintenance of the community infrastructure schemes developed.
229. By contrast, the South Gansu Poverty Reduction Programme in China designed

and implemented a viable exit strategy with benefits that were visible 2.5 years after the project's completion. During the last stages of implementation, the provincial Project Management Office (PMO) and Department of Finance issued a "Post-Programme Management Guideline", covering a period of 10 years following completion. Each county PMO developed "Post-Programme Management Measures" accordingly, which detailed arrangements for the gradual handover of responsibilities for operation and maintenance of programme equipment and infrastructure, and the continuity of technical, social, and credit services. PMO staffing costs were included in the government's budget. At the time of the country visit for this study, the provincial and all three county PMOs were still active in carrying out post-project follow-up actions.

230. Finally, building communities' and households' resilience to withstand external shocks is a key element of sustainability, influenced by a multiplicity of social, economic, institutional and environmental factors. However, even with good resilience-building efforts from projects, IFAD's targeted beneficiaries often remain highly vulnerable to different types of shocks, requiring institutional safety nets. In some cases, environmental, economic, and political shocks were too challenging to overcome, resulting in the worst cases in increased vulnerabilities to future shocks. Weaknesses were noted in IFAD's capacity to incorporate disaster risk management into projects in countries with high vulnerabilities to climate fluctuations (floods, droughts, etc.) and natural calamities.

Brazil: Sustainable Development Project for Agrarian Reform Settlements in the Semi-Arid North-East (known as Dom Hélder Câmara Project)

The IFAD-supported Dom Hélder Câmara Project works with local governments, farmers' organizations, civil society associations and state companies to improve poor people's living conditions.

©Ubirajara Machado/MDA/IFAD



4

Conclusions and recommendations

Conclusions

231. This is the final ARRI produced in the IFAD9 period (2013-2015) and the general conclusion is that IFAD is an organization on the move, with improved operational performance in many areas to further its specialized agenda of promoting rural transformation for better livelihoods in recipient member countries. Given the large number of poor people who continue to live in rural areas, IFAD's loans and grants for sustainable and inclusive smallholder agricultural development distinguishes it from other development organizations, making it an important actor in the international aid architecture.
232. However, the Fund needs to pay more attention to consolidating the many important changes introduced in the past 5-7 years to raise the performance bar from moderately satisfactory to satisfactory or better, which will also support its important scaling-up agenda for wider impact on poverty.
233. There are areas that will require attention as the organization moves forward to operationalize the priorities set for the IFAD10 period (2016-2018), within the broader framework of its contribution to the Sustainable Development Goals. Among other issues, the ARRI underlines the need for IFAD to further enhance its operational delivery model and tools. In particular, this will require attention to non-lending activities, identifying pathways for scaling up impact, M&E for evidence-based decision-making, and strengthened country presence with greater

outposting of CPMs. All these factors are critical for the policy and institutional change needed to induce lasting development results on the ground.

Project performance

234. First and foremost, IFAD operations are revealing good impact on rural poverty. There are several drivers for good achievements in rural poverty reduction, including strong attention to building human and social capital and empowerment, and gender, which taken together are at the cornerstone of IFAD's development approach. However, continued efforts will be needed to raise the performance bar, as one in two projects are still only moderately satisfactory for rural poverty impact.
235. Two other strong areas of performance are gender equality and women's empowerment, and agricultural productivity and food security. IFAD operations pay specific attention to providing socio-economic opportunities to women, including through IGA and preparing them for a greater role in decision-making and resource allocation processes. Results in this area are corroborated by IFAD's positive performance as assessed within the context of the United Nations System-Wide Action Plan on Gender. However, as for rural poverty impact, 40 per cent of the projects are still moderately satisfactory, so there is room for improvement, including in ensuring that gender-disaggregated data is collected more systematically to inform design and implementation.

236. IFAD-supported operations do well in the core area of the organization's mandate, agricultural productivity and food security, though the achievements in the latter are also due to attention devoted to off-farm employment generation. In terms of agricultural productivity, the introduction of sustainable, low-cost technologies are helping small farmers improve cropping intensity, production and productivity. However, one of the challenges in enhancing agricultural productivity and production is access to input and output markets for value addition and access to stable and customized rural financial services and products for smallholder farmers.
237. As anticipated in last year's ARRI, IFAD's performance as a partner is good. One of the key factors is that the organization has continued its decentralization efforts and experimented with alternative models for ICOs, which as the analysis in this year's ARRI reveals, is a fundamental characteristic to achieve better development effectiveness. Additional inroads will be needed to learn from past experience for more broad-based results, including the provisions of adequate infrastructure such as in the area of ICT and administrative services, and recognizing that strengthening existing ICOs and establishing additional ones is likely to have cost implications. However, the further development of IFAD's decentralization model, bringing the organization to the forefront of action, has to be embraced as an "effectiveness agenda" and not only be viewed from an efficiency perspective.
238. There are areas in IFAD's operational effectiveness that need specific attention for the organization to make the leap forward from moderately satisfactory performance to satisfactory or better. The areas highlighted as challenges in this ARRI are not new and several measures are being put in place, but they will require continued M&E to ensure the changes implemented bring about the required improvements.
239. Firstly, operational efficiency is the weakest area of project performance, whether one looks at the mean ratings or proportion of projects that are moderately satisfactory or better. There are several explanatory factors affecting performance in this area, including high project management costs, weak financial management, delays in the recruitment of and frequent changes in project management personnel, and wide geographic coverage in many operations. Simpler designs with fewer components and activities would help improve efficiency and also contribute to enhanced effectiveness.
240. Secondly, though there have been some improvements in recent times, sustainability of benefits is another area of concern. This is not a challenge unique to IFAD, as other organizations also face challenges related to sustainability. The detailed review of sustainability in this year's ARRI revealed that, inter alia, many projects do not have clear exit strategies, nor is sufficient attention devoted to ensuring the maintenance of key community infrastructure developed during the investment phase of projects.
241. Challenges are indeed inherent to the complex and remote context in which IFAD operates, which necessitates accelerating the scaling up of activities linked to greater public-private partnerships at the country level, and longer-term commitment to capacity-building efforts for better sustainability. There are other drivers and inhibitors of sustainability, such as the need for geographic and thematic selectivity within IFAD-supported projects, which need to be carefully considered in the design of future operations and the implementation of all operations. Assessment of risks and definition of risk mitigation measures as well as sound economic and financial analysis are other

limiting factors that merit more systematic consideration during the design phase.

242. The third area where performance is inadequate is country- and project-level M&E activities. Notwithstanding some good examples found by the 2014 evaluations, on the whole, M&E is weak. For instance, the quality of baseline surveys is poor; in many cases, they are not available or done late in the project cycle, thus reducing their usefulness. Logical frameworks require indicators that are easy to track and measure. In particular, a more systematic collection of gender-disaggregated and nutritional impact data is needed in order to better discern the contribution of IFAD operations to food security and enhanced livelihoods in rural areas.
243. Incentive framework for efficient and effective M&E systems are not yet sufficiently developed. Budgets for M&E activities are not always transparent in project costing, and supervision and implementation support missions do not systematically address challenges in that area. Well-functioning M&E systems are the bedrock of IFAD's results measurement system, and a critical component for promoting accountability and learning, including for the preparation of PCRs, which are currently of variable quality. M&E of non-lending activities has not been sufficiently emphasized thus far.

Performance at the country level

244. IFAD country strategies are fundamental instruments that provide an overarching framework for articulating IFAD's strategic positioning in the country as well as for specifying how all activities supported by IFAD gel into coherent country programmes. One key dimension necessary to achieving this is to design country strategies with feasible, realistic objectives. This dimension is not backed up by clear estimates of the total resource envelop required (for investments,

grants, non-lending activities, administration) to translate intentions into concrete actions.

245. Moreover, while individual IFAD operations generally show good results in the geographic areas they cover, there are opportunities to tighten the diverse activities supported by the organization at the country level. The aim should be to ensure that the good results at the "micro level" be scaled up into national policies and programmes for wider impact on rural poverty, an issue that will require more strategic partnerships with other development organizations and the private sector, more attention and resources allocated to knowledge sharing and national policy dialogue, and better synergies between lending operations and non-lending operations, including grant-funded initiatives.

Achievements in the IFAD9 period

246. IFAD performed well in the IFAD9 period, and broadly addressed the main areas of reform envisaged, even though a fuller assessment will only be possible once the next ARRI is able to draw upon evaluations of operations completed in 2015. In any case, during the IFAD9 period, IFAD devoted attention to climate change, gender, decentralization, and fragile situations, to name a few priorities. It has also laid more emphasis to results measurement, even though this agenda needs further work.
247. However, there is need for consolidation of initiatives and systematizing activities in other areas of priority, such as South-South and Triangular Cooperation, non-lending activities, environmental and natural resources management, private-sector engagement and scaling up for wider developmental impact. And, the organization will need to further strengthen its efforts in other key processes such as economic and risk analysis, M&E and partnerships at the country level, including with the Rome-based agencies.

248. In sum, as IFAD moves forward into the IFAD10 period starting in 2016, and with further adjustments needed in the areas identified by the 2015 ARRI, the organization has the opportunity to firmly position itself as the premier global institution dealing with rural transformation through smallholder agricultural development.

Recommendations

249. The Board is invited to adopt the following four recommendations, three of which are addressed to IFAD Management and one to IOE itself.

Sustainability

250. The President's Report submitted for Board approval for each new operation should include a short section describing the specific measures that will be taken to ensure the sustainability of benefits after project closure. In particular, in collaboration with the concerned government, IFAD should prepare an exit strategy in each project well before completion. Such an exit strategy would transparently define the respective roles and responsibilities of the government, IFAD, community-based organizations and other concerned players in post-project activities. Exit strategies would articulate how the recently developed operational framework for scaling up will be implemented as a measure for promoting sustainability, and any recurrent costs needed and the corresponding sources of funding to ensure continuation of services to project beneficiaries. The joint responsibility of IFAD and the government in preparing such exit strategies should be clearly reflected in a new dedicated section in all loan financing agreements.

Monitoring and evaluation

251. All project cost tables should clearly include a separate budget line devoted specifically to M&E activities, which should not be

embedded within other budget items. This would reduce the risk that funds allocated towards M&E are used for other operational purposes. Baseline surveys should be performed at design or no later than twelve months after the "entry into force" date of IFAD operations has been declared. More systematic attention should be given to sharpening indicators in general, and in collecting data on nutritional impacts and gender-disaggregated data. All COSOP RMFs should include specific and measurable indicators and targets also for non-lending activities, which would be analysed and reported during COSOP annual, midterm and completion reviews.

IFAD country strategies

252. All new country strategies should contain realistic and achievable objectives based on IFAD's comparative advantage, track record and specialization in a particular country. COSOP documents should also more clearly specify the time frames covered by the country strategy, and how lending and non-lending activities reinforce each other and collectively contribute to achieving COSOP objectives. Among other issues, this will require that the COSOPs include a more detailed account of the estimated "costs" (both programme and administrative resources) needed to achieve stated objectives. Finally, taking into account resource implications, continued attention to conducting COSOP completion reviews would strengthen IFAD's accountability framework and ability to generate lessons for future country strategies and development interventions.

2016 ARRI learning theme

253. The Board is invited to adopt the recommendation for IOE to treat knowledge management as the single learning theme in the 2016 ARRI – with particular emphasis on how operations can learn to improve

performance. Although there have been improvements in knowledge management activities in recent years, there is scope for further developing knowledge management in country programmes for better effectiveness. IOE has ample evaluative evidence on the topic, as each CPE includes a dedicated assessment on the topic. Additionally, in the process, IOE will work towards identifying relevant good practices for IFAD based on a desk review of evaluations carried out by other organizations, such as the recent evaluation by the Independent Evaluation Group of the World Bank on “Learning and Results in World Bank Operations”.



Albania: Small-scale Irrigation
Rehabilitation Project

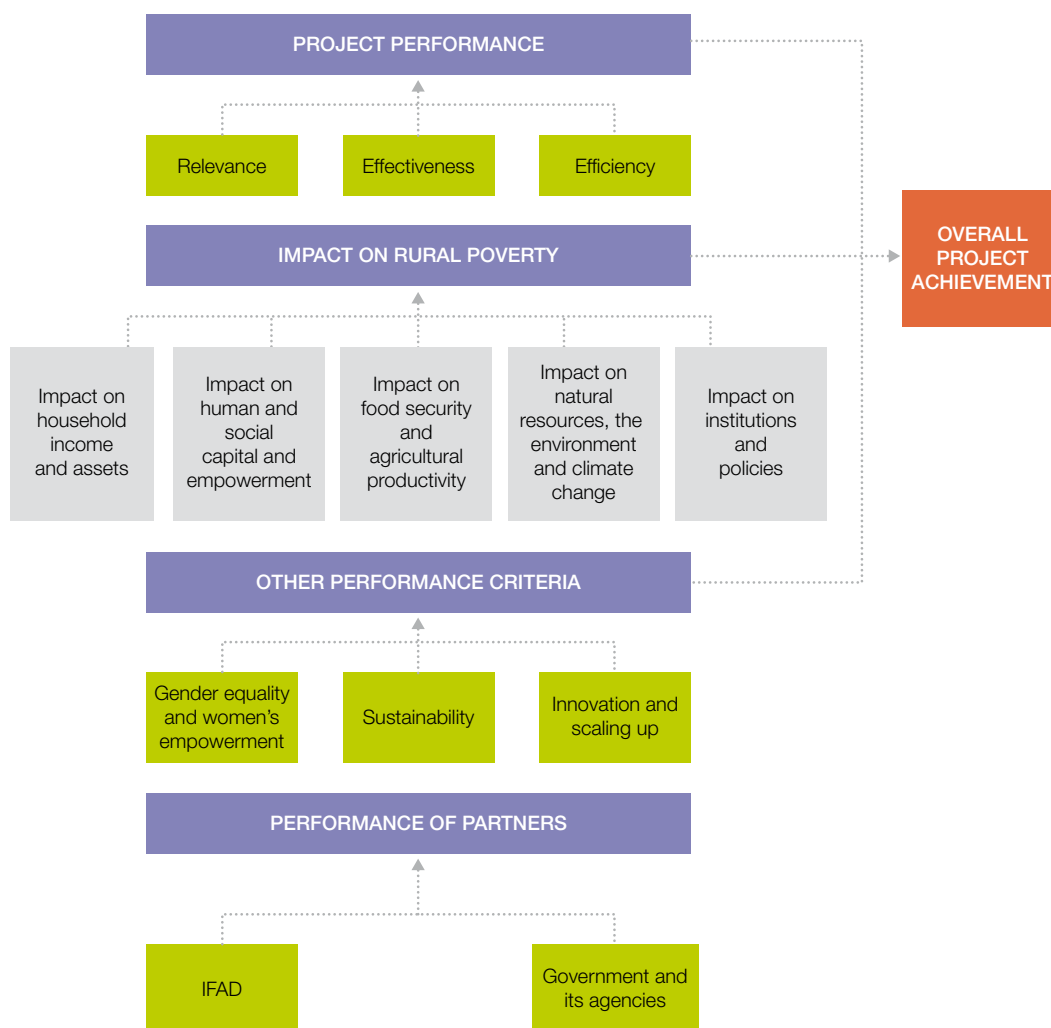
Woman prepares a typical
lunch of bread and milk during
one of the many power failures
in the village of Bicaj, Albania.

