



ARRI 2014

Independent Office of Evaluation of IFAD

ANNUAL REPORT ON RESULTS AND IMPACT OF IFAD OPERATIONS EVALUATED IN 2013



Investing in rural people

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Plurinational State of Bolivia -
Enhancement of the Peasant Camelid
Economy Support Project

The project helps traditional herders make sustainable profits from their llamas and other camelids, especially by providing training in nutrition and animal husbandry practices, and financing small enterprises.

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Foreword

The Independent Office of Evaluation of IFAD (IOE) is pleased to present its twelfth Annual Report on Results and Impact of IFAD Operations (ARRI), based on the evaluations carried out in 2013. The ARRI is IOE's flagship annual report, and it is a critical instrument to promote institutional accountability and learning for improved development effectiveness.

The 2014 ARRI reflects good performance in IFAD operations across a number of evaluation criteria, in particular with regard to IFAD's own performance as a partner but also in terms of rural poverty impact, gender equality and women's empowerment, and innovation and scaling up. Furthermore, the performance of IFAD operations is on par with – or better than – the agriculture sector operations of the African Development Bank, Asian Development Bank and World Bank. The consolidation of existing and newly established IFAD Country Offices, as well as direct supervision and implementation support, are among fundamental features of IFAD's operating model that have helped improve operational performance.

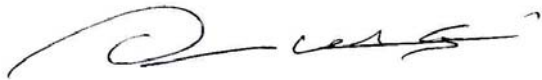
There are however some areas of challenge that need to be addressed to further improve IFAD's development effectiveness. These include the sustainability of benefits, operational efficiency and the performance of governments as partners. The ARRI also indicates that a large number of targets for IFAD operations (included in the corporate Results Measurement Framework for 2013-2015) are lagging and that special efforts are needed to bridge the gap between current performance and the targets set for the end of 2015.

This year's learning theme covers the issue of project management and its relevant arrangements in IFAD-funded projects. Among other issues, the ARRI underlines that good project management is essential for positive outcomes. There are, nevertheless, some challenges that need to be addressed to promote effective project management: minimise the rotation of project directors during implementation; ensure that project staff are familiar with IFAD policies and procedures (e.g., in terms of financial management and procurement); and strengthen monitoring and evaluation as a critical tool to support project management.

The ARRI makes several recommendations to improve performance in the future. They include, inter alia, (i) the need for Management to undertake completion reviews of all IFAD country strategies; (ii) use independent evaluation ratings (where available) only to report against key indicators in the corporate Results Measurement Framework; and (iii) IOE to consider sustainability of benefits as the main learning theme in the 2015 ARRI.

The 2014 ARRI was produced under the overall leadership of Ashwani Muthoo, Deputy Director, IOE. Other IOE staff – Simona Somma (Evaluation Officer) and Linda Danielsson (Assistant to the Deputy Director) – were closely associated in the undertaking of the analysis and preparing the report. Several consultants provided invaluable inputs into the production of this year's ARRI, including Michael Flint, Anil Sood, Renate Roels and Alejandro Yeves. Last but not least, I acknowledge the work of Melba Alvarez of the Evaluation Communication Unit who led the process of developing the design, layout and graphics for the document.

I hope that this report will provide insights to further enhance IFAD's development effectiveness and stimulate discussions on key issues in the international development community.