©IFAD/Gerd Ludwig

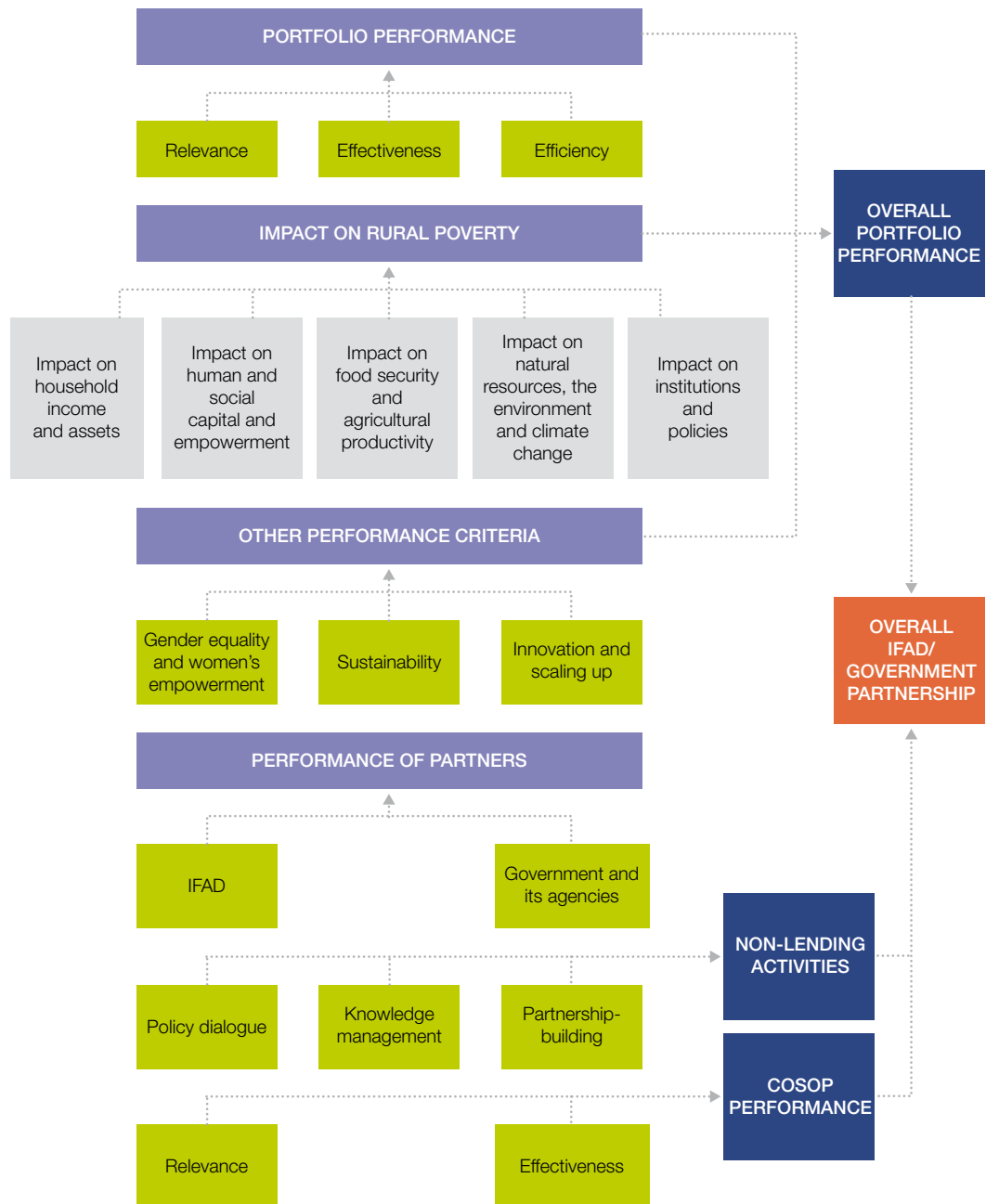
Annexes

Annex 1 Project and country programme evaluation methodology

Project evaluation methodology



Country programme evaluation methodology



Annex 2 Evaluations included in the 2015 ARRI

Type	Country/ region	Title	Executive Board approval date	Project completion date	IFAD loan* (US\$ million)	Total project costs* (US\$ million)
Corporate-level evaluations	All	CLE on IFAD's Engagement in Fragile and Conflict-affected States and Situations				
Evaluation syntheses	All	Joint Evaluation Synthesis Report on FAO's and IFAD's Engagement in Pastoral Development				
	All	Evaluation Synthesis on IFAD's Engagement with Indigenous Peoples				
Country programme evaluations	Bangladesh	Microfinance and Technical Support Project	10 Apr 2003	31 Dec 2010	16.3	20.2
		Microfinance for Marginal and Small Farmers Project	02 Dec 2004	30 Jun 2011	20.1	29.7
		Market Infrastructure Development Project in Charland Regions	13 Dec 2007	30 Sep 2013	25.0	43.9
		Sunamganj Community-Based Resource Management Project	12 Sep 2001	31 Mar 2014	22.0	34.3
		Finance for Enterprise Development and Employment Creation Project	12 Sep 2007	31 Mar 2014	35.0	57.8
		National Agricultural Technology Project	13 Dec 2007	31 Dec 2014	19.6	84.8
	United Republic of Tanzania	Participatory Irrigation Development Programme	08 Sep 1999	31 Dec 2006	17.1	25.3
		Rural Financial Services Programme	07 Dec 2000	31 Dec 2010	16.3	23.8
		Agricultural Marketing Systems Development Programme	06 Dec 2001	31 Dec 2009	16.3	42.30
	Impact evaluation	India	Jharkhand-Chhattisgarh Tribal Development Programme	29 Apr 1999	30 Jun 2012	23.0

Type	Country/ region	Title	Executive Board approval date	Project completion date	IFAD loan* (US\$ million)	Total project costs* (US\$ million)	
Project completion report validations	Burkina Faso	Sustainable Rural Development Project	02 Dec 2004	30 Jun 2014	16.0	38.3	
	Ethiopia	Agricultural Marketing Improvement Programme	02 Dec 2004	31 Dec 2013	27.2	35.1	
	Ghana	Rural Enterprises Project – Phase II	05 Sep 2002	30 Jun 2012	11.2	29.3	
	Guinea- Bissau	Rural Rehabilitation and Community Development Project	12 Sep 2007	30 Jun 2013	4.7	5.6	
	Kenya	Mount Kenya East Pilot Project for Natural Resource Management	11 Dec 2002	30 Sep 2012	16.7	25.7	
	Malawi	Rural Livelihoods Support Programme	12 Sep 2001	30 Sep 2013	13.47	19.6	
	Mozambique	Rural Finance Support Programme	17 Dec 2003	30 Sept 2013	9.5	34.3	
	Nicaragua	Technical Assistance Fund Programme for the Departments of León, Chinandenga and Managua	09 Dec 1999	30 Jun 2013	14.0	20.6	
	Niger		Agricultural and Rural Rehabilitation and Development Initiative Project	17 Dec 2008	30 Sep 2013	8.0	61.5
			Project for the Promotion of Local Initiative for Development in Aguié	11 Dec 2002	30 Jun 2013	10.0	17.6
	Pakistan	Programme for Increasing Sustainable Microfinance	12 Sep 2007	30 Sep 2013	35.0	46.6	
	Rwanda		Rural Small and Microenterprise Promotion Project – Phase II	11 Sep 2003	30 Jun 2013	14.9	17.6
			Smallholder Cash and Export Crops Development Project	11 Dec 2002	30 Sep 2011	16.3	25.1
	Sri Lanka	Post-Tsunami Coastal Rehabilitation and Resource Management Programme	19 Apr 2005	30 Sep 2013	14.2	33.5	

Type	Country/ region	Title	Executive Board approval date	Project completion date	IFAD loan* (US\$ million)	Total project costs* (US\$ million)
	Sudan	South Kordofan Rural Development Programme	14 Sep 2000	30 Jun 2012	17.9	39.6
	Uganda	Vegetable Oil Development Project	29 Apr 1997	31 Dec 2011	20.0	60.0
	Viet Nam	Decentralized Programme for Rural Poverty Reduction in Ha Giang and Quang Binh Provinces	02 Dec 2004	30 Sep 2011	24.1	38.8
		Improving Market Participation of the Poor in Ha Tinh and Tra Vinh Provinces	14 Sep 2006	30 Jun 2012	26.0	37.3
	Yemen	Al-Mahara Rural Development Project	09 Dec 1999	30 Sep 2009	12.3	17.8
		Dhamar Participatory Rural Development Project	05 Sep 2002	31 Dec 2012	14.0	22.7
		Pilot Community-Based Rural Infrastructure Project For Highland Areas	19 Apr 2005	31 Mar 2013	9.0	10.4
	Zambia	Rural Finance Programme	02 Dec 2004	30 Sep 2013	13.8	17.4
Project performance assessments	Albania	Programme for Sustainable Development in Rural Mountain Areas	13 Dec 2005	31 Mar 2013	8.0	24.3
	Brazil	Rural Communities Development Project in the Poorest Areas of the State of Bahia	20 Apr 2006	31 Dec 2012	30.0	60.5
	India	Livelihood Improvement Project for the Himalayas	18 Dec 2003	31 Dec 2012	39.9	84.3
	Pakistan	Community Development Programme	18 Dec 2003	30 Sep 2012	21.8	30.7
	Rwanda	Support Project for the Strategic Plan for the Transformation of Agriculture	08 Sep 2005	31 Mar 2013	8.2	20.1
	Turkey	Sivas-Erzincan Development Project	11 Sep 2003	31 Mar 2013	13.1	30.0
Total					757.01	1 696

* The figures are not indicative of IFAD's total loans to the country nor are they representative of the total costs of all projects financed by the Fund in that country.

Annex 3 Objectives of country programmes and individual projects evaluated

Objectives of country strategies

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

- (i) **Bangladesh.** The 2012 COSOP was organized around three strategic objectives:
 - **Strategic objective 1:** The livelihoods of poor people in vulnerable areas are better adapted to climate change;
 - **Strategic objective 2:** Small producers and entrepreneurs benefit from improved value chains and greater market access; and
 - **Strategic objective 3:** Marginalized groups, including poor rural women, are economically and socially empowered.
- (ii) **United Republic of Tanzania.** The 2007 COSOP identified the following strategic objectives:
 - **Strategic objective 1:** Improved access to productivity-enhancing technologies and services;
 - **Strategic objective 2:** Enhanced participation of farmers' organizations in Agricultural Sector Development Programme planning;
 - **Strategic objective 3:** Increased access to sustainable rural financial services; and
 - **Strategic objective 4:** Increased access to markets and opportunities for rural enterprise.

Objectives of projects and programmes

Country and project/ programme names	Objectives
<p>Albania</p> <p>Programme for Sustainable Development in Rural Mountain Areas</p>	<p>The programme goal is to increase household incomes in Albania's mountain areas, particularly among the poorer rural population. The overall objective of the programme is to achieve: (i) additional resource mobilization in and for the mountain areas; (ii) accelerated economic growth and poverty reduction; and (iii) strengthened abilities of local institutions and organizations to influence and support private- and public-sector investment. This overall objective is to: (a) position the Mountain Areas Development Agency in terms of staffing, levels of competence, functions, institutional linkages and financial arrangements to act as an EU-style regional development agency, and (b) support the conversion of the Mountain Areas Finance Fund into a rural commercial bank.</p>
<p>Bangladesh</p> <p>Microfinance and Technical Support Project</p>	<p>The project's goal is the improved livelihoods and food security of moderately poor and extremely poor households and the empowerment of women. Its objectives are the adoption of sustainable income-generating activities and livestock technologies by the moderately poor and hard-core poor and the acquisition of knowledge regarding livestock by Palli Karma-Sahayak Foundation and its partner organizations. The project will seek to meet these objectives by financing three components: (i) microcredit; (ii) technical support, with four subcomponents (training for beneficiaries, training for partner organization staff, training for Palli Karma-Sahayak Foundation and other government staff, and research and development); and (iii) project implementation support, with three subcomponents (project coordination, monitoring and evaluation, and support to partner organizations).</p>
<p>Bangladesh</p> <p>Microfinance for Marginal and Small Farmers Project</p>	<p>The goal of this six-year project is to improve the livelihoods of 210,000 poor small and marginal farmer households. The project will seek to meet this goal by financing three components: (i) microfinance services; (ii) capacity-building and market linkages; and (iii) project coordination and management. The objectives of these components are to: (i) establish viable microfinance institutions to provide opportunities to 210,000 small and marginal farmer households to invest in on- and off-farm enterprises; (ii) increase agricultural production through access to information, the adoption of new technologies and linkages to markets; and (iii) develop and mainstream Palli Karma-Sahayak Foundation operational procedures for lending to farmers and related agro-enterprises.</p>
<p>Bangladesh</p> <p>Market Infrastructure Development Project in Charland Regions</p>	<p>The project goal is to improve the well-being and reduce the poverty of 87,500 direct beneficiary households – comprising primary producers, char-based traders (both women and men), and landless and single women. This will be achieved through: (i) improvement of market facilities and the terms of access for men and women to rural markets; (ii) increased wage employment for poor women; (iii) increased production and sale of goods for the market; and (iv) movement of primary producers up the value chain.</p>

Country and project/ programme names	Objectives
<p>Bangladesh</p> <p>Sunamganj Community-Based Resource Management Project</p>	<p>The main objectives of the project are to: (i) increase the assets and income of 135,000 households by developing self-managing grass-roots organizations to improve beneficiary access to primary resources, employment, self-employment and credit; and (ii) support the development of a viable national institution to replicate the project approach in other areas of Bangladesh. The project's objectives will be met through the financing of five components designed to assist the poor: (i) labour-intensive infrastructure development; (ii) fisheries development; (iii) crop and livestock production; (iv) credit; and (v) institutional support.</p>
<p>Bangladesh</p> <p>Finance for Enterprise Development and Employment Creation Project</p>	<p>The project goal is to stimulate pro-poor growth to increase employment opportunities and reduce poverty. The project objective is to expand existing microenterprises and establish new ones.</p>
<p>Bangladesh</p> <p>National Agricultural Technology Project</p>	<p>The project's overall objective is to support the Government's strategy to increase national agricultural productivity and farm income. Its specific objective is to improve the effectiveness of the national agricultural technology system in Bangladesh for the benefit of small and marginal farmers.</p>
<p>Brazil</p> <p>Rural Communities Development Project in the Poorest Areas of the State of Bahia</p>	<p>The project goal is to significantly reduce poverty and extreme poverty levels of semi-arid communities of the State of Bahia. Specific objectives were: (i) empowerment of rural poor and their grass-root organizations by improving their capacities to participate in local, micro-regional and municipal social and economic development processes; and (ii) improving target population's income-generating capacities, transforming subsistence economic activities into profitable agricultural and non-agricultural business with sustainable use of the environment and natural resources of the semi-arid zone.</p>
<p>Burkina Faso</p> <p>Sustainable Rural Development Programme</p>	<p>The aim of the programme is to contribute to the effort to tackle rural poverty. It will accomplish this through: (i) capacity-building among target village groups and their institutions so that they can better manage their productive <i>terroirs</i> (land resources); (ii) a reversal in the trend towards the degradation of cultivated and non-cultivated land through watershed development and irrigation schemes; (iii) an increase in the revenues of the targeted rural poor through improved agricultural production and productivity; and (iv) improvements in the living conditions of the target groups through enhanced access to basic social services and markets. The foreseen activities are in line with the COSOP for Burkina Faso and IFAD's strategy for Western and Central Africa.</p>
<p>Ethiopia</p> <p>Agricultural Marketing Improvement Programme</p>	<p>The programme goal is the sustainable reduction of poverty by securing, safeguarding and increasing real incomes and food security among the majority smallholder farmers. The objective is to improve the effectiveness and efficiency of agricultural output marketing.</p>

Country and project/ programme names	Objectives
<p>Ghana</p> <p>Rural Enterprises Project – Phase II</p>	<p>The overall goal is to reduce poverty and improve the living conditions in the rural areas, and increase the incomes of women and vulnerable groups through increased self- and wage employment. The specific objective is to develop a competitive rural micro and small enterprise sector, supported by relevant good quality easily accessible and sustainable services. The services would: (i) create a more enabling environment for micro and small enterprises; (ii) stimulate the establishment and expansion of micro and small enterprises; (iii) enhance the quality, design and packaging of micro and small enterprise goods and services; (iv) improve the marketing of micro and small enterprise products; (v) increase the access of micro and small enterprises to working capital and investment funds, and (vi) empower trade associations and client organizations.</p>
<p>Guinea-Bissau</p> <p>Rural Rehabilitation and Community Development Project</p>	<p>The overall goal is to reduce rural poverty by improving the income and living conditions of the target group, particularly through the valorization of natural resources and their sustainable management. The specific aim is to enable target group members to become major players in building the social fabric of their communities, and to strengthen their capacity to establish their priority goals and then develop economic and social initiatives to realize them.</p>
<p>India</p> <p>Jharkhand – Chhattisgarh Tribal Development Programme</p>	<p>The programme's objective will be to develop and implement a replicable model that ensures household food security and improves the livelihood opportunities and the overall quality of life of the tribal population, based on a sustainable and equitable use of natural resources. To achieve this the programme will: (i) empower tribal grass-roots associations and users' groups, including women and other marginal groups, so that they will become more capable to plan, implement and manage their own development and negotiate with the relevant authorities to harness the necessary resources; (ii) promote activities that generate sustainable increases in production and productivity of land and water resources; and (iii) generate alternate sources of income outside of agriculture, particularly for the landless.</p>
<p>India</p> <p>Livelihoods Improvement Project in the Himalayas</p>	<p>The project's primary objective is to improve the livelihoods of vulnerable groups sustainably by promoting greater livelihood opportunities and strengthening the local institutions concerned with livelihood development. Specific objectives are to: (i) promote a more sensitive approach to the design and implementation of development interventions; (ii) enhance the capabilities of local people to select appropriate livelihood opportunities, access the required financial resources, and manage new technologies and institutions at the village level; (iii) increase incomes through more sustainable income-generating cultivation systems and the establishment of non-farm enterprises at the micro and small-scale level; and (iv) establish effective and appropriate delivery systems for inputs and for the maintenance of assets and resources, with emphasis on microfinance, savings and thrift, and micro-insurance products, along with access to business development services that will link household-based livelihood activities with the larger economy.</p>

Country and project/ programme names	Objectives
<p>Kenya</p> <p>Mount Kenya East Pilot Project for Natural Resource Management</p>	<p>The overall goal of the proposed project will be to contribute to poverty reduction by promoting a more effective use of natural resources and improved agricultural practices. An intermediate objective will be to enhance the equitable use of these resources with particular focus on environmental conservation. Specific objectives will be to: (i) introduce on- and off-farm environmental conservation and rehabilitation practices in the areas adjacent to rivers and trust lands, focusing on soil erosion control; (ii) bring about improvements in river water management in order to increase dry season base flow and reduce sediment loads and pollution in these rivers; (iii) raise household income through improved marketing of agricultural and natural resource-based products; and (iv) strengthen governance at the local level for better land use and water management.</p>
<p>Malawi</p> <p>Rural Livelihoods Support Programme</p>	<p>The overall objective of the programme is to improve the livelihoods and quality of life of the target population by improving access to resources and ensuring more efficient resource use by village households. The programme will achieve this objective by: (i) keeping the target population better informed and encouraging self-motivation; (ii) empowering the target group to organize its access to resources and improve production; (iii) ensuring responsiveness of service providers; (iv) reducing the hunger gap; and (v) improving the dietary and nutritional status of the target group.</p>
<p>Mozambique</p> <p>Rural Finance Support Programme</p>	<p>The goal of the Rural Finance Support Programme is to contribute to economic growth and poverty eradication by improving the livelihoods of poor households and the viability of enterprises in the rural areas of Mozambique. Key to achieving this goal are the Programme's objectives of aiming to provide poor individuals, vulnerable groups and emerging enterprises in rural areas with sustainable access to financial services and create a conducive institutional and policy environment for the development and sustainable provision of rural financial services to improve the economic opportunities and income of the poor.</p>
<p>Nicaragua</p> <p>Technical Assistance Fund Programme for the Departments of León, Chinandenga and Managua</p>	<p>The development objective of the Technical Assistance Fund will be to increase the productive and marketing capacity of small and medium-scale farmers and small-scale entrepreneurs living in rural areas by contributing to family incomes and improving living conditions. The specific objective of the Technical Assistance Fund will be to ensure access by small-scale farmers and rural entrepreneurs to technical assistance services in a sustainable manner based on the competitive supply of services and in accordance with beneficiary needs. The Technical Assistance Fund implementation will result in: (i) strengthened organizations of small-scale farmers and entrepreneurs that are able to formulate technical assistance needs and to demand, negotiate and cofinance these services and other agricultural-production support services; (ii) sustainable and efficient providers of technical assistance that use methodologies and appropriate techniques responsive to the demands of farmers' organizations; and (iii) different modalities of technical assistance provision operating and linking supply and demand on a selective basis.</p>

Country and project/ programme names	Objectives
<p>Niger</p> <p>Agricultural and Rural Rehabilitation and Development Initiative Project</p>	<p>The project aims to strengthen the ability of 56 rural communes, mostly in the Maradi region, to run local affairs competently, including planning, implementing and operating investments aimed at improving food security and quality of life at the household level. It will also seek to reduce or reverse land degradation by promoting sustainable land management.</p>
<p>Niger</p> <p>Project for the Promotion of Local Initiative for Development in Aguié</p>	<p>The overall development goal is to improve the incomes and living standards of the poor in Aguié and, to a limited extent, in a few contiguous communes, with a special emphasis on women and young adults. Its specific objectives will be to strengthen, through a local development process, target group capacities to identify and implement innovations and initiatives (technical, economic or organizational) that could reduce their poverty or vulnerability, or improve their food security.</p>
<p>Pakistan</p> <p>Community Development Programme</p>	<p>The main objectives of the proposed programme will be to consolidate, expand and improve the well-being of the rural poor in Azad Jammu and Kashmir while being gender-sensitive and using a community-based, participatory planning, implementation and monitoring process of village development. This will be achieved by: (i) strengthening the role and capabilities of existing community organizations and establishing new ones; (ii) laying the basis for a successful devolution process by promoting effective governance, transparency and accountability through operational and financial improvements and better relationships between central and local institutions; (iii) improving natural resource management; and (iv) expanding the social and economic infrastructure necessary to increase the rural poor's income and employment opportunities and reduce their poverty levels.</p>
<p>Pakistan</p> <p>Programme for Increasing Sustainable Microfinance</p>	<p>The programme's development goal is to reduce poverty, promote economic growth and improve the livelihoods of rural households. Its overall objective is to facilitate sustainable growth in microfinance in order to give the rural poor greater access to financial services.</p>
<p>Rwanda</p> <p>Smallholder Cash and Export Crops Development Project</p>	<p>The project has been conceived within the framework of the COSOP-recommended strategy for Rwanda, the Government's Poverty Reduction Strategy Paper of 2001 and the National Strategy for Agriculture, which recognize that the sustainable development of agricultural sectors, access to export markets, support for farmers' groups and professional associations, and credit and other financial mechanisms for rural-based activities are critical to sustaining the country's economic recovery. The specific goal of the project is to maximize and diversify the income of poor smallholder cash crop growers by developing financially sustainable commercial processing and marketing activities to do with coffee, tea, and new cash and export crops. The project design is simple and focused, and aims at: (i) introducing mechanisms to secure the greatest possible price increases for growers, in line with financially sound processing and marketing; (ii) maximizing the quality and value of coffee and tea products sold on the international market; (iii) developing efficient, democratically managed and spontaneously formed primary</p>

Country and project/ programme names	Objectives
<p>Rwanda</p> <p>Smallholder Cash and Export Crops Development Project (continued)</p>	<p>cooperative societies of coffee and tea growers, and securing their full participation and empowerment in the processing and marketing enterprise; (iv) facilitating the participation of poor women heads of household in coffee and tea development activities; (iv) developing efficient, cost-effective and financially sustainable processing and marketing enterprises in the private sector, to be ultimately run by the primary cooperative societies; and (v) promoting diversification of the cash and export crops produced by small and medium enterprises and smallholder cooperatives, with particular attention to women and very poor households.</p>
<p>Rwanda</p> <p>Rural Small and Microenterprise Promotion Project – Phase II</p>	<p>To improve the living standards of the most disadvantaged rural groups, the project will focus on promoting rural microenterprises (particularly for vulnerable groups); developing professional organizations capable of providing services to small microenterprises; and supporting the development of a national policy and dialogue platform for small microenterprises. Specifically, the project objectives are to: (i) promote the development of viable small microenterprises and their professional organizations so that they can respond to the needs of the target group; (ii) improve the performance and productivity of small microenterprises through access to sustainable non-financial services; (iii) promote the use of appropriate technology, the observance of acceptable quality standards and better access to markets; (iv) enhance access to financial services adapted to the requirements of small microenterprises; and (v) improve the institutional and legal framework of small microenterprises.</p>
<p>Rwanda</p> <p>Support Project for the Strategic Plan for the Transformation of Agriculture</p>	<p>The overall objective of the project is to contribute to the poverty reduction process in Rwanda by providing concentrated and collaborative implementation support to the Strategic Plan for the Transformation of Agriculture, which aims to transform the current practice of subsistence farming into market-oriented agriculture, increasing opportunities for growing cash crops, while ensuring food security and preserving the existing resource base. This will be achieved by: (i) strengthening the technical, managerial and institutional capacity of the major stakeholders (farmers' organizations, government and decentralized district administrations, civil society organizations, the private sector and non-governmental organizations) associated with Strategic Plan for the Transformation of Agriculture implementation, to improve their performance in delivering priority services to the target group; (ii) undertaking innovative agricultural pilot action programmes consisting of watershed protection, livestock development, crop production in marshland and strengthening of the research and extension system. These programmes can then be replicated on a larger scale to make substantial contributions to raising farmers' incomes and diversifying current agricultural operations; and (iii) improving the overall management information system and the communications system and strengthening the participatory monitoring and evaluation system to accelerate dissemination and adoption of farm technologies as well as enable the stakeholders to take corrective action based on periodic monitoring of results.</p>

Country and project/ programme names	Objectives
<p>Sri Lanka</p> <p>Post-Tsunami Coastal Rehabilitation and Resource Management Programme</p>	<p>The programme goal is to restore the assets of women and men directly or indirectly affected by the tsunami and to re-establish the foundation of their previous economic activities while helping them diversify into new, profitable income-generating activities. The immediate objectives of the activities are that (i) tsunami-affected families are provided with essential social and economic infrastructure, particularly housing; (ii) tsunami-affected communities are strengthened and are sustainably managing coastal resources; and (iii) women's participation in social and economic activities increases.</p>
<p>Sudan</p> <p>South Kordofan Rural Development Programme</p>	<p>The programme's overall goal is to improve and sustain the living standards of the target group by assuring their food security and providing them with social services in a secure environment in which they can manage their own community affairs. Under the flexible lending mechanism, the specific objectives to achieve the goal are encompassed in each of the programme's two five-year phases. The first phase aims to: (i) establish locality councils as well as state institutions with the resources and cost-effective systems to assist rural communities in improving their livelihoods; (ii) enhance the productivity and incomes of individuals and groups from crop and livestock enterprises through the provision of a community-based extension service, and technical and input support; (iii) reduce the incidence of disease and mortality by establishing community-owned and managed water supply and basic health facilities; and (iv) improve and maintain the rural road network so that communities have access to markets and public services. The second phase aims to: (i) foster equitable communal range and farm-land management, which reduces conflict, through changes in government land-use policy and agreements between all groups involved and the locality councils; (ii) develop sustainable rural credit services with participatory informal financial institutions for savings and credit, linked with the formal financial system; and (iii) impart to the men and women in rural communities, the capabilities for planning, implementing and managing their own development activities and resolving group conflicts.</p>
<p>United Republic of Tanzania</p> <p>Participatory Irrigation Development Programme</p>	<p>The strategic goal of the programme is sustainable improvement in smallholder incomes and household food-security. Its purpose is to enhance the institutional, organizational and technical capacities of farmers, the private sector, non-governmental organizations, civil-society organizations and government institutions, to construct, develop and sustain small-scale irrigation systems throughout the marginal areas. The objectives of the programme will be achieved by: (i) increasing the availability and reliability of water through improved low cost systems of water control; (ii) raising agricultural productivity by improving agricultural extension services to respond better to farmers' needs; and (iii) building institutional capacity to realize, over the long term, the vast potential for smallholder irrigation development throughout the programme area. The six-year programme will consolidate the irrigation development effort in the central plateau.</p>

Country and project/ programme names	Objectives
<p>United Republic of Tanzania</p> <p>Rural Financial Services Programme</p>	<p>IFAD has a long-term commitment to assist the emergence of a viable, transparent and diversified financial system in rural areas. The main objectives of the programme will be to: (i) support the design, development and implementation of a financial architecture with roots at the village or ward level in the form of village banks or savings and credit cooperatives/savings and credit associations (microfinance institutions [MFIs]), with emphasis placed on savings mobilization, the payment system, the extension of financial services and governance; (ii) enhance technical, operational and outreach capacity of MFIs for savings and lending operations to enable them to provide a broad range of financial services to the rural poor (consisting of both individuals and groups, including the landless and women) for potential productive and income-generating activities, based on appropriate selection criteria, instruments and modalities; (iii) empower the rural poor through minimizing the legal, regulatory and social barriers constraining their active participation within MFIs and providing them with the opportunity to enhance their business and technical skills; and (iv) strengthen the financial instruments, skills and capital base of the grass-roots MFIs and the financial intermediaries (commercial/community banks) to enable them to ensure economies of scale, efficiency, and operational viability and flexibility.</p>
<p>United Republic of Tanzania</p> <p>Agricultural Marketing Systems Development Programme</p>	<p>The overall goal of the programme is to increase the income and food-security situation of the rural poor in the Northern and Southern Marketing Zones. The objectives of the programme are to improve the structure, conduct and performance of the agricultural marketing and pricing systems in the country in order to raise smallholder incomes and diversify their production in an active and equitable partnership with the private sector. Specific objectives include: (i) improvement of relevant marketing policies; (ii) empowerment of the target groups by strengthening them financially and organizationally; and (iii) enabling the target groups to own and operate the system, and become active partners in all decision-making processes.</p>
<p>Turkey</p> <p>Sivas-Erzincan Development Project</p>	<p>The main objectives of the project are to (i) increase agricultural productivity and income levels of the rural poor in the less developed parts of Sivas and Erzincan provinces; (ii) expand rural employment opportunities and encourage individual and group initiatives of smallholders; (iii) build and strengthen self-sustaining institutions directly related to the rural poor; and (iv) improve living conditions of the rural poor and especially of women.</p>
<p>Uganda</p> <p>Vegetable Oil Development Project</p>	<p>The main thrust of the project is to increase cash income among smallholders by revitalizing and increasing domestic vegetable oil production. More specifically, the project will: (i) develop an oil palm industry chiefly promoting partnership between smallholder growers and private sector processors with the Government and IFAD playing catalytic roles; (ii) introduce industrial-size mills that are energy efficient and of high environmental standards for the efficient and cost-effective processing of fresh fruit bunches; (iii) develop with NGO support the potential for smallholder vegetable oil and</p>

Country and project/ programme names	Objectives
<p>Uganda</p> <p>Vegetable Oil Development Project (continued)</p>	<p>other arable oilseeds production and processing, (iv) catalyse and support the development of smallholder-produced raw material base and know-how for the subsequent commercial extraction of essential oils; and (v) support Government efforts to establish a consultative body (Vegetable Oil Development Council) to facilitate the interaction between farmers, trade associations, processors, financial institutions, non-governmental organizations and other principal actors involved in shaping the development of the vegetable subsector.</p>
<p>Viet Nam</p> <p>Decentralized Programme for Rural Poverty Reduction in Ha Giang and Quang Binh Provinces</p>	<p>The programme goal is to improve the socio-economic status of the poorest households in Ha Giang and Quang Binh Provinces, with particular emphasis on the use of highly decentralized community-driven development approaches operationalizing the Government's "grass-roots democratization" legislation. This would be achieved by: (i) enhancing the capabilities of local people to become active stakeholders in the management of commune and village-level institutions; (ii) increasing the productivity and income levels of poor households, ethnic minorities and women, and improving their household food security; (iii) reinforcing the ongoing decentralization processes, with emphasis on village-level infrastructure; (iv) establishing decentralized programme management structures and delivery services responsive to the priorities of the target group; and (v) developing local capabilities to bridge the gap between national-level policies and provincial implementation of initiatives on decentralization.</p>
<p>Viet Nam</p> <p>Improving Market Participation of the Poor</p>	<p>The goal is to contribute to the sustainable improvement of incomes of poor people in rural areas of Viet Nam. The purpose is to facilitate the rural poor's access to and participation in markets in Ha Tinh and Tra Vinh Provinces, with relevance elsewhere in Viet Nam. Programme thrusts include: (i) improvement of key markets and market mechanisms, processes and linkages – either directly or indirectly for the poor; (ii) off-farm job creation and improvement of agricultural incomes; and (iii) linking market-based initiatives to the needs and priorities of poor communes within a better functioning market environment.</p>
<p>Yemen</p> <p>Al-Mahara Rural Development Project</p>	<p>The overall project goal is to improve the well-being of participating smallholder households and rural communities by encouraging their active involvement in managing their social needs and a more productive and sustainable use of their natural resource bases. To help achieve this goal, project investments will aim to (i) support the development of more self-reliant communities and strengthen the partnerships among all stakeholders in the economic development of Al-Mahara; (ii) strengthen the capacity of male and female farmers and fishermen and their communities, particularly disadvantaged groups, to determine access to and use of appropriate resources, technology and financial services for agriculture, fisheries and livestock development; and (iii) build knowledge and capacity in public and private institutions and enterprises in Al-Mahara to deliver equitable, sustainable and profitable financial and technical services to the rural community.</p>