Oscar A. Garcia
Director
Independent Office of Evaluation of IFAD

Executive summary

- 1. Background.** This is the twelfth edition of the Annual Report on Results and Impact of IFAD Operations (ARRI). The ARRI has been prepared each year since 2003 by the Independent Office of Evaluation of IFAD (IOE). The Fund is one of the very few multilateral and bilateral development organizations that produces such a report on an annual basis – an illustration of its commitment to promoting transparency, accountability and learning for better institutional and operational performance.
- 2. Objectives.** The ARRI has two main objectives. They are to (i) present a synthesis of performance of IFAD-supported operations, based on a common evaluation methodology; and (ii) highlight systemic and cross-cutting issues, lessons and challenges that IFAD and recipient countries need to address to enhance the development effectiveness of IFAD-funded operations.
- 3. Data sources and structure.** The ARRI consolidates and summarizes the results and impact of IFAD-funded operations on the basis of independent evaluations conducted in the previous year. The 2014 ARRI draws on a database of 224 project evaluations completed by IOE since 2002, including 35 project evaluation ratings from the 29 evaluation reports that have informed this edition of the report. These consist of two corporate-level evaluations (CLEs), three evaluation synthesis reports, five country programme evaluations (CPEs), nine project completion report validations (PCRVs), nine project performance assessments (PPAs) and one impact evaluation by IOE.
- 4 As agreed in last year's ARRI, IOE project evaluation ratings are now presented in two data series: (i) all evaluation data, and (ii) PCRV/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 more than 70 PCRVs/PPAs in a relatively short period of time, which provides quite a solid basis for analysing the performance of IFAD operations. However, given that PCRVs and PPAs were introduced by IOE in 2010, a sufficient number of ratings are available only for projects closing during the period 2007-2009 and thereafter. Also as agreed last year, both data series present the ratings by year of project completion and as three-year moving averages. Moreover, for the first time this year, the ARRI also includes an analysis of independent evaluation ratings, based on IFAD replenishment periods.
5. The ARRI follows a broadly similar format to last year and is structured in two parts. The first part (chapter 2) reports on project performance since 2000 and synthesizes the main issues arising from last year's evaluations. This part also includes a section that benchmarks the performance of IFAD operations against the agriculture sector operations of other selected international financial institutions. The second part (chapter 3) is devoted to this year's learning theme: project management. Lastly, the ARRI includes a chapter on conclusions and recommendations.
- 6. Main findings.** This year's ARRI shows that IFAD's performance as a partner is the best it has been since the ARRI was first produced in 2003. The numerous changes and reforms to IFAD's operating model are having a positive effect on performance, in particular direct supervision and implementation support,

- the establishment of IFAD country offices and better portfolio management.
7. Other areas of good performance include the relevance of operations and rural poverty impact, including promotion of gender equality and women's empowerment, and innovation and scaling up. In fact, rural poverty impact is moderately satisfactory or better in more than 90 per cent of projects evaluated during the period 2012-2014.
 8. As mentioned above, the ARRI analysed independent evaluation ratings grouped by IFAD replenishment periods, starting with the Fifth Replenishment period (2001-2003). Generally speaking, with the exception of efficiency, IFAD operations have performed best during the Ninth Replenishment period, including in the traditionally weak areas of sustainability and government performance.
 9. In terms of benchmarking, the ARRI finds that the performance of IFAD operations is on par with – or better than – the performance of Asian Development Bank, African Development Bank and World Bank operations. When interpreting these findings, the different nature and size of the organizations must be kept in mind – especially the fact that IFAD operations are normally being implemented in more challenging contexts, such as remote rural areas, and they devote specific attention to participatory approaches, gender mainstreaming, targeting and grass-roots institution-building.
 10. There are opportunities for improvement. First, efficiency remains the weakest area of performance in IFAD-supported operations. Performance in operational efficiency has not shown improvements over time. The ARRI notes, however, that the Executive Board last year adopted a Consolidated Action Plan to Enhance IFAD's Efficiency, which includes several measures to address the root causes of weak institutional and operational efficiency.
 11. There are two other areas where performance is relatively weak, in spite of some improvements in recent years: the sustainability of benefits and government performance. Several areas will require additional attention to improve sustainability, including designing projects that have simpler objectives and are more closely adapted to the institutional and policy context of recipient countries. Further efforts will be needed to support governments to enhance their capacity and performance, especially in fragile states, given that governments are ultimately responsible for the execution of IFAD-funded projects and programmes.
 12. The ARRI also finds gaps in current performance, based on independent evaluation ratings and the Ninth Replenishment targets for operations, to be accomplished by the end of 2015. While the gap is relatively small in some areas (relevance and impact), it is quite large in others (efficiency, sustainability, partnerships and government performance). Similarly, few projects are rated highly satisfactory, which may be explained in part by the reasons explained above in paragraph 9.
 13. Since the introduction of PCRVs in all completed projects and PPAs in a selected number of operations, IOE has been able to determine the "net disconnect" between project performance as documented, respectively, in independent and self-evaluation reports. It is reassuring that the net disconnect between the PCR/PPA data reported by IOE and the project completion report (PCR) data produced by IFAD is currently narrow. At the same time, IOE finds that the quality of PCRs is variable and that there is room for further improvement, especially in terms of the quality of data and overall evidence base. In this regard, there is scope for improving the quality and timeliness of baseline surveys and monitoring and evaluation systems in general.
 14. **Project management.** As agreed with the Board last year, this year's learning theme was project management. It is useful to recall that IFAD-funded projects are managed entirely by national authorities and institutions, and do not

include international staff recruited by IFAD. Overall, evaluations by IOE and others find that a strong project management team is a key determinant of successful project outcomes.