Country and project/ programme names	Objectives
<p>Yemen Dhamar Participatory Rural Development Project</p>	<p>The overall goal of the project is to enhance the food security of subsistence farmers, raise family incomes and improve the living conditions and development participation of small farm households and village communities in Dhamar Governorate. To that end, the project will: (i) empower communities, including women and the poor, to mobilize and organize themselves to participate in, and gain direct benefit from, development planning and project execution; (ii) remove critical physical, infrastructural and social constraints to productivity and advancement; and (iii) equip and support farming households with a view to increasing their output to enable them to secure basic food supplies, produce marketable surpluses and pursue income-generating opportunities.</p>
<p>Yemen Pilot Community-Based Rural Infrastructure Project For Highland Areas</p>	<p>The project's development goal is to improve the living standards of the poor in remote highland communities. The specific objectives are to: (i) empower communities to be proactive in overcoming infrastructure constraints; (ii) reduce the isolation of communities and improve overall mobility and access to markets and services in highland areas; (iii) institutionalize community-led village access road improvement within the overall framework of rural road network development; and (iv) provide poor households with improved access to drinking water.</p>
<p>Zambia Rural Finance Programme</p>	<p>The programme's development goal is to improve the livelihoods of rural households. Central to achieving this goal and as its overall objective, the programme aims to increase the use of sustainable financial services in rural areas. This will be achieved through investments in five components to: (i) develop the use of sustainable community-based financial institutions; (ii) promote rural banking services; (iii) increase and intensify small-scale production in contract-farming operations; (iv) develop new and expanding existing financial service products in rural areas; and (v) establish a more conducive policy and institutional framework for rural finance.</p>

Annex 4 Definition of the evaluation criteria used by IOE

Criteria	Definition ^a
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project design in achieving its objectives.
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.
Rural poverty impact^b	Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.
– Household income and assets	Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value.
– Human and social capital and empowerment	Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grassroots organizations and institutions, and the poor's individual and collective capacity.
– Food security and agricultural productivity	Changes in food security relate to availability, access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields.
– Natural resources, the environment and climate change	The focus on natural resources and the environment involves assessing the extent to which a project contributes to changes in the protection, rehabilitation or depletion of natural resources and the environment as well as in mitigating the negative impact of climate change or promoting adaptation measures.
– Institutions and policies	The criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor.

Criteria	Definition ^a
Other performance criteria – Sustainability	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.
– Innovation and scaling up	The extent to which IFAD development interventions have: (i) introduced innovative approaches to rural poverty reduction; and (ii) the extent to which these interventions have been (or are likely to be) replicated and scaled up by government authorities, donor organizations, the private sector and others agencies.
– Gender equality and women's empowerment	The criterion assesses the efforts made to promote gender equality and women's empowerment in the design, implementation, supervision and implementation support, and evaluation of IFAD-assisted projects.
Overall project achievement	This provides an overarching assessment of the project, drawing upon the analysis made under the various evaluation criteria cited above.
Performance of partners – IFAD – Government	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation. It also assesses the performance of individual partners against their expected role and responsibilities in the project life cycle.

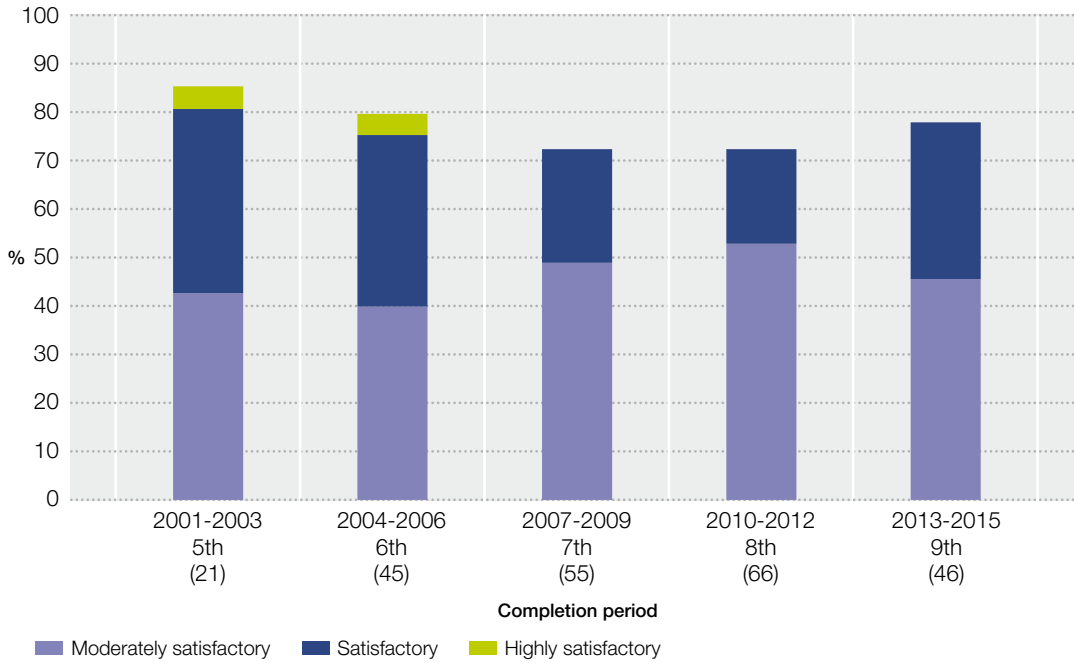
^a These definitions have been taken from the Organisation for Economic Co-operation and Development/ Development Assistance Committee Glossary of Key Terms in Evaluation and Results-Based Management and from the IFAD Evaluation Manual (2009).

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

Annex 5 Project performance trends 2000-2014

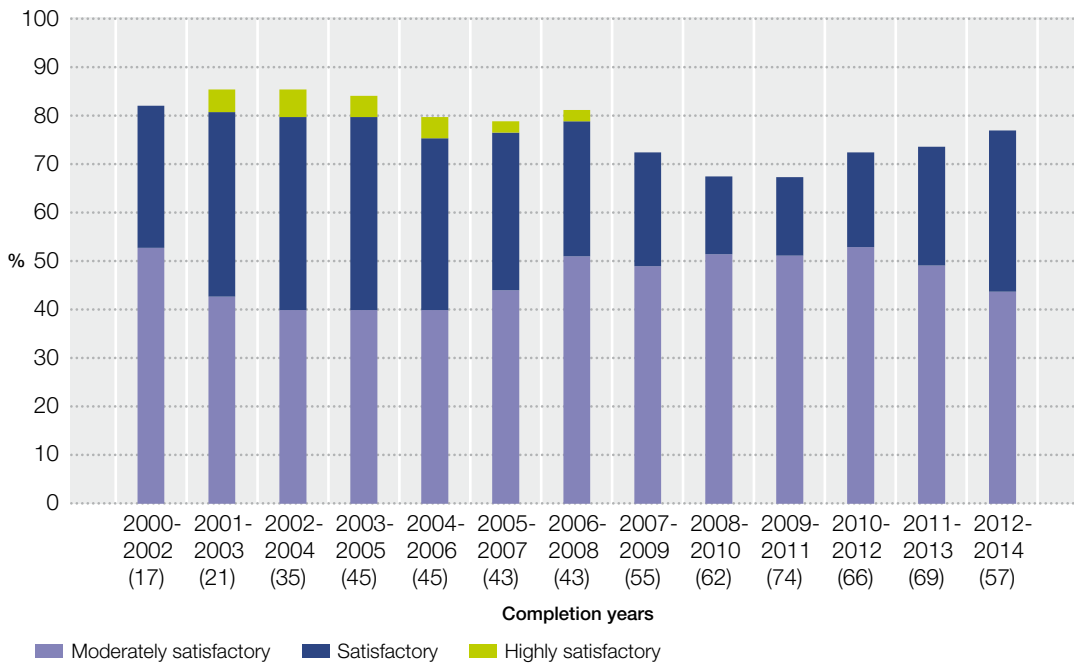
Project performance – by replenishment period

Percentage of projects rated moderately satisfactory or better (all evaluation data)



Project performance – by year of completion

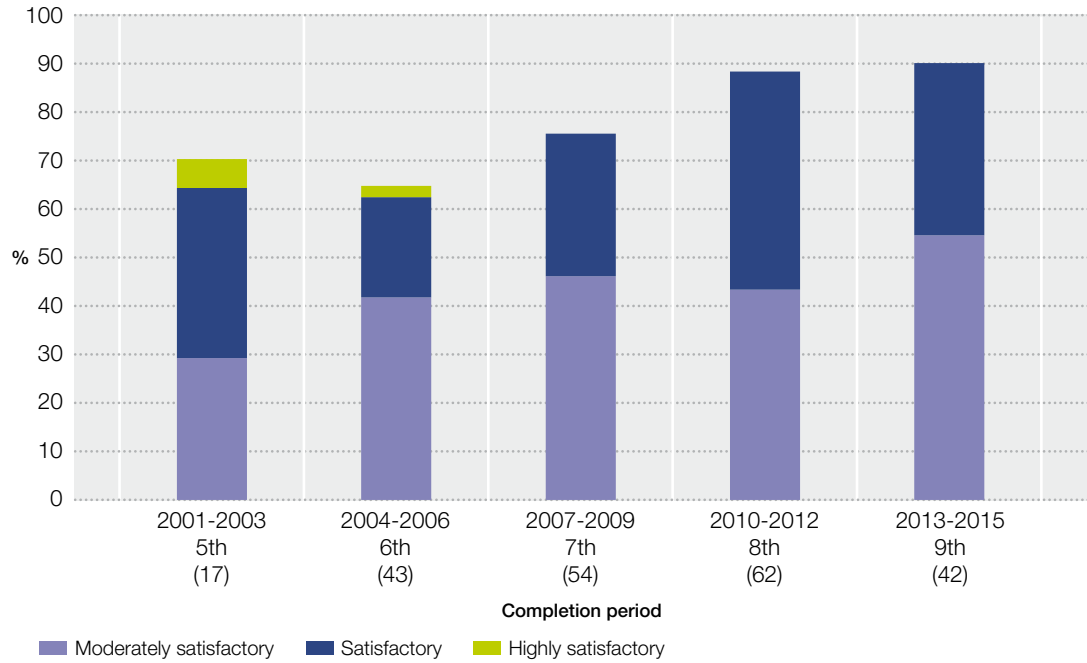
Percentage of projects rated moderately satisfactory or better (all evaluation data)



Rural poverty impact

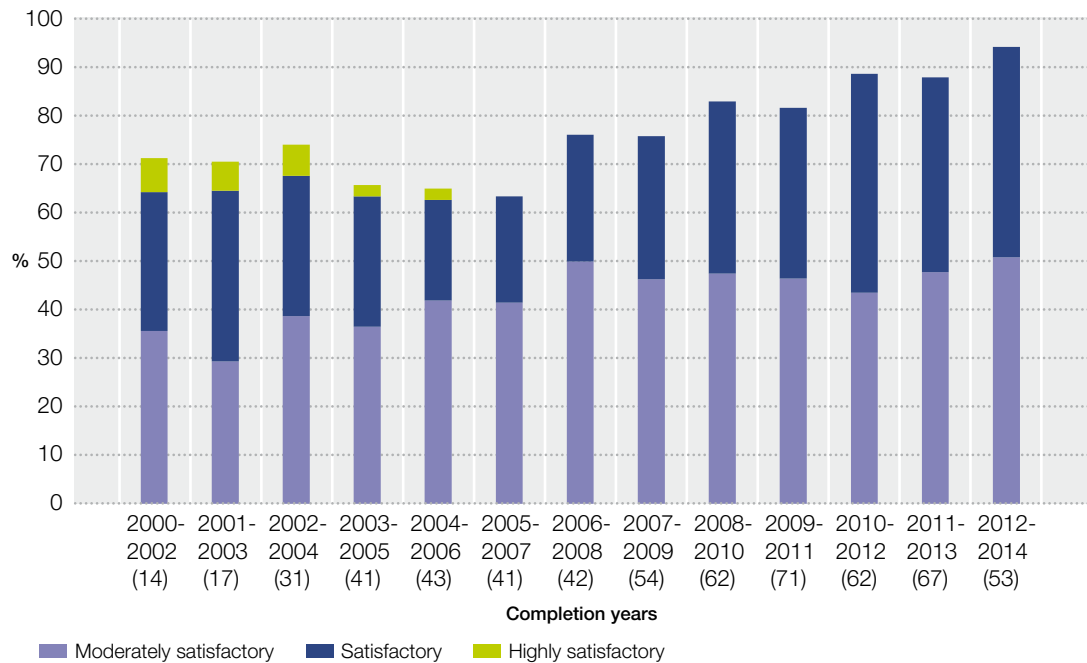
Rural poverty impact – by replenishment period

Percentage of projects rated moderately satisfactory or better (all evaluation data)



Rural poverty impact – by year of completion

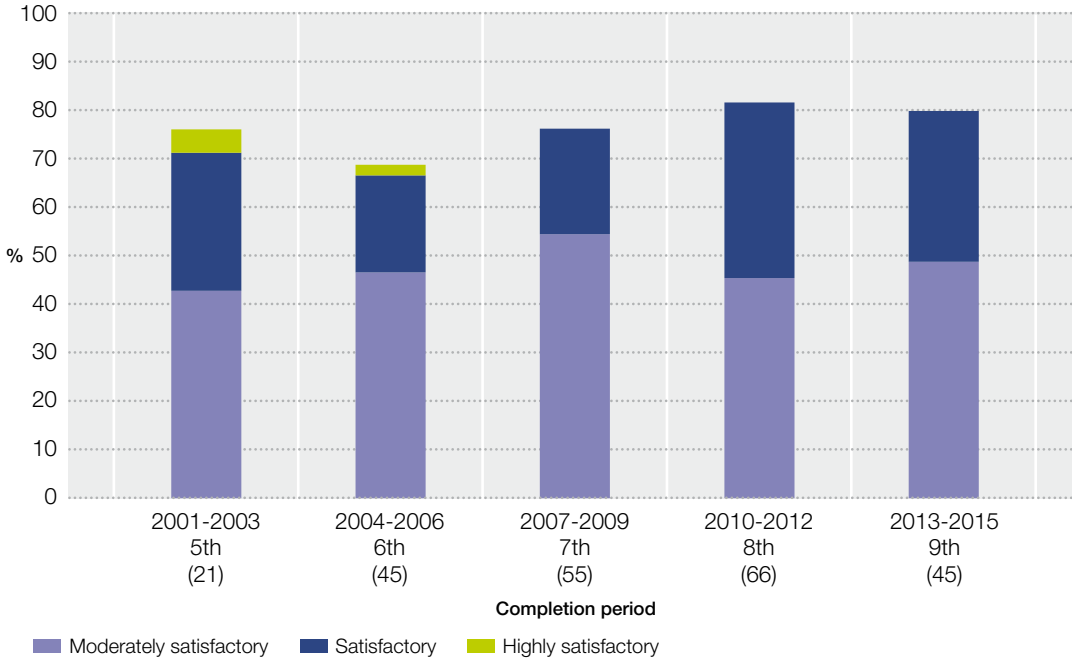
Percentage of projects rated moderately satisfactory or better (all evaluation data)



Overall project achievement

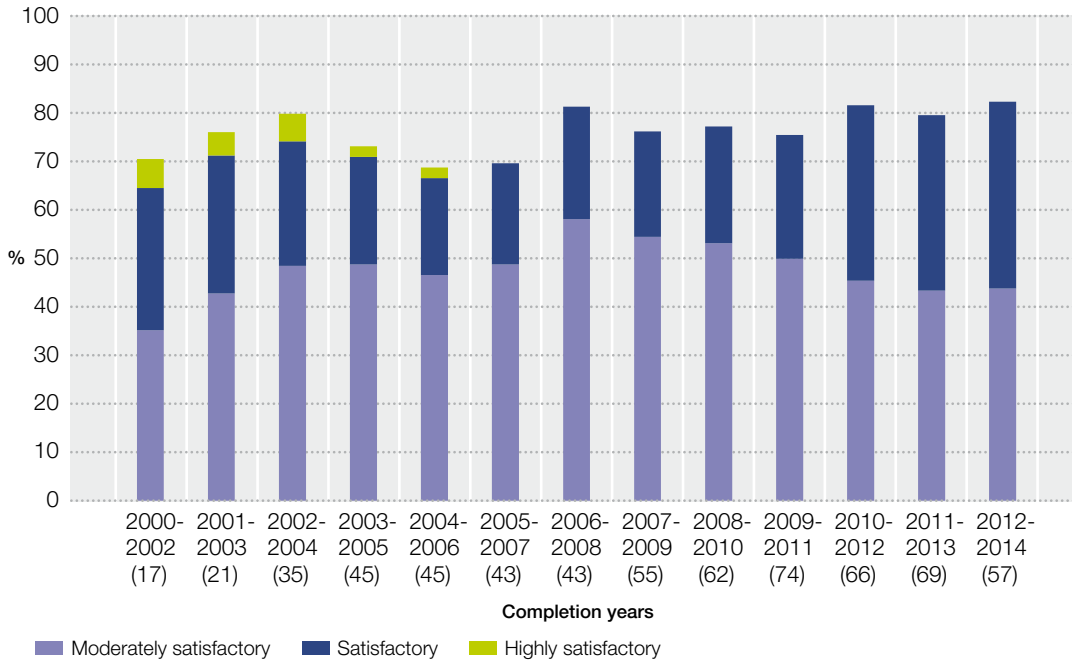
Overall project achievement – by replenishment period

Percentage of projects rated moderately satisfactory or better (all evaluation data)



Overall project achievement – by year of completion

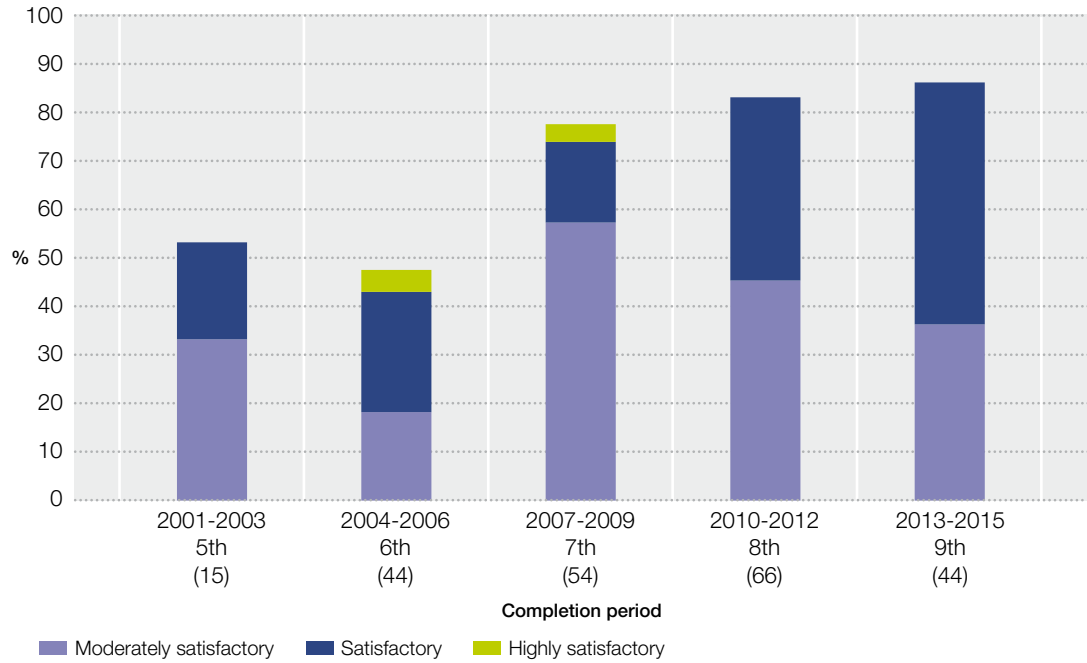
Percentage of projects rated moderately satisfactory or better (all evaluation data)



IFAD performance

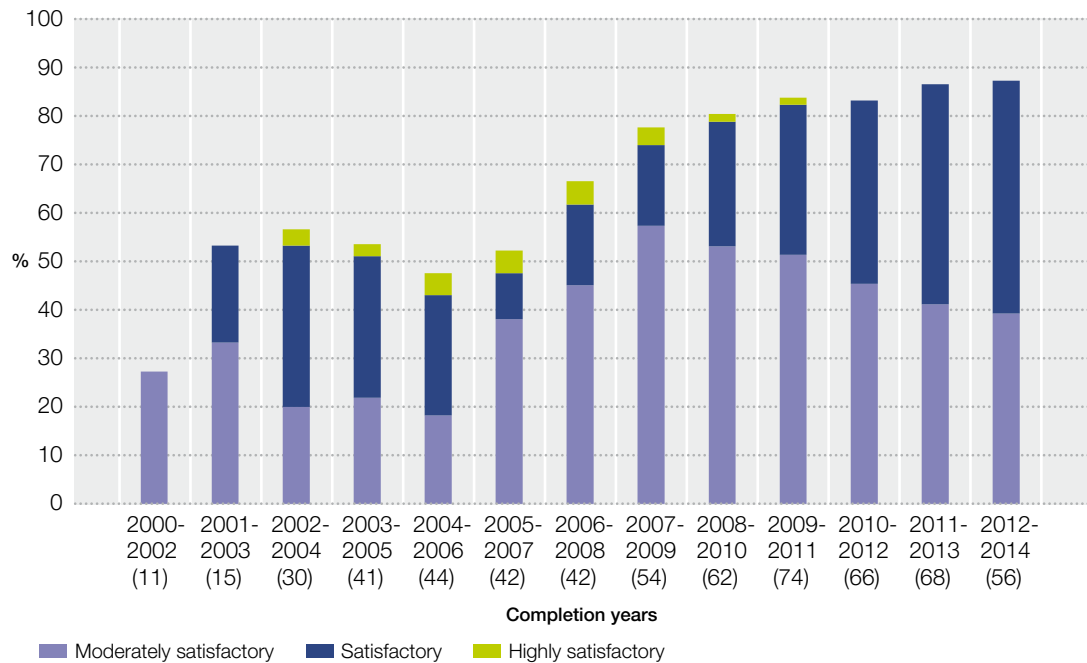
IFAD performance – by replenishment period

Percentage of projects rated moderately satisfactory or better (all evaluation data)



IFAD performance – by year of completion

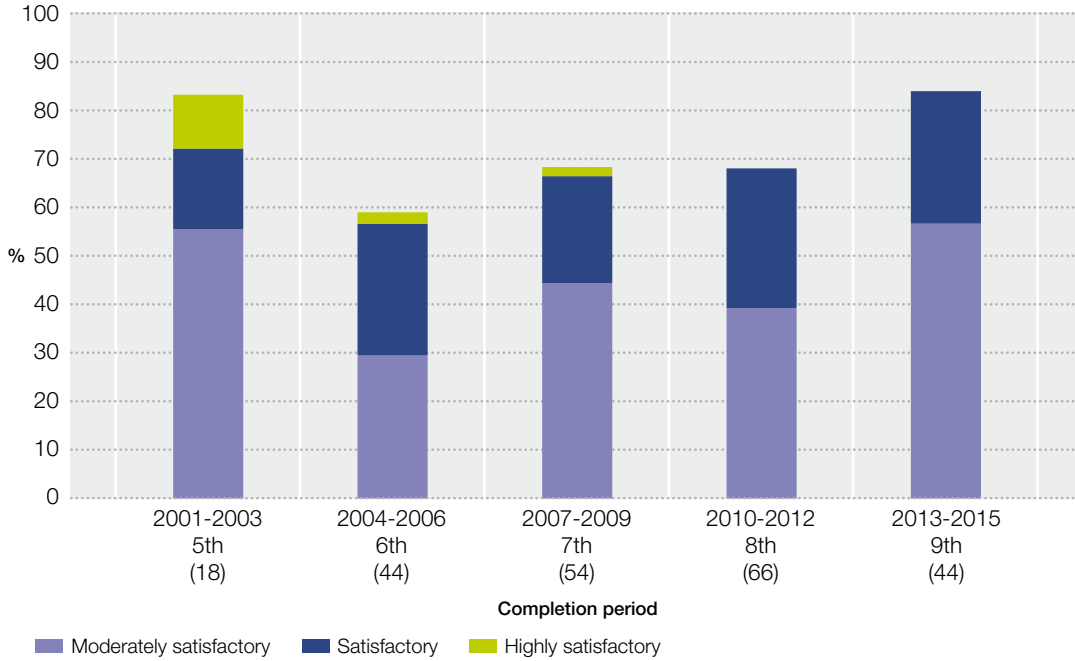
Percentage of projects rated moderately satisfactory or better (all evaluation data)



Government performance

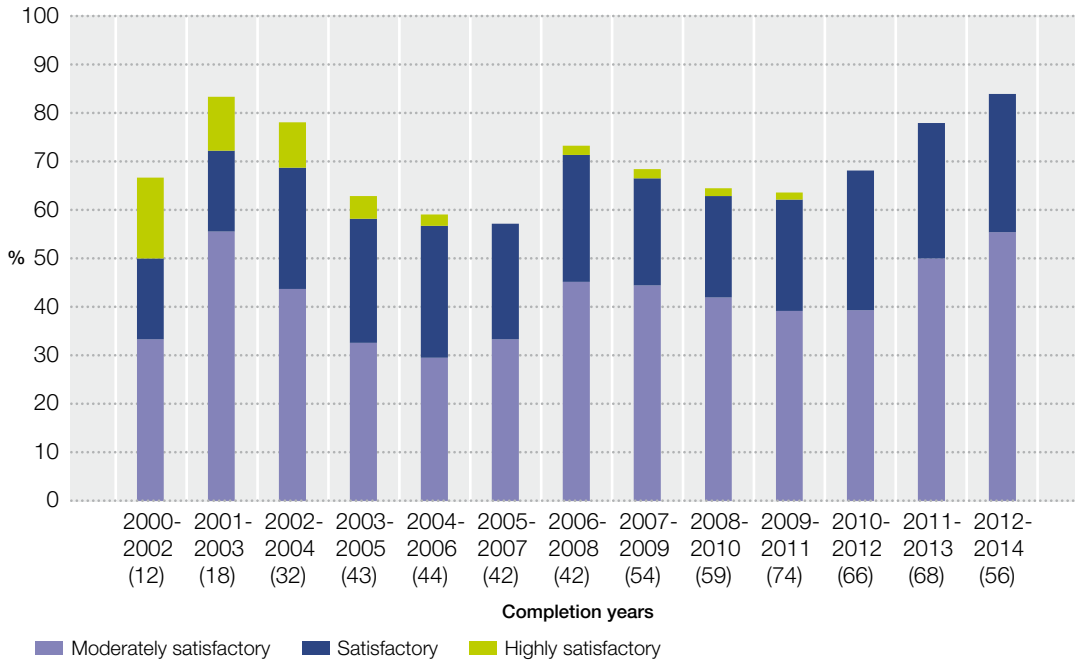
Government performance – by replenishment period

Percentage of projects rated moderately satisfactory or better (all evaluation data)



Government performance – by year of completion

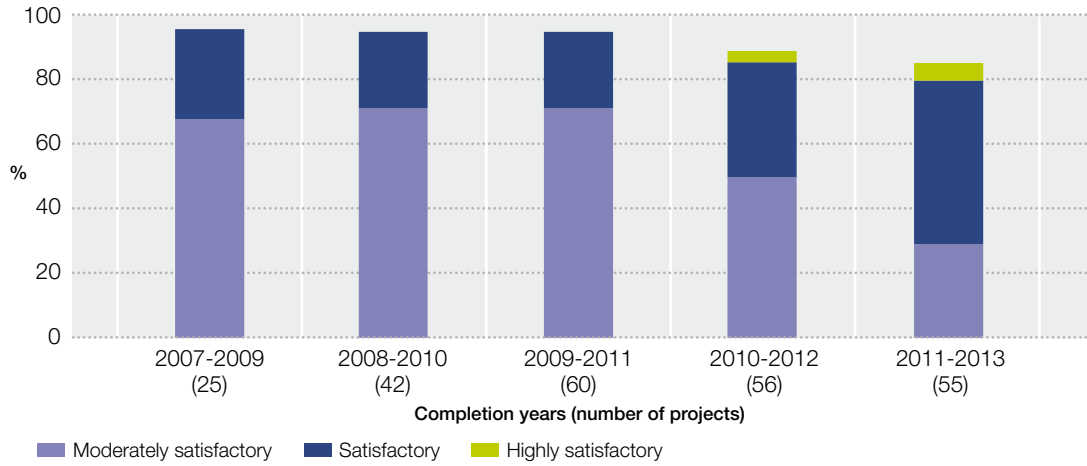
Percentage of projects rated moderately satisfactory or better (all evaluation data)



Criteria composing performance

Relevance – by year of completion

Percentage of projects rated moderately satisfactory or better (PCR/PPA data series)



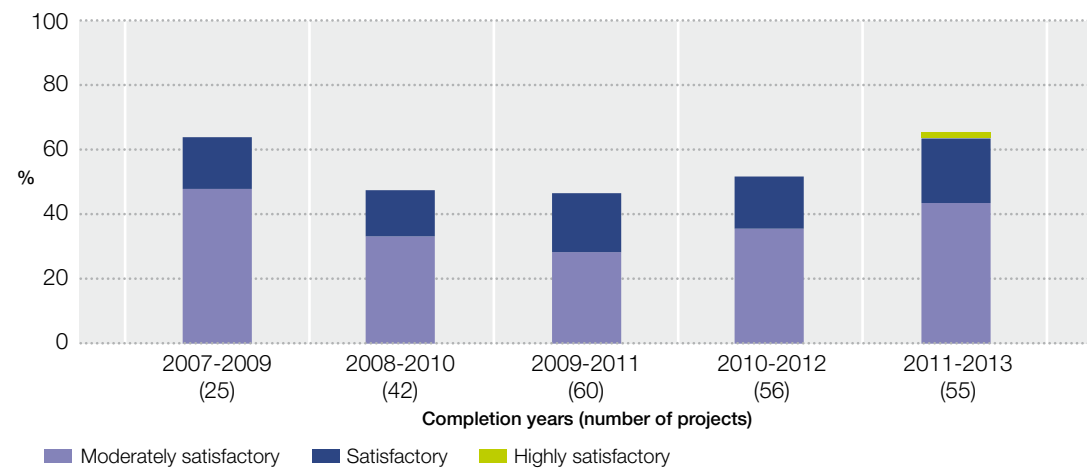
Effectiveness – by year of completion

Percentage of projects rated moderately satisfactory or better (PCR/PPA data series)



Efficiency – by year of completion

Percentage of projects rated moderately satisfactory or better (PCR/PPA data series)



Annex 6 Project performance ratings 2000-2014

PCR/PPA data series – by year of completion

Percentage of projects

	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Highly satisfactory	0.0	0.0	0.0	0.0	0.0
Satisfactory	20.0	14.3	15.0	14.3	21.8
Moderately satisfactory	56.0	52.4	51.7	53.6	50.9
Moderately unsatisfactory	20.0	28.6	26.7	23.2	21.8
Unsatisfactory	4.0	4.8	6.7	8.9	5.5
Highly unsatisfactory	0.0	0.0	0.0	0.0	0.0
	100	100	100	100	100

	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Average rating	3.95	3.83	3.82	3.85	4.05
1 st Quartile	4.00	3.18	3.00	3.25	3.70
3 rd Quartile	4.00	4.00	4.00	4.30	4.70
Standard deviation	0.72	0.73	0.79	0.83	0.81

All evaluation data – by year of completion

Percentage of projects

	2000-2002	2001-2003	2002-2004	2003-2005	2004-2006
Highly satisfactory	0.0	4.8	5.7	4.4	4.4
Satisfactory	29.4	38.1	40.0	40.0	35.6
Moderately satisfactory	52.9	42.9	40.0	40.0	40.0
Moderately unsatisfactory	11.8	9.5	14.3	15.6	20.0
Unsatisfactory	5.9	4.8	0.0	0.0	0.0
Highly unsatisfactory	0.0	0.0	0.0	0.0	0.0
	100	100	100	100	100
Average rating	4.08	4.29	4.37	4.33	4.26
Standard deviation	0.80	0.88	0.80	0.79	0.82
1 st Quartile	4.00	4.00	4.00	4.00	4.00
3 rd Quartile	5.00	5.00	5.00	5.00	5.00