15. The ARRI identified a number of positive features that enhance the performance of project management. These include, for example, the commitment and ownership of project management staff; regular implementation support by IFAD; participation in annual country-level portfolio review and regional implementation workshops; clear guidelines and procedures for procurement and financial management; and participation in dedicated training on specific issues of priority to IFAD and the project.
16. At the same time, there are several explanatory factors affecting the performance of project management. These include delays in the appointment of, and frequent rotation/changes in, project staff; low priority attributed to monitoring and evaluation activities; challenges in applying the IFAD Results and Impact Management System; limited knowledge of IFAD policies, priorities and operational procedures; and interference by the designated executing agency. Moreover, the analysis found that although steering committees have an important role in providing strategic guidance and oversight to project management, on the whole, they have not performed adequately.
17. **Country programme performance.** Although improving, there is scope to further enhance performance in non-lending activities: knowledge management, policy dialogue and partnerships, which are essential for scaling up impact and rural transformation. Evaluations are increasingly underlining the importance for IFAD to anchor its non-lending activities in the experiences of loan-funded projects.
18. Efforts to consolidate existing country offices, and to establish new ones with outposted country programme managers, are very worthwhile, but limited IFAD human and financial resources remain a constraint.

Regional and subregional offices also play an important role and, based on the experience of the regional office in Kenya, have the potential to enhance efficiency and effectiveness in delivery. The opportunities and challenges of IFAD's institutional decentralization – which is essential to bring the Fund closer to the ground for better development effectiveness – together with the related costs, is an area that merits further attention and study in the future.

19. The ARRI also underlines that country strategic opportunities programmes (COSOPs) are fundamental instruments for providing overall strategic guidance to IFAD activities at the country level. However, funding for preparation is insufficient and the COSOPs are not always informed by COSOP completion reviews or CPEs (IOE is able to undertake CPEs in only a handful of countries in any given year). There is also potential for greater integration of, and synergies between, all IFAD-supported activities at the country level (i.e. loans, grants, non-lending activities and reimbursable technical assistance, where applicable), which would lead to better results at the national level, beyond the boundaries of individual projects funded by IFAD.
20. **Recommendations.** The 2014 ARRI makes the following recommendations to IFAD Management.
 - (i) **COSOP completion reviews.** Ensure that COSOP completion reports (self-assessments) are carried out systematically starting from 2015. The potential budgetary implications will need to be taken into account.
 - (ii) **Budgets for COSOPs and projects.** Consider a more differentiated approach towards budget allocations – for instance, depending on country context – for COSOP development and management, project design, supervision and implementation support, and non-lending activities. Management should explore the opportunities and challenges around

establishing dedicated trust funds (financed by donor grants) for such activities to complement the Fund's annual administrative budgets. Moreover, the possibility of integrating some of the costs related to project preparation within IFAD loans also merits reflection.

(iii) **IFAD's organizational decentralization.**

Building on current efforts, opportunities for greater decentralization of the organization, including further outposting of country programme managers, should be explored to bring better results on the ground. This should include consideration of setting up other regional/subregional offices, based on the experience accumulated thus far (e.g. from the East and Southern Africa region). The potential budgetary implications of this recommendation will need to be taken into account.

(iv) **Use of independent evaluation ratings.**

Independent evaluation ratings from IOE, where available, should be used in the Report on IFAD's Development Effectiveness to report against the criteria/indicators in the corporate results measurement framework and in any other ad hoc reports on results.

21. The Board is invited to adopt the following two recommendations, addressed to IOE:

(i) **2015 ARRI learning theme: sustainability.**

IOE should treat the sustainability of benefits as the learning theme in next year's ARRI.

(ii) **ARRI database.** In 2015, IOE should review the ARRI database, including independent evaluation ratings, inter alia, to ensure the completeness and clarity of the database for external users and to further develop the format of and access to, so as to facilitate navigation and statistical analysis.