All evaluation data – by replenishment period

Percentage of projects

	2001-2003 (5th)	2004-2006 (6th)	2007-2009 (7th)	2010-2012 (8th)	2013-2015 (9th)
Highly satisfactory	4.8	4.4	0.0	0.0	0.0
Satisfactory	38.1	35.6	23.6	19.7	32.6
Moderately satisfactory	42.9	40.0	49.1	53.0	45.7
Moderately unsatisfactory	9.5	20.0	21.8	19.7	21.7
Unsatisfactory	4.8	0.0	5.5	7.6	0.0
Highly unsatisfactory	0.0	0.0	0.0	0.0	0.0
	100	100	100	100	100
Average rating	4.29	4.23	3.96	3.97	4.21
Standard deviation	0.88	0.83	0.79	0.83	0.71
1 st Quartile	4.00	4.00	3.70	3.70	4.00
3 rd Quartile	5.00	5.00	4.23	4.70	5.00

2005-2007	2006-2008	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013	2012-2014
2.3	2.3	0.0	0.0	0.0	0.0	0.0	0.0
32.6	27.9	23.6	16.1	16.2	19.7	24.6	33.3
44.2	51.2	49.1	51.6	51.4	53.0	49.3	43.9
14.0	11.6	21.8	29.0	27.0	19.7	21.7	21.1
7.0	7.0	5.5	3.2	5.4	7.6	4.3	1.8
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
100	100	100	100	100	100	100	100
4.13	4.13	3.96	3.90	3.86	3.97	4.07	4.22
0.88	0.84	0.78	0.74	0.79	0.83	0.80	0.75
4.00	4.00	3.70	3.18	3.00	3.70	3.70	4.00
5.00	5.00	4.15	4.00	4.23	4.70	4.70	5.00

Rural poverty impact

PCR/PPA data series – by year of completion

Percentage of projects

	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Highly satisfactory	0.0	0.0	0.0	0.0	0.0
Satisfactory	24.0	30.8	31.6	38.5	39.6
Moderately satisfactory	56.0	53.8	49.1	48.1	47.2
Moderately unsatisfactory	16.0	10.3	12.3	7.7	9.4
Unsatisfactory	4.0	5.1	7.0	5.8	3.8
Highly unsatisfactory	0.0	0.0	0.0	0.0	0.0
	100	100	100	100	100
	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Average rating	4.00	4.10	4.05	4.19	4.23
1 st Quartile	4.00	4.00	4.00	4.00	4.00
3 rd Quartile	4.00	5.00	5.00	5.00	5.00
Standard deviation	0.75	0.78	0.85	0.81	0.77

Rural poverty impact (continued)**All evaluation data – by year of completion**

Percentage of projects

	2000-2002	2001-2003	2002-2004	2003-2005	2004-2006
Highly satisfactory	7.1	5.9	6.5	2.4	2.3
Satisfactory	28.6	35.3	29.0	26.8	20.9
Moderately satisfactory	35.7	29.4	38.7	36.6	41.9
Moderately unsatisfactory	21.4	23.5	22.6	29.3	27.9
Unsatisfactory	7.1	5.9	3.2	4.9	7.0
Highly unsatisfactory	0.0	0.0	0.0	0.0	0.0
	100	100	100	100	100
Average rating	4.07	4.12	4.13	3.93	3.84
Standard deviation	1.03	1.02	0.94	0.92	0.91
1 st Quartile	3.25	3.00	3.50	3.00	3.00
3 rd Quartile	5.00	5.00	5.00	5.00	4.00

All evaluation data – by replenishment period

Percentage of projects

	2001-2003 (5th)	2004-2006 (6th)	2007-2009 (7th)	2010-2012 (8th)	2013-2015 (9th)
Highly satisfactory	5.9	2.3	0.0	0.0	0.0
Satisfactory	35.3	20.9	29.6	45.2	35.7
Moderately satisfactory	29.4	41.9	46.3	43.5	54.8
Moderately unsatisfactory	23.5	27.9	22.2	6.5	9.5
Unsatisfactory	5.9	7.0	1.9	4.8	0.0
Highly unsatisfactory	0.0	0.0	0.0	0.0	0.0
	100	100	100	100	100
Average rating	4.36	3.80	4.05	4.29	4.26
Standard deviation	0.89	0.92	0.78	0.79	0.62
1 st Quartile	3.00	3.00	4.00	4.00	4.00
3 rd Quartile	5.00	4.00	5.00	5.00	5.00

2005-2007	2006-2008	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013	2012-2014
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
22.0	26.2	29.6	35.6	35.2	45.2	40.3	43.4
41.5	50.0	46.3	47.5	46.5	43.5	47.8	50.9
31.7	21.4	22.2	13.6	12.7	6.5	9.0	5.7
4.9	2.4	1.9	3.4	5.6	4.8	3.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
100	100	100	100	100	100	100	100
3.82	4.01	4.05	4.15	4.11	4.29	4.25	4.38
0.84	0.76	0.77	0.78	0.83	0.79	0.74	0.59
3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
4.00	4.90	5.00	5.00	5.00	5.00	5.00	5.00

Overall project achievement

PCR/PPA data series – by year of completion

Percentage of projects

	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Highly satisfactory	0.0	0.0	0.0	0.0	0.0
Satisfactory	20.0	21.4	23.3	30.4	38.2
Moderately satisfactory	60.0	57.1	53.3	48.2	41.8
Moderately unsatisfactory	12.0	11.9	13.3	10.7	14.5
Unsatisfactory	8.0	9.5	10.0	10.7	5.5
Highly unsatisfactory	0.0	0.0	0.0	0.0	0.0
	100	100	100	100	100
	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Average rating	3.92	3.90	3.90	3.98	4.13
1 st Quartile	4.00	4.00	4.00	4.00	4.00
3 rd Quartile	4.00	4.00	4.00	5.00	5.00
Standard deviation	0.80	0.84	0.87	0.92	0.85

Overall project achievement (continued)**All evaluation data – by year of completion**

Percentage of projects

	2000-2002	2001-2003	2002-2004	2003-2005	2004-2006
Highly satisfactory	5.9	4.8	5.7	2.2	2.2
Satisfactory	29.4	28.6	25.7	22.2	20.0
Moderately satisfactory	35.3	42.9	48.6	48.9	46.7
Moderately unsatisfactory	23.5	19.0	17.1	24.4	28.9
Unsatisfactory	5.9	4.8	2.9	2.2	2.2
Highly unsatisfactory	0.0	0.0	0.0	0.0	0.0
	100	100	100	100	100
Average rating	4.06	4.10	4.14	3.98	3.91
Standard deviation	1.00	0.92	0.87	0.80	0.81
1 st Quartile	3.00	4.00	4.00	3.50	3.00
3 rd Quartile	5.00	5.00	5.00	4.50	4.00

All evaluation data – by replenishment period

Percentage of projects

	2001-2003 (5th)	2004-2006 (6th)	2007-2009 (7th)	2010-2012 (8th)	2013-2015 (9th)
Highly satisfactory	4.8	2.2	0.0	0.0	0.0
Satisfactory	28.6	20.0	21.8	36.4	31.1
Moderately satisfactory	42.9	46.7	54.5	45.5	48.9
Moderately unsatisfactory	19.0	28.9	20.0	9.1	20.0
Unsatisfactory	4.8	2.2	3.6	9.1	0.0
Highly unsatisfactory	0.0	0.0	0.0	0.0	0.0
	100	100	100	100	100
Average rating	4.10	3.88	3.94	4.09	4.11
Standard deviation	0.92	0.81	0.76	0.90	0.71
1 st Quartile	4.00	3.00	4.00	4.00	4.00
3 rd Quartile	5.00	4.00	4.00	5.00	5.00

2005-2007	2006-2008	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013	2012-2014
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20.9	23.3	21.8	24.2	25.7	36.4	36.2	38.6
48.8	58.1	54.5	53.2	50.0	45.5	43.5	43.9
27.9	16.3	20.0	16.1	16.2	9.1	15.9	15.8
2.3	2.3	3.6	6.5	8.1	9.1	4.3	1.8
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
100	100	100	100	100	100	100	100
3.88	4.02	3.94	3.95	3.93	4.09	4.12	4.19
0.75	0.70	0.76	0.81	0.86	0.90	0.83	0.76
3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
4.00	4.00	4.00	4.00	4.75	5.00	5.00	5.00

IFAD performance

PCR/PPA data series – by year of completion

Percentage of projects

	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Highly satisfactory	4.0	2.4	1.7	0.0	0.0
Satisfactory	24.0	26.2	31.7	33.9	41.8
Moderately satisfactory	60.0	52.4	48.3	48.2	41.8
Moderately unsatisfactory	12.0	19.0	16.7	16.1	14.5
Unsatisfactory	0.0	0.0	1.7	1.8	1.8
Highly unsatisfactory	0.0	0.0	0.0	0.0	0.0
	100	100	100	100	100
	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Average rating	4.20	4.12	4.15	4.14	4.24
1 st Quartile	4.00	4.00	4.00	4.00	4.00
3 rd Quartile	5.00	5.00	5.00	5.00	5.00
Standard deviation	0.71	0.74	0.78	0.75	0.78

IFAD performance (continued)**All evaluation data – by year of completion**

Percentage of projects

	2000-2002	2001-2003	2002-2004	2003-2005	2004-2006
Highly satisfactory	0.0	0.0	3.3	2.4	4.5
Satisfactory	0.0	20.0	33.3	29.3	25.5
Moderately satisfactory	27.3	33.3	20.0	22.0	18.2
Moderately unsatisfactory	72.7	46.7	40.0	43.9	47.7
Unsatisfactory	0.0	0.0	3.3	2.4	2.3
Highly unsatisfactory	0.0	0.0	0.0	0.0	2.3
	100	100	100	100	100
Average	3.27	3.73	3.93	3.85	3.75
Standard deviation	0.45	0.77	1.00	0.95	1.07
1 st Quartile	3.00	3.00	3.00	3.00	3.00
3 rd Quartile	3.50	4.00	5.00	5.00	5.00

All evaluation data – by replenishment period

Percentage of projects

	2001-2003 (5th)	2004-2006 (6th)	2007-2009 (7th)	2010-2012 (8th)	2013-2015 (9th)
Highly satisfactory	0.0	4.5	3.7	0.0	0.0
Satisfactory	20.0	25.5	16.7	37.9	50.0
Moderately satisfactory	33.3	18.2	57.4	45.5	36.4
Moderately unsatisfactory	46.7	47.7	18.5	15.2	13.6
Unsatisfactory	0.0	2.3	3.7	1.5	0.0
Highly unsatisfactory	0.0	2.3	0.0	0.0	0.0
	100	100	100	100	100
Average rating	3.73	3.71	3.98	4.20	4.36
Standard deviation	0.77	1.08	0.81	0.74	0.71
1 st Quartile	3.00	3.00	4.00	4.00	4.00
3 rd Quartile	4.00	5.00	4.00	5.00	5.00

2005-2007	2006-2008	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013	2012-2014
4.8	4.8	3.7	1.6	1.4	0.0	0.0	0.0
9.5	16.7	16.7	25.8	31.1	37.9	45.6	45.2
38.1	45.2	57.4	53.2	51.4	45.5	41.2	35.5
42.9	28.6	18.5	17.7	13.5	15.2	11.8	12.5
2.4	2.4	3.7	1.6	2.7	1.5	1.5	0.0
2.4	2.4	0.0	0.0	0.0	0.0	0.0	0.0
100	100	100	100	100	100	100	100
3.64	3.86	3.98	4.08	4.15	4.20	4.31	4.36
0.95	0.97	0.80	0.75	0.77	0.74	0.73	0.69
3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00

Government performance

PCR/PPA data series – by year of completion

Percentage of projects

	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Highly satisfactory	4.0	2.4	0.0	0.0	0.0
Satisfactory	20.0	16.7	20.0	21.8	23.6
Moderately satisfactory	48.0	42.9	38.3	40.0	50.9
Moderately unsatisfactory	16.0	26.2	28.3	26.8	18.2
Unsatisfactory	12.0	11.9	11.7	10.7	7.3
Highly unsatisfactory	0.0	0.0	0.0	0.0	0.0
	100	100	100	100	100
	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Average rating	3.88	3.71	3.72	3.73	3.91
1 st Quartile	3.00	3.00	3.00	3.00	3.50
3 rd Quartile	4.00	4.00	4.00	4.00	4.00
Standard deviation	0.99	0.96	0.96	0.92	0.84

Government performance (continued)**All evaluation data – by year of completion**

Percentage of projects

	2000-2002	2001-2003	2002-2004	2003-2005	2004-2006
Highly satisfactory	16.7	11.1	9.4	4.7	2.3
Satisfactory	16.7	16.7	25.0	25.6	27.3
Moderately satisfactory	33.3	55.6	43.8	32.6	29.5
Moderately unsatisfactory	33.3	16.7	15.6	30.2	34.1
Unsatisfactory	0.0	0.0	3.1	4.7	4.5
Highly unsatisfactory	0.0	0.0	3.1	2.3	2.3
	100	100	100	100	100
Average	4.17	4.22	4.13	3.88	3.82
Standard deviation	1.07	0.85	1.08	1.06	1.03
1 st Quartile	3.00	4.00	4.00	3.00	3.00
3 rd Quartile	5.00	4.75	5.00	5.00	5.00

All evaluation data – by replenishment period

Percentage of projects

	2001-2003 (5th)	2004-2006 (6th)	2007-2009 (7th)	2010-2012 (8th)	2013-2015 (9th)
Highly satisfactory	11.1	2.3	1.9	0.0	0.0
Satisfactory	16.7	27.3	22.2	28.8	27.3
Moderately satisfactory	55.6	29.5	44.4	39.4	56.8
Moderately unsatisfactory	16.7	34.1	22.2	22.7	13.6
Unsatisfactory	0.0	4.5	9.3	9.1	2.3
Highly unsatisfactory	0.0	2.3	0.0	0.0	0.0
	100	100	100	100	100
Average rating	4.22	3.79	3.85	3.88	4.09
Standard deviation	0.85	1.04	0.94	0.93	0.70
1 st Quartile	4.00	3.00	3.00	3.00	4.00
3 rd Quartile	4.75	5.00	4.00	5.00	5.00

2005-2007	2006-2008	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013	2012-2014
0.0	1.9	1.9	1.6	1.4	0.0	0.0	0.0
23.8	26.2	22.2	21.0	23.0	28.8	27.9	28.6
33.3	45.2	44.4	41.9	39.2	39.4	50.0	55.4
35.7	23.8	22.2	25.8	25.7	22.7	16.2	12.5
7.1	4.8	9.3	9.7	10.8	9.1	5.9	3.6
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
100	100	100	100	100	100	100	100
3.74	3.93	3.85	3.79	3.78	3.88	4.00	4.09
0.90	0.83	0.94	0.94	0.96	0.93	0.82	0.74
3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
4.00	4.75	4.00	4.00	4.00	5.00	5.00	5.00

Criteria composing performance

Relevance

PCR/V/PPA data series – by year of completion

Percentage of projects

	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Highly satisfactory	0.0	0.0	0.0	3.6	5.5
Satisfactory	28.0	23.8	23.8	35.7	50.9
Moderately satisfactory	68.0	71.4	71.4	50.0	29.1
Moderately unsatisfactory	4.0	4.8	5.0	8.9	12.7
Unsatisfactory	0.0	0.0	1.7	1.8	1.8
Highly unsatisfactory	0.0	0.0	0.0	0.0	0.0
	100	100	100	100	100
	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Average rating	4.24	4.19	4.25	4.31	4.45
1 st Quartile	4.00	4.00	4.00	4.00	4.00
3 rd Quartile	5.00	4.00	5.00	5.00	5.00
Standard deviation	0.51	0.50	0.65	0.76	0.85

Criteria composing performance (continued)

Effectiveness

PCR/PPA data series – by year of completion

Percentage of projects

	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Highly satisfactory	0	0	0	0	0
Satisfactory	24	23.8	21.7	25	30.9
Moderately satisfactory	56	47.6	50	48.2	49.1
Moderately unsatisfactory	12	19	16.7	16.1	12.7
Unsatisfactory	8	9.5	11.7	10.7	7.3
Highly unsatisfactory	0	0	0	0	0
	100	100	100	100	100
Average rating	3.96	3.86	3.82	3.87	4.04
1 st Quartile	4.00	3.00	3.00	3.00	4.00
3 rd Quartile	4.00	4.00	4.00	4.50	5.00
Standard deviation	0.82	0.88	0.90	0.92	0.85

Efficiency

PCR/PPA data series – by year of completion

Percentage of projects

	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Highly satisfactory	0	0	0	0	1.8
Satisfactory	16	14.3	18.3	16.1	20
Moderately satisfactory	48	33.3	28.3	35.7	43.6
Moderately unsatisfactory	24	38.1	37.7	33.9	25.5
Unsatisfactory	12	14.3	13.3	10.7	5.5
Highly unsatisfactory	0	0	1.7	3.6	3.6
	100	100	100	100	100
Average rating	3.68	3.48	3.49	3.51	3.76
1 st Quartile	3.00	3.00	3.00	3.00	3.00
3 rd Quartile	4.00	4.00	4.00	4.00	4.00
Standard deviation	0.88	0.92	0.99	1.01	1.01

Impact domains

Household income and assets

PCR/PPA data series – by year of completion

Percentage of projects

	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Highly satisfactory	0.0	0.0	0.0	0.0	0.0
Satisfactory	30.4	34.2	32.1	39.6	44.7
Moderately satisfactory	52.2	50.0	49.1	43.8	42.6
Moderately unsatisfactory	4.3	10.5	7.5	8.3	4.3
Unsatisfactory	13.0	5.3	11.3	8.3	8.5
Highly unsatisfactory	0.0	0.0	0.0	0.0	0.0
	100	100	100	100	100
Average rating	4.00	4.13	4.02	4.13	4.23
1 st Quartile	4.00	4.00	4.00	4.00	4.00
3 rd Quartile	5.00	5.00	5.00	5.00	5.00
Standard deviation	0.93	0.82	0.92	0.89	0.88

Human and social capital and empowerment

PCR/PPA data series – by year of completion

Percentage of projects

	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Highly satisfactory	0.0	2.5	1.7	3.8	3.7
Satisfactory	52.0	47.5	44.8	45.3	48.1
Moderately satisfactory	36.0	37.5	36.2	34.0	31.5
Moderately unsatisfactory	12.0	10.0	12.1	11.3	13.0
Unsatisfactory	0.0	2.5	5.2	5.7	3.7
Highly unsatisfactory	0.0	0.0	0.0	0.0	0.0
	100	100	100	100	100
Average rating	4.40	4.38	4.26	4.31	4.35
1 st Quartile	4.00	4.00	4.00	4.00	4.00
3 rd Quartile	5.00	5.00	5.00	5.00	5.00
Standard deviation	0.69	0.81	0.88	0.93	0.89

Impact domains (continued)

Food security and agricultural productivity

PCR/PPA data series – by year of completion

Percentage of projects

	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Highly satisfactory	0.0	0.0	0.0	0.0	0.0
Satisfactory	19.0	26.5	31.4	39.6	41.7
Moderately satisfactory	57.1	55.9	47.1	41.7	41.7
Moderately unsatisfactory	9.5	8.8	11.8	12.5	12.5
Unsatisfactory	14.3	8.8	9.8	6.3	4.2
Highly unsatisfactory	0.0	0.0	0.0	0.0	0.0
	100	100	100	100	100
Average rating	3.81	4.00	4.00	4.17	4.21
1 st Quartile	4.00	4.00	4.00	4.00	4.00
3 rd Quartile	4.00	4.75	5.00	5.00	5.00
Standard deviation	0.91	0.85	0.91	0.86	0.82

Natural resources, environment and climate change

PCR/PPA data series – by year of completion

Percentage of projects

	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Highly satisfactory	0.0	0.0	0.0	2.3	2.3
Satisfactory	15.0	16.1	12.8	11.4	13.6
Moderately satisfactory	60.0	64.5	55.3	52.3	54.5
Moderately unsatisfactory	20.0	16.1	25.5	29.5	25.0
Unsatisfactory	5.0	3.2	6.4	4.5	4.5
Highly unsatisfactory	0.0	0.0	0.0	0.0	0.0
	100	100	100	100	100
Average rating	3.85	3.94	3.74	3.79	3.84
1 st Quartile	3.75	4.00	3.00	3.00	3.00
3 rd Quartile	4.00	4.00	4.00	4.00	4.00
Standard deviation	0.73	0.65	0.76	0.79	0.80

Impact domains (continued)

Institutions and policies

PCR/PPA data series – by year of completion

Percentage of projects

	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Highly satisfactory	4.5	5.7	5.6	5.9	5.8
Satisfactory	27.3	22.9	25.9	21.6	28.0
Moderately satisfactory	45.5	40.0	38.9	45.1	48.1
Moderately unsatisfactory	18.2	22.9	20.4	19.6	11.5
Unsatisfactory	4.5	8.6	9.3	7.8	5.8
Highly unsatisfactory	0.0	0.0	0.0	0.0	0.0
	100	100	100	100	100
Average rating	4.09	3.94	3.98	4.00	4.17
1 st Quartile	4.00	3.00	3.00	3.00	4.00
3 rd Quartile	5.00	4.75	5.00	4.75	5.00
Standard deviation	0.90	1.03	1.03	0.98	0.91

Other performance criteria

Sustainability

PCR/PPA data series – by year of completion

Percentage of projects

	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Highly satisfactory	0.0	0.0	0.0	0.0	0.0
Satisfactory	20.0	17.1	13.6	12.7	14.5
Moderately satisfactory	40.0	46.3	42.4	47.3	47.3
Moderately unsatisfactory	28.0	29.3	37.3	32.7	32.7
Unsatisfactory	12.0	4.9	5.1	5.5	5.5
Highly unsatisfactory	0.0	2.4	1.7	1.8	0.0
	100	100	100	100	100
Average rating	3.68	3.71	3.61	3.65	3.71
1 st Quartile	3.00	3.00	3.00	3.00	3.00
3 rd Quartile	4.00	4.00	4.00	4.00	4.00
Standard deviation	0.93	0.88	0.84	0.84	0.78

Other performance criteria (continued)

Innovation

PCR/PPA data series – by year of completion

Percentage of projects

	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Highly satisfactory	4.0	4.8	3.3	3.6	3.6
Satisfactory	28.0	28.6	30.0	37.5	41.8
Moderately satisfactory	40.0	38.1	40.0	33.9	36.4
Moderately unsatisfactory	24.0	19.0	18.3	16.1	14.5
Unsatisfactory	4.0	7.1	6.7	7.1	1.8
Highly Unsatisfactory	0.0	2.4	1.7	1.8	1.8
	100	100	100	100	100
Average Rating	4.04	3.98	4.00	4.09	4.25
1 st Quartile	3.00	3.00	3.00	3.75	4.00
3 rd Quartile	5.00	5.00	5.00	5.00	5.00
Standard deviation	0.92	1.09	1.02	1.07	0.94

Gender equality and women's empowerment

PCR/PPA data series – by year of completion

Percentage of projects

	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Highly satisfactory	8.3	4.9	3.3	1.8	5.5
Satisfactory	25.0	26.8	28.3	39.3	45.5
Moderately satisfactory	54.2	46.3	46.7	39.3	38.2
Moderately unsatisfactory	8.3	17.1	18.3	17.9	7.3
Unsatisfactory	4.2	4.9	3.3	1.8	3.6
Highly unsatisfactory	0.0	0.0	0.0	0.0	0.0
	100	100	100	100	100
Average rating	4.25	4.10	4.10	4.22	4.42
1 st Quartile	4.00	4.00	4.00	4.00	4.00
3 rd Quartile	5.00	5.00	5.00	5.00	5.00
Standard deviation	0.88	0.92	0.85	0.82	0.85

Annex 7 Number of projects per each rating in the PCRV/PPA series

Evaluation criteria	<=6	<=5	<=4	<=3	<=2	<=1
Relevance	2.9	39.2	47.1	9.8	1.0	0.0
Effectiveness	0.0	28.4	47.1	15.7	8.8	0.0
Efficiency	1.0	17.6	38.2	31.4	9.8	2.0
Project performance	0.0	18.6	51.0	24.5	5.9	0.0
Rural poverty impact	0.0	34.7	49.0	12.2	4.1	0.0
Sustainability	0.0	16.8	44.6	31.7	5.9	1.0
Innovation and scaling up	3.9	36.3	36.3	17.6	3.9	2.0
Gender equality and women's empowerment	5.0	36.6	42.6	11.9	4.0	0.0
IFAD performance	1.0	35.3	45.1	17.6	1.0	0.0
Government performance	1.0	20.6	46.1	22.5	9.8	0.0
Overall project achievement	0.0	31.4	47.1	13.7	7.8	0.0
Household income and assets	0.0	40.0	44.4	6.7	8.9	0.0
Human and social capital and empowerment	3.0	48.5	32.3	13.1	3.0	0.0
Food security and agricultural productivity	0.0	36.0	46.5	10.5	7.0	0.0
Environment	1.3	16.3	55.0	23.8	3.8	0.0
Institutions and policy	5.4	27.2	43.5	17.4	6.5	0.0

Annex 8 **Peer-to-peer comparison: IOE-PMD ratings from 21 projects completed in 2011**

Country	Project name	Relevance		Efficiency		Effectiveness		Performance	
		IOE	PMD	IOE	PMD	IOE	PMD	IOE	PMD
Argentina	North Western Rural Development Project	4	4	3	3	4	4	4	4
Azerbaijan	North East Rural Development Project	4	5	5	5	4	5	4	5
Bangladesh	Microfinance for Marginal and Small Farmers Project	5	4	5	5	5	5	5	5
Benin	Participatory Artisanal Fisheries Development Support Programme	4	5	3	3	3	3	3	4
Cambodia	Rural Poverty Reduction Project	4	5	4	5	4	5	4	5
Congo	Rural Development Project in the Plateaux, Cuvette and Western Cuvette Departments	4	4	1	2	2	3	2	3
Côte d'Ivoire	Small Horticultural Producer Support	4	5	4	4	4	4	4	4
El Salvador	Reconstruction and Rural Modernization Programme	5	5	5	5	5	5	5	5
Georgia	Rural Development Programme for Mountainous and Highland Areas	2	3	2	3	2	2	2	3
Georgia	Rural Development Project	4	5	4	5	4	4	4	5
Ghana	Northern Region Poverty Reduction Programme	3	4	3	3	4	4	3	4
Guatemala	Rural Development Programme for Las Verpases	5	5	3	3	4	5	4	4
Lesotho	Sustainable Agriculture and Natural Resource Management Programme	5	4	3	3	4	4	4	4

Annex 8 Peer-to-peer comparison: IOE-PMD ratings from 21 projects completed in 2011

Rural poverty impact		Sustainability		Innovation and scaling up		Gender		Overall achievement		IFAD		Government	
IOE	PMD	IOE	PMD	IOE	PMD	IOE	PMD	IOE	PMD	IOE	PMD	IOE	PMD
4	4	4	3	5	5	4	4	4	4	4	5	4	4
5	5	3	4	4	5	5	4	4	5	4	4	5	5
5	5	5	5	5	5	5	5	5	5	5	5	5	5
3	3	3	4	3	4	4	4	3	3	4	5	3	3
4	5	3	5	4	4	5	6	4	5	4	5	4	5
3	2	3	4	3	3	3	3	3	3	3	3	2	2
4	4	3	4	4	4	4	5	4	4	4	4	4	4
5	5	4	4	5	5	4	6	5	5	4	5	5	5
2	2	2	2	2	2	3	2	2	2	4	3	2	3
4	4	4	3	4	4	5	4	4	4	5	4	4	3
4	4	4	5	4	4	4	4	4	4	3	4	3	3
4	5	4	5	5	5	6	4	5	5	5	5	4	5
4	4	4	3	4	4	4	4	4	4	4	4	3	3

Peer-to-peer comparison: IOE-PMD ratings from 21 projects completed in 2011 (continued)

Country	Project name	Relevance		Efficiency		Effectiveness		Performance	
		IOE	PMD	IOE	PMD	IOE	PMD	IOE	PMD
Moldova	Rural Business Development Programme	4	5	5	6	4	5	4	5
Mongolia	Rural Poverty Reduction Programme	4	4	4	4	4	5	4	4
Mozambique	Sofala Bank Artisanal Fisheries Project	6	6	4	5	4	5	5	5
Panama	Sustainable Rural Development Project for the Ngobe-Buglé Territory and Adjoining Districts	4	4	3	3	3	3	3	3
Rwanda	Umutara Community Resource and Infrastructure Development Project	5	5	4	4	4	4	4	4
Rwanda	Smallholder Cash and Export Crops Development Project	5	5	4	4	4	4	4	4
Uruguay	Uruguay Rural	5	5	3	4	5	5	4	5
Viet Nam	Decentralized Programme for Rural Poverty Reduction in Ha Giang and Quang Binh Provinces	5	5	5	5	4	4	5	5
Average		4.33	4.62	3.67	4	3.86	4.2	3.86	4.29
Average disconnect		-0.29		-0.33		-0.33		-0.43	

Annex 8 Peer-to-peer comparison: IOE-PMD ratings from 21 projects completed in 2011

Rural poverty impact		Sustainability		Innovation and scaling up		Gender		Overall achievement		IFAD		Government	
IOE	PMD	IOE	PMD	IOE	PMD	IOE	PMD	IOE	PMD	IOE	PMD	IOE	PMD
5	5	4	4	4	5	3	5	4	5	5	5	5	5
4	4	3	4	4	4	5	5	4	4	4	4	4	4
5	5	4	4	5	5	4	5	5	5	5	6	5	5
3	3	3	3	4	4	5	5	3	3	4	4	3	3
4	4	3	4	3	5	4	4	4	4	4	5	5	5
4	4	3	3	4	4	4	4	4	4	5	5	4	4
5	5	5	5	5	5	5	4	5	5	5	5	5	5
4	4	4	4	5	5	5	4	4	4	5	5	4	4
4.05	4.10	3.57	3.90	4.10	4.33	4.29	4.43	3.95	4.14	4.29	4.52	3.95	4.05
-0.05		-0.33		-0.24		-0.14		-0.19		-0.24		-0.10	

Annex 9 **List of country programme evaluations completed by IOE (1992-2015)**

This list does not include CPEs ongoing in 2015.

Nr.	Division*	Country programme evaluation	Publication year
1	NEN	Yemen	1992
2	NEN	Sudan	1994
3	APR	Bangladesh	1994
4	APR	Pakistan	1995
5	LAC	Honduras	1996
6	WCA	Ghana	1996
7	WCA	Mauritania	1998
8	APR	Nepal	1999
9	APR	Viet Nam	2001
10	NEN	Syrian Arab Republic	2001
11	APR	Papua New Guinea	2002
12	APR	Sri Lanka	2002
13	ESA	United Republic of Tanzania	2003
14	NEN	Tunisia	2003
15	APR	Indonesia	2004
16	WCA	Senegal	2004
17	WCA	Benin	2005
18	LAC	Plurinational State of Bolivia	2005
19	NEN	Egypt	2005
20	LAC	Mexico	2006

Annex 9 List of country programme evaluations completed by IOE (1992-2015)

Nr.	Division*	Country programme evaluation	Publication year
21	APR	Bangladesh	2006
22	ESA	Rwanda	2006
23	WCA	Mali	2007
24	LAC	Brazil	2008
25	NEN	Morocco	2008
26	APR	Pakistan	2008
27	NEN	Ethiopia	2009
28	WCA	Nigeria	2009
29	NEN	Sudan	2009
30	APR	India	2010
31	ESA	Mozambique	2010
32	LAC	Argentina	2010
33	WCA	Niger	2011
34	ESA	Kenya	2011
35	ESA	Rwanda	2012
36	WCA	Ghana	2012
37	APR	Viet Nam	2012
38	NEN	Yemen	2012
39	ESA	Uganda	2013
40	WCA	Mali	2013
41	APR	Nepal	2013
42	WCA	Madagascar	2013
43	APR	Indonesia	2014

* 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 10 Response of IFAD Management to the Annual Report on Results and Impact of IFAD Operations evaluated in 2014

A. Introduction

1. IFAD Management welcomes IOE's Annual Report on Results and Impact of IFAD Operations (ARRI) evaluated in 2014 and the opportunity to respond to the issues and recommendations raised. This ARRI is the last corporate independent evaluation report during the Ninth Replenishment of IFAD's Resources (IFAD9), a replenishment cycle that witnessed unprecedented results and achievements across the board, with an active portfolio of US\$13.6 billion serving 114 million people. Management appreciates IOE's efforts to address the suggestions raised in the Management response to last year's ARRI, which have enhanced the quality of the report.