Résumé

- 1. Généralités.** Le présent document constitue le douzième Rapport annuel sur les résultats et l'impact des opérations du FIDA (RARI). Le RARI est préparé chaque année depuis 2003 par le Bureau indépendant de l'évaluation du FIDA (IOE). Le Fonds est l'une des très rares organisations multilatérales et bilatérales de développement qui produisent un semblable rapport annuellement, témoignant de son engagement en faveur de la promotion de la transparence, de la responsabilité et de l'apprentissage pour une meilleure performance opérationnelle et institutionnelle.
- 2. Objectifs.** Le RARI a deux grands objectifs qui sont les suivants: i) présenter une synthèse des résultats des opérations soutenues par le FIDA fondée sur une méthode d'évaluation commune; et ii) mettre en relief les problèmes, les enseignements et les enjeux systémiques et transversaux dont le FIDA et les pays bénéficiaires doivent accorder leur attention pour renforcer l'efficacité en matière de développement de ces opérations.
- 3. Sources des données et structure.** Le RARI présente une synthèse des résultats et de l'impact des opérations financées par le FIDA, en se fondant sur les évaluations conduites l'année précédente. Le RARI 2014 s'appuie sur une base de données comprenant les évaluations de 224 projets menées à bien par IOE depuis 2002, et sur les notes d'évaluation de 35 projets figurant dans les 29 rapports d'évaluation pris en considération dans la présente édition. Ceux-ci comprennent deux évaluations au niveau de l'institution (ENI), trois rapports d'évaluation de synthèse, cinq évaluations de programme de pays (EPP), neuf validations de rapports d'achèvement de projet (VRAP), neuf évaluations de la performance de projets (EvPP) et une évaluation d'impact exécutée par IOE.
4. Comme il a été convenu dans le RARI de l'an passé, les notes d'évaluation des projets décernées par IOE sont maintenant présentées en deux séries de données: i) toutes les données d'évaluation et ii) les seules données VRAP/EvPP. La première présente les notes des projets figurant dans tous les rapports d'évaluation depuis 2002. La seconde ne contient que les données provenant des VRAP, des EvPP et des évaluations d'impact. IOE a ainsi mené à bien plus de 70 VRAP/EvPP, en un temps relativement court, qui fournissent une base très solide pour l'analyse de la performance des opérations du FIDA. En revanche, du fait que les VRAP et les EvPP ont été instituées par IOE en 2010, un nombre suffisant de notes n'est disponible que pour les projets qui ont été clôturés au cours de la période 2007-2009 et ultérieurement. De même, comme il a été convenu l'an passé, les deux séries présentent les notes par année d'achèvement des projets et sous forme de moyennes mobiles sur trois ans. En outre, pour la première fois cette année, le RARI comprend aussi l'analyse des notes d'évaluations indépendantes classées par période de reconstitution des ressources du FIDA.
5. La présentation de ce RARI correspond dans l'ensemble à celle de l'an dernier et comprend deux parties. La première partie (chapitre 2) présente la performance des projets depuis 2002 et une synthèse des principales questions soulevées dans les évaluations de l'an passé. Elle comprend aussi une section comparant la performance des opérations du FIDA à celles des interventions conduites dans le secteur agricole par certaines autres institutions financières internationales. La deuxième partie (chapitre 3) porte sur le thème d'apprentissage retenu pour cette année, à savoir la gestion des projets.