B. Performance trends

2. Management is satisfied with the positive trend in project performance, which has been improving since 2008, particularly with regard to rural poverty impact. On this highest-level objective of IFAD-financed projects, about 87 per cent of the projects were rated positively over 2011-2013 compared to 80 per cent over 2007-2009. Management estimates that, as a percentage of overall financing, about 93 per cent of operations were rated positively during IFAD9.
3. Management acknowledges IFAD's improving performance as an effective partner from 53 per cent during IFAD5 to 86 per cent during IFAD9. The effect of early decentralization on results across the portfolio is worthy of note: while the share of projects with moderately satisfactory or better ratings across project achievement, innovation and gender equality does not vary greatly, the share of satisfactory (5+) projects is greater in countries with IFAD country offices (ICOs). Management's own assessment is that at early stages of decentralization, effects on portfolio performance (disbursement, projects

at risk, supervision) and non-lending activities (knowledge management, policy engagement, partnerships) tend to be more evident than effects on development results. But even those relationships are not always linear, with several intervening variables affecting the overall effects of country presence.²⁸ More in-depth analysis is therefore required.

4. Notwithstanding IFAD's overall positive performance, Management is committed to continue raising the "performance bar". Management notes that while the report provides useful insights on persistently challenging areas – such as operational efficiency, sustainability of benefits, environmental and natural resource management, and monitoring and evaluation (M&E) – recently introduced solutions are not yet captured given the cohort of operations analysed. This is particularly true for concerns related to efficiency: these are being addressed by integrating economic and financial analysis more systematically into project design and implementation, focusing on problem projects, including through dedicated technical assistance, and continuing to implement the reform agenda pursuant to the corporate-level evaluation on IFAD's institutional efficiency and efficiency of IFAD-funded operations.

C. Methodology

5. Management suggests that future ARRI's more clearly articulate the implications of the measures of dispersion used in the report. While the standard deviation has been calculated for each evaluation criterion, the underlying reasons for data dispersion are not clearly stated. For example, innovation and scaling up has been rated as one of the best performing indicators with a mean of 4.2 in table 5 (based on the PCR/ PPA data). But it is not clear whether the high volatility in the

²⁸ In Asia and the Pacific region, for example, the highest disbursement lags are concentrated in countries that have had ICOs for many years (India, Nepal, Pakistan, Sri Lanka, Viet Nam), while the four countries with the lowest disbursement lags do not have an ICO.

ratings, reflected by the standard deviation of 1.04, implies a diversity of contexts, strategies or regional variations.

6. Management suggests that future ARRI's perform a more nuanced analysis of the implications of fragility on performance in order to make the conclusions operational. The ARRI database has found significant differences in performance across fragile and non-fragile states with respect to overall project achievement, innovation and gender (charts 16, 17 and 18). However, the Management database does not reveal differences of the same magnitude. Management recommends a review of the current methodology for analysing project performance in fragile states with regards to: (i) classification: a large share of the projects being evaluated were active over a long period of time, with levels of fragility differing over the life of the project.²⁹ Management suggests that the state of fragility be examined at the time of project implementation as opposed to the time of reporting; and (ii) subnational fragility: even in non-fragile states, IFAD operates in fragile areas, with weakened institutions, public service delivery mechanisms and political structures.³⁰ This is not reflected in fragility classifications that are restricted to the national level, affecting the relevance of the analysis.
7. Management also suggests that future ARRI's more adequately analyse fiduciary and procurement-related aspects and their impact on results. Only two references are made, in paragraphs 119 and 239, where financial management is referred to as one of several factors contributing to project performance.

D. Clarifications

8. Management shares IOE's view on the importance of ensuring that results-based country strategic opportunities programmes (RB-COSOPs) remain valid and relevant, with appropriate stocktaking to ensure timely adjustments, for those countries that have RB-COSOPs. However, Management has

reduced the number of RB-COSOPs commensurate to the strategic relevance of the IFAD portfolio and policy engagement. Many countries with portfolios of smaller size will still be subject to more in-depth strategic discussions by preparing country strategy notes, concise documents describing the key areas for strategic engagement.

9. Management agrees that several persistent factors constrain different dimensions of project performance, including multiple project components. The report does not however reflect recent trends and improvements in this regard. Simplicity of design is receiving more systematic attention as part of quality enhancement and assurance processes, portfolio reviews and design training, and is beginning to show results. The average number of components for projects approved in IFAD9 is 3.1, down from 3.5 in IFAD8. Recent trends are highly encouraging in this regard, with an average number of components of 3.4 in 2013, 3.2 in 2014 and 2.7 in 2015. However, project complexity is not merely a function of the number of project components, and there is no conclusive evidence of the relationship between project complexity and achievement of results.

E. Recommendations to Management

10. Management welcomes IOE's efforts to ensure that recommendations are strategic and reduced to a manageable number. It wishes however to note that while all three recommendations addressed to IFAD highlight issues of importance, they bundle specific sub-actions that cannot be agreed or disagreed with as a package, but only by assessing their relative feasibility one by one. Management is thus in agreement with the spirit of all three recommendations but wishes to state its views regarding each sub-action (wording simplified in the table below for ease of reference) for adequate and transparent follow-up.

²⁹ For example, Yemen is currently classified as a fragile state (and included in evaluation databases as such). However, of three projects included in the project completion report validation/project performance assessment (PCR/V/PPA) database, one project was completed in 2009, when the country was not in the current state of fragility. Another project completed in 2012 was implemented over a long period starting in the early 2000s, with no conditions of fragility during the majority of the life of the project.

³⁰ This was the case for example with the India Jharkhand-Chhattisgarh Tribal Development Programme, which was implemented in regions with continuing left-wing insurgency.

Sustainability

IOE recommendation 1	Management response
a. Project design report (PDR) to include a section on sustainability	Agreed. Both the PDR and President's report (section IV. D in the template) already contain sections on sustainability, and Management will ensure that due attention continues to be paid to these sections. In addition, the project design guidelines issued in 2011 contain a specific section on sustainability, recommending that project teams provide "an overview of the key elements that enhance the likelihood of the sustainability of the benefits to continue to accrue". ³¹
b. Preparation of exit strategy in each project well before completion	Disagree. Management believes that there is no proven relationship between having an exit strategy and effective project sustainability. Management is ramping up efforts to make the scaling up agenda increasingly operational as a way to ensure that strategies for sustainability of benefits are mainstreamed in project design and implementation. Project design and RB-COSOP guidelines require that key aspects of the scaling-up approach should be reflected in the relevant parts of PDRs and RB-COSOPs. ³² In parallel, IFAD is increasingly moving towards a country programme approach that addresses sustainability issues from a more systemic perspective, through synergies of investments and non-lending activities, which may or may not require IFAD presence.

31 It includes: key assumptions vis-à-vis sustainability of project benefits to the target group: Who benefits? Which benefits? For how long?; measures built into the project design to promote sustainability, including at the institutional or grass-roots level; and systemic changes that are likely to be brought about due to project interventions, in particular addressing aspects of scaling up at the institutional or grass-roots level.

32 The scaling-up aspects to be reflected include: the definition of pathways and the identification of drivers (including champions and catalysts) as part of the project approach; the spaces for scaling up in terms of finance, policies, institutions, technology and environment as part of the rationale; the implications of scaling up on implementation arrangements, including possible partnerships; the mechanisms and approach to learning integrated into the M&E system; and risks related to scaling up and their mitigation strategies.

33 The operational instruction states that "all projects should have baseline data for most indicators before they are approved by the Board. For each indicator for which baseline data are not available at approval, specific justification is provided in the PDR and provisions to obtain such data within one (1) year of entry into force are specified".

Monitoring and evaluation

IOE recommendation 2	Management response
a. Inclusion of a separate budget line devoted specifically to M&E activities in all projects	Agreed. Management shares the theoretical tenet that clear budget lines for M&E contribute to increasing the visibility of these activities. In fact, it is not uncommon for IFAD operations to include estimates of such costs, either in a separate budget line or in the project management line (it is a standard variable in Costab). But from an operational point of view, the problem is one of budget execution for M&E (irrespective of the way it is recorded), rather than budget visibility or availability, with complex incentives at play. Utilization of M&E findings is the yardstick of the success of an M&E system; it is hard to convince project teams and country authorities to fund an M&E system whose outputs are not being utilized. Management is increasingly creating incentives for results-based management through RB-COSOPs and non-lending work, facilitated for example by establishing M&E and results measurement as one of the windows for the IFAD grants programme in 2015-2016.
b. Baseline surveys at design or no later than 12 months after entry into force	Agreed. Management wants to place this recommendation in the context of the wider challenges regarding baselines, of which baseline surveys are only a small part. First, while baseline surveys are conducted for mandatory impact level RIMS indicators (three indicators), the majority of LogFrame indicators still need baselines, but do not necessarily require a survey, but rather a smarter use of existing data sources. Management revised operational instructions in August 2015 to address this issue. ³³ Second, Management also wishes to note that while most baselines could be obtained

IOE recommendation 2	Management response
<p>b. Baseline surveys at design or no later than 12 months after entry into force (continued)</p>	<p>prior to the onset of operational activities, it is often technically sound for baselines to be collected after basic operational activities have already begun. For most operations, there is a considerable delay between output delivery activities and their measurable effect on outcome and impact performance indicators. Moreover, to serve as a baseline for an impact evaluation, the sample cannot be adequately constructed until there is a clear sense of the specific eligibility criteria and the phasing-in of a project. Administering a baseline prior to this point represents a missed opportunity to collect valuable data.</p>
<p>c. More systematic attention to sharpening indicators in general, with data on nutritional impact and gender disaggregated</p>	<p>Agreed. Several efforts have been launched in 2015 to improve the selection and monitoring of indicators, such as: (i) new operational instructions on LogFrames that include provisions to ensure that LogFrames are from now on thoroughly reviewed during quality enhancement, encouraging country teams to make adequate arrangements for effective monitoring from early stages of project design; (ii) a comprehensive, structured M&E curriculum is under development; (iii) a revision of RIMS indicators is ongoing. As part of these efforts, Management recognizes the need to enhance collection of data on nutrition and to ensure more systematic sex-disaggregation and gender analysis. Still, it should be noted that as part of an analysis of the use of RIMS indicators in 2014, data on women beneficiaries was available in 88 per cent of the cases, showing steady improvement from previous years; and (iv) a corporate online LogFrame tracking tool is being developed as part of efforts to ensure that indicators are carefully selected during design and consistently tracked during project supervision to completion.</p>
<p>d. Inclusion of specific and measurable indicators and targets for non-lending activities in all COSOPs' results frameworks</p>	<p>Disagree. Management shares IOE's view expressed elsewhere in the report that lending and non-lending activities supported by IFAD are mutually reinforcing and contribute to achieving country programme objectives. Management does not however believe that this specific proposal to introduce separate indicators for non-lending activities (these are inputs towards higher level goals) is congruent with this view. From a results-based management approach, RB-COSOPs should identify measurable indicators and targets for country strategy outcomes that are clearly aligned with the borrower's own development strategies. Management therefore believes that both types of activities (lending and non-lending) should contribute to the achievement of a common set of higher level development outcomes. Experience from other multilateral development banks (MDBs) that have implemented results-based country strategies for longer periods suggests that artificially separating lending and non-lending through different measurement strategies leads to relegation of the latter. It also moves attention away from the ultimate results. Moreover, emerging evidence suggests that the impact of policy engagement of the type that IFAD pursues may be greater when embedded in lending activities. Management is currently finalizing revised operational instructions on RB-COSOPs through internal consultations and learning from ongoing reforms in other MDBs.</p>

IOE recommendation 2	Management response
e. Development of incentives and accountability provisions for staff on M&E	Agreed. Management, in partnership with IOE, is progressively putting in place incentives for M&E, particularly at the divisional level by establishing budgetary rewards for divisions that produce the best LogFrames and the best quality project completion reports in a given year. Country programme managers whose projects are selected will be subject to explicit recognition by Senior Management. Management is also revamping a corporate dashboard that will provide closer-to-real-time information on project performance, both as an incentive for better performance and as a tool for informed decision-making.

IFAD country strategies

IOE Recommendation 3	Management response
a. Inclusion of realistic and achievable objectives in all COSOPs	Agreed. As stated above, RB-COSOPs will be built around a single programmatic approach and results framework with all investments and non-lending activities contributing to common results. In fact, Management would like to emphasize that the draft new strategic framework 2016-2025 highlights the need to ensure that RB-COSOPs develop targeted and tailored country approaches that are realistic and achievable, customized to the context and building on the strengths of IFAD and its partners.
b. COSOP to specify the time frames covered, and how lending and non-lending activities reinforce each other	Agreed. Management believes that this recommendation should be more comprehensively understood as the need to develop a theory of change for country programmes, a prerequisite for the achievement of results. The draft new RB-COSOP guidelines conceive of RB-COSOPs as tools to achieve country-level objectives through the combination of lending and non-lending activities delivered by IFAD's support. Management wishes to record that with the implementation of the new grants policy, in-house review processes increasingly filter grant proposals by assessing the extent to which they reinforce existing investments (and vice versa). With regards to time frames, Management agrees that RB-COSOPs must clearly specify their duration, normally six years (two PBAS cycles). It wishes to note, however, that other MDBs have learned about the need to allow for flexibility in time frames to accommodate changing country contexts.
c. Inclusion of a better account of the estimated "costs" (both programme and administrative resources) in all COSOPs	Disagree. Although Management agrees with the importance of developing realistic RB-COSOPs that can be effectively delivered with available resources, it does not agree that a detailed cost indication in the document is appropriate. Management wishes to record that efforts are under way to do initial cost estimates for some key processes and deliverables, from undertaking consultations for country programme development to managing problem projects, in the context of RB-COSOP development. Management does not believe, however, that it would be prudent to commit to a full resource estimation at the time of RB-COSOP development. Although with limitations, RB-COSOPs already contain an indication of key resources, from PBAS allocations – the main resources for RB-COSOP implementation – to potential grant resources, which are increasingly identified at the time of strategy formulation. Clearly, the costs of implementing RB-COSOPs and achieving the intended results go beyond IFAD resources, including resources from borrowers and partners. Moreover, a significant part of non-lending resources used in

IOE Recommendation 3	Management response
c. Inclusion of a better account of the estimated “costs” (both programme and administrative resources) in all COSOPs (continued)	RB-COSOPs are contained within operations; i.e. policy dialogue often happens in the context of project implementation. Estimating additional costs is particularly challenging in contexts that require flexibility or more reactive engagements. Management also wishes to note that in the process of approval of RB-COSOPs, quality reviews are in place to ensure that ambitions do not exceed existing resources.
d. COSOP completion reviews	Agreed. Management agrees on the importance of taking stock of results and performance at appropriate intervals, often after two PBAS cycles. In order to ensure efficiency and consistency, Management expects that undertaking RB-COSOPs will also facilitate the undertaking of more efficient country programme evaluations by, for example, providing the information now requested in self-assessments and shortening fact-finding missions.

H. Learning theme

11. Management is satisfied with the proposed learning theme of knowledge management for the 2016 ARRI, in line with Management’s request in the 2015 President’s Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) that IOE provide guidance on the kinds of learning that could contribute to improved performance and effectiveness.

© 2015 by the International Fund for Agricultural Development (IFAD)

The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of IFAD concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The designations 'developed' and 'developing' countries are intended for statistical convenience and do not necessarily express a judgement about the stage reached by a particular country or area in the development process.

All rights reserved

ISBN 978-92-9072-635-7

Printed by Palombi & Lanci Tipografia srl, Rome, Italy

December 2015

Cover photo

Bangladesh, Haor Infrastructure and Livelihood Improvement Project-
Climate Adaptation and Livelihood Protection (HILIP-CALIP)

©IFAD/G.M.B. Akash



International Fund for Agricultural Development

Via Paolo di Dono, 44 - 00142 Rome, Italy

Tel: +39 06 54591 - Fax: +39 06 5043463

E-mail: ifad@ifad.org

www.ifad.org

www.ruralpovertyportal.org

 ifad-un.blogspot.com

 www.facebook.com/ifad

 instagram.com/ifadnews

 www.twitter.com/ifadnews

 www.youtube.com/user/ifadTV



December 2015