- Un dernier chapitre du RARI est consacré aux conclusions et aux recommandations.
6. **Principales conclusions.** Il ressort du présent RARI que la performance du FIDA en tant que partenaire est la meilleure qui ait été enregistrée depuis sa première édition en 2003. Les nombreuses modifications et réformes du modèle opérationnel du FIDA ont eu un effet positif sur la performance, en particulier, la supervision directe et l'appui à l'exécution, l'établissement de bureaux de pays et une meilleure gestion du portefeuille.
 7. Parmi les autres domaines où la performance a été bonne, on peut citer la pertinence des opérations et l'impact sur la pauvreté rurale, ainsi que la promotion de l'égalité des sexes et de l'autonomisation des femmes, l'innovation et la reproduction à plus grande échelle. De fait, l'impact sur la pauvreté rurale est jugé plutôt satisfaisant ou mieux dans plus de 90% des projets évalués au cours de la période 2012-2014.
 8. Comme il est indiqué ci-dessus, le RARI a analysé les notes d'évaluations indépendantes classées par période de reconstitution des ressources du FIDA, à partir de la cinquième reconstitution (2001-2003). À l'exception de l'efficacité, les opérations du FIDA ont enregistré de manière générale leur meilleure performance durant la période de la neuvième reconstitution, y compris dans les domaines de la durabilité et de la performance gouvernementale, où elle est habituellement faible.
 9. En ce qui concerne l'étalonnage comparatif, le RARI constate que la performance des opérations du FIDA est égale ou supérieure à celle des interventions de la Banque asiatique de développement, de la Banque africaine de développement et de la Banque mondiale. Il convient d'interpréter ce constat en tenant compte de la différence de taille et de nature des organisations considérées et, en particulier, du fait que les opérations du FIDA sont généralement exécutées dans des contextes plus difficiles, tels que les zones rurales isolées, et qu'elles attachent une attention particulière aux approches participatives, à l'intégration de l'égalité des sexes, au ciblage et au renforcement des institutions de base.
 10. Des améliorations sont possibles. Premièrement, l'efficacité reste le point le plus faible de la performance des opérations soutenues par le FIDA. La performance de l'efficacité opérationnelle ne s'est pas améliorée avec le temps. Le RARI note toutefois que le Conseil d'administration a adopté l'an dernier un plan d'action consolidé du FIDA pour renforcer son efficacité, qui comprend plusieurs mesures destinées à s'attaquer aux causes profondes de cette faible efficacité opérationnelle et institutionnelle.
 11. Malgré quelques améliorations au cours des dernières années, la performance est faible également dans deux autres domaines: la durabilité des avantages apportés et la performance gouvernementale. L'amélioration de la durabilité exigera un surcroît d'attention sur plusieurs points, notamment la simplification des objectifs et la plus étroite adaptation des projets au contexte institutionnel et politique des pays bénéficiaires. Des efforts supplémentaires seront nécessaires pour aider les gouvernements à renforcer leurs capacités et leur performance, en particulier ceux des États fragiles, étant donné que ce sont les gouvernements qui sont responsables en dernier ressort de l'exécution des projets et programmes financés par le FIDA.
 12. Le RARI pointe aussi des écarts dans la performance actuelle, sur la base des notes d'évaluations indépendantes et des objectifs de la neuvième reconstitution en matière d'opérations, qui doivent être atteints d'ici à la fin de 2015. Si, dans certains domaines, cet écart est relativement faible (pertinence et impact) il est très important dans d'autres (efficacité, durabilité, partenariats et performance gouvernementale). De même, peu de projets sont jugés plutôt satisfaisants, ce qui peut s'expliquer en partie par les raisons mentionnées au paragraphe 9.

13. Depuis l'institution des VRAP pour tous les projets achevés et des EvPP pour certaines opérations, IOE est en mesure de déterminer le "décalage net" dans la performance des projets telle qu'elle est documentée respectivement dans les rapports d'autoévaluation et dans les rapports d'évaluations indépendantes. Il est réconfortant de constater que le décalage net entre les données des VRAP/EvPP communiquées par IOE et celles des rapport d'achèvement de projet (RAP) produites par le FIDA est actuellement faible. Au demeurant, IOE estime que la qualité des RAP est variable et qu'elle pourrait être améliorée en ce qui concerne notamment la qualité des données et de la base factuelle générale. À cet égard, la qualité et la ponctualité des enquêtes de référence et des systèmes de suivi-évaluation en général peuvent encore être améliorées.
14. **Gestion des projets.** Comme il a été décidé l'an dernier de concert avec le Conseil d'administration, le thème d'apprentissage de cette année est la gestion des projets. Il est utile de rappeler que les projets financés par le FIDA sont entièrement gérés par les autorités et les institutions nationales à l'exclusion du personnel international recruté par le FIDA. Dans l'ensemble, les évaluations menées par IOE et par d'autres instances constatent qu'une bonne équipe de gestion de projet est un facteur clé de la réussite des projets.
15. Le RARI a identifié un certain nombre de facteurs positifs qui améliorent la performance de la gestion des projets. Il s'agit, par exemple, de l'engagement et de l'appropriation de la part du personnel de gestion des projets; du soutien régulier à l'exécution fourni par le FIDA; de la participation à l'examen annuel du portefeuille au niveau du pays et aux ateliers régionaux sur l'exécution; de la clarté des directives et procédures de passation des marchés et de gestion financière; et de la participation à une formation dédiée à des questions particulières, prioritaires pour le FIDA et le projet considéré.
16. En revanche, plusieurs facteurs négatifs pèsent sur la performance de la gestion des projets. Il s'agit de retards dans la nomination du personnel de projet et d'une rotation ou de changements fréquents; de la faible priorité accordée aux activités de systèmes de suivi-évaluation; des difficultés d'application du Système de gestion des résultats et de l'impact du FIDA; de la connaissance limitée des politiques, priorités et procédures opérationnelles du FIDA; et des ingérences de l'organisme d'exécution désigné. En outre, l'analyse a révélé que bien qu'ils aient un rôle important à jouer en offrant à la gestion des projets des orientations stratégiques et une supervision, la performance des comités de pilotage s'est dans l'ensemble révélée insuffisante.
17. **Performance des programmes de pays.** Bien qu'elle s'améliore, la performance des activités hors prêts (gestion des savoirs, concertation et partenariats, qui sont essentiels à la réalisation à plus grande échelle de l'impact et de la transformation rurale) peut encore progresser. Les évaluations mettent de plus en plus en évidence l'importance pour le FIDA d'ancrer ses activités hors prêts dans l'expérience des projets financés par des prêts.
18. Les efforts faits pour consolider les bureaux de pays existants et pour en établir de nouveaux dotés de chargés de programme de pays (CPP) détachés sont très utiles, mais les ressources humaines et financières limitées du FIDA demeurent une contrainte. Les bureaux régionaux et sous-régionaux jouent aussi un rôle important et, au vu de l'expérience du bureau régional établi au Kenya, ils sont potentiellement à même de renforcer l'efficacité et l'efficience de l'exécution. Les opportunités et les défis associés à la décentralisation institutionnelle du FIDA, essentielle pour rapprocher le Fonds du terrain et accroître ainsi son efficacité en matière de développement, sans oublier les coûts que cela entraîne, sont un sujet qui mérite une attention et une étude plus approfondies à l'avenir.

19. Le RARI souligne aussi que les programmes d'options stratégiques pour le pays (COSOP) sont des instruments essentiels en raison de l'orientation stratégique globale qu'ils fournissent aux activités du FIDA au niveau des pays. Leur élaboration ne dispose toutefois pas d'un financement suffisant, et ils ne s'inspirent pas toujours des examens d'achèvement des COSOP ou des EPP (IOE ne peut exécuter des EPP que dans une poignée de pays chaque année). Il est aussi possible d'intégrer davantage l'ensemble des activités soutenues par le FIDA dans un pays (prêts, dons, activités hors prêts et assistance technique remboursable, le cas échéant) et de développer les synergies entre elles, ce qui garantirait de meilleurs résultats au niveau national, non cantonnés au seul périmètre des projets financés par le FIDA.
20. **Recommandations.** Le RARI 2014 adresse les recommandations suivantes à la direction du FIDA.
- i) **Examen à l'achèvement du COSOP.**
Veiller à ce que des rapports d'achèvement des COSOP (autoévaluation) soient établis systématiquement à partir de 2015. Les conséquences budgétaires qui pourraient en découler devront être prises en compte.
 - ii) **Budgets des COSOP et des projets.**
Étudier une approche plus différenciée des allocations budgétaires, par exemple, en fonction du contexte national, pour l'élaboration et la gestion des COSOP, la conception des projets, la supervision et l'appui à l'exécution, et les activités hors prêts. La direction devrait étudier les possibilités et les difficultés présentées par l'établissement de fonds fiduciaires dédiés (financés par des apports de donateurs) pour ces activités, en complément des budgets administratifs annuels du FIDA. En outre, la possibilité d'intégrer dans les prêts du FIDA certains coûts liés à l'élaboration des projets mérite aussi réflexion.
 - iii) **Décentralisation institutionnelle du FIDA.**
En profitant de l'effort en cours, explorer les possibilités de plus grande décentralisation de l'organisation, et notamment le détachement de CPP supplémentaires, afin d'obtenir une amélioration des résultats sur le terrain. Il faudrait à cet égard envisager la création d'autres bureaux régionaux/ sous-régionaux sur la base de l'expérience acquise jusqu'ici (par exemple dans la région Afrique orientale et australe). Les conséquences budgétaires qui pourraient découler de cette recommandation devront être prises en compte.
 - iv) **Utilisation des notes d'évaluations indépendantes.** Les notes d'évaluations indépendantes d'IOE, lorsqu'il en existe, devraient être utilisées dans le Rapport sur l'efficacité du FIDA en matière de développement pour rendre compte de l'exécution par rapport aux critères/indicateurs du cadre de mesure des résultats de l'organisation et ou dans tout autre rapport particulier sur les résultats.
21. Le Conseil est invité à adopter les deux recommandations suivantes:
- i) **Thème d'apprentissage du RARI pour 2015: la durabilité.** L'IOE devrait traiter la durabilité des avantages comme thème d'apprentissage dans le RARI de l'an prochain.
 - ii) **Base de données du RARI.** En 2015, IOE devrait examiner la base de données du RARI, y compris les notes d'évaluations indépendantes, entre autres, afin d'assurer qu'elle est complète et claire à l'intention des utilisateurs externes et de continuer à en développer le format et l'accès afin de faciliter la navigation et l'analyse statistique.

Resumen ejecutivo

- 1. Antecedentes.** Este es el duodécimo del informe anual sobre los resultados y el impacto de las actividades del FIDA (ARRI). La Oficina de Evaluación Independiente del FIDA (IOE) lleva desde 2003 preparando estos informes cada año. El Fondo es una de las pocas organizaciones de desarrollo en el ámbito multilateral y bilateral que produce este tipo de informes con una frecuencia anual, lo cual ilustra su compromiso de fomentar la transparencia, la rendición de cuentas y el aprendizaje para mejorar los resultados institucionales y operativos.
- 2. Objetivos.** El ARRI tiene dos objetivos principales, a saber: i) presentar una síntesis de los resultados de las actividades financiadas por el FIDA sobre la base de una metodología de evaluación común, y ii) poner de relieve las cuestiones sistemáticas y transversales, las enseñanzas y los desafíos que el FIDA y los países receptores han de abordar para mejorar la eficacia de sus actividades en el ámbito del desarrollo.
- 3. Fuente de los datos y estructura.** En el ARRI se agrupan y resumen los resultados y el impacto de las actividades financiadas por el FIDA, para lo cual se utilizan las evaluaciones independientes realizadas en el año anterior. El informe de 2014 se nutre de una base de datos de 224 evaluaciones de proyectos concluidas por la IOE desde 2002, e incluye 35 calificaciones de evaluación de proyectos derivadas de los 29 informes de evaluación que se han utilizado para elaborar este informe. Estos informes comprenden dos evaluaciones a nivel institucional, tres informes de síntesis de evaluación, cinco evaluaciones de programas en los países (EPP), nueve validaciones de informes finales de proyectos (IFP), nueve evaluaciones de los resultados de los proyectos y una evaluación del impacto realizada por la IOE.
- 4.** Tal como se acordó en el ARRI del año pasado, las calificaciones de evaluación de proyectos asignados por la IOE se presentan ahora en dos series de datos: i) todos los datos de evaluación, y ii) los datos de las validaciones de los IFP y de las evaluaciones de los resultados de proyectos únicamente. La primera presenta las calificaciones de proyectos contenidas en todos los informes de evaluación hasta 2002. La segunda contiene solo datos provenientes de las validaciones de los IFP, de las evaluaciones de los resultados de proyectos y de las evaluaciones del impacto. La IOE ha realizado hasta la fecha, en un período relativamente corto de tiempo, más de 70 validaciones de los IFP y evaluaciones de los resultados de proyectos que proporcionan una base bastante sólida para analizar el desempeño de las operaciones del FIDA. Sin embargo, dado que la IOE solo introdujo las validaciones de los IFP y las evaluaciones de los resultados de proyectos en 2010, solo se dispone de un número suficiente de calificaciones para aquellos proyectos que finalizaron en el período 2007-2009 y de allí en adelante. También, como se acordó el año pasado, ambas series de datos presentan las calificaciones por año de finalización del proyecto y como medias promedios trienales. Además, el ARRI incluye por primera vez este año un análisis de las calificaciones otorgadas en las evaluaciones independientes en función de los períodos de reposición del FIDA.
- 5.** El ARRI de este año tiene un formato similar al del año pasado y se organiza en dos partes. La primera parte (capítulo 2) presenta un informe de los resultados de los proyectos

- desde 2002 y una síntesis de las principales cuestiones surgidas de las evaluaciones del año pasado. Esta parte también incluye una sección en la que se compara el desempeño de las operaciones del FIDA con las de otras instituciones financieras internacionales en el ámbito agrícola. La segunda parte (capítulo 3) está dedicada al tema de aprendizaje de este año: la gestión de proyectos. Por último, el informe contiene un capítulo con conclusiones y recomendaciones.
6. **Principales conclusiones.** El ARRI de este año muestra que el desempeño del FIDA como institución asociada ha sido el mejor desde que comenzaron a redactarse los ARRI en 2003. Los numerosos cambios y reformas que se han introducido al modelo operativo del FIDA están teniendo un efecto positivo en los resultados, en especial, en lo que respecta a la supervisión directa y el apoyo a la ejecución, el establecimiento de oficinas del FIDA en los países y una mejor gestión de la cartera.
 7. Entre otras áreas con buenos resultados se incluyen la pertinencia de las operaciones y el impacto sobre la pobreza rural, en las que se destacan la promoción de la igualdad de género y el empoderamiento de la mujer, y la innovación y la ampliación de escala. De hecho, en más del 90% de los proyectos evaluados durante el período 2012-2014 el impacto sobre la pobreza rural es moderadamente satisfactorio, como mínimo.
 8. Tal como se mencionó anteriormente, en el ARRI se hizo un análisis de las calificaciones de las evaluaciones independientes agrupadas de acuerdo con los períodos de reposición del FIDA, comenzando con el período de la Quinta Reposición (2001-2003). En general, salvo en el ámbito de la eficiencia, las operaciones del FIDA han obtenido resultados muy buenos durante el período de la Novena Reposición, por ejemplo en esferas como la sostenibilidad y el desempeño de los gobiernos, que suelen ser deficientes.
 9. Si los resultados se comparan con los de otras entidades, la conclusión del ARRI es que el desempeño de las operaciones del FIDA está a la par, como mínimo, con el del Banco Asiático de Desarrollo, el Banco Africano de Desarrollo y el Banco Mundial. Al interpretar estas conclusiones, es necesario tener en cuenta las diferentes características y tamaño de estas organizaciones, en especial, el hecho de que las actividades del FIDA se llevan a cabo generalmente en contextos más difíciles como las zonas rurales remotas y prestan una particular atención al uso de enfoques participativos, la incorporación de las cuestiones de género, la focalización y la creación de instituciones de base.
 10. Hay áreas con posibilidades de mejora. En primer lugar, la eficiencia continúa siendo el área más problemática en cuanto a los resultados de las operaciones financiadas con el apoyo del FIDA. A lo largo de los años no se ha registrado una mejora de la eficiencia operativa. No obstante, en el ARRI se menciona que, el año pasado, la Junta Ejecutiva aprobó el Plan de acción consolidado para mejorar la eficiencia del FIDA que incluye varias medidas dirigidas a abordar las causas profundas de la baja eficiencia institucional y operacional.
 11. El desempeño es relativamente deficiente en otras dos áreas, a pesar de algunas mejoras registradas en los últimos años: la sostenibilidad de los beneficios y el desempeño de los gobiernos. Varias áreas requerirán atención adicional para mejorar la sostenibilidad, entre ellas, el diseño de proyectos con objetivos más simples y mejor adaptados al contexto institucional y normativo de los países receptores. Se deberá hacer todo lo posible por apoyar a los gobiernos para que aumenten su capacidad y mejoren su desempeño, en especial, en los estados frágiles dado que, en última instancia, son los gobiernos los responsables de la ejecución de los proyectos y programas financiados por el FIDA.
 12. En el ARRI también se detectaron deficiencias en el desempeño actual según las calificaciones

- de las evaluaciones independientes y en relación con las metas globales de las operaciones que se habían fijado durante la Novena Reposición, y deberían alcanzarse antes de que termine 2015. Aunque las deficiencias en determinadas esferas (pertinencia e impacto) son relativamente pequeñas, en otras (eficiencia, sostenibilidad, asociaciones y desempeño gubernamental) son bastante grandes. De igual manera, pocos proyectos fueron calificados de muy satisfactorios, lo cual puede explicarse en parte por las razones expuestas en el párrafo 9.
13. A partir de la introducción de las validaciones de los IFP en todos los proyectos terminados y las evaluaciones de los resultados de proyectos en un determinado número de operaciones, la IOE ha podido determinar la “divergencia neta” entre los resultados de los proyectos según constan, respectivamente, en los informes independientes y en los de autoevaluación. Resulta alentador que la divergencia neta entre los datos de las validaciones de IFP y las evaluaciones de los resultados de proyectos señalados por la IOE y los datos de IFP elaborados por el FIDA sea actualmente pequeña. Al mismo tiempo, la IOE ha advertido que la calidad de los IFP es variable y que todavía se puede mejorar más, en especial en lo que se refiere a la calidad de los datos y los datos objetivos generales. En este sentido, todavía queda margen para mejorar la calidad y la puntualidad de los estudios de referencia y los sistemas de seguimiento y evaluación (SyE) en general.
 14. **Gestión del proyecto.** Según se acordó con la Junta el año pasado, el tema de aprendizaje de este año es la gestión de proyectos. Es útil recordar que los proyectos financiados por el FIDA están gestionados enteramente por autoridades e instituciones nacionales, y no incluyen al personal internacional contratado por el FIDA. En general, las evaluaciones de la IOE y de otro tipo concuerdan en que un equipo bien constituido de gestión del proyecto es un determinante clave para alcanzar los resultados del proyecto.
 15. En el ARRI se señalan una serie de aspectos positivos que mejoran el desempeño de la gestión de los proyectos. Entre ellos se incluyen, por ejemplo, el nivel de compromiso y apropiación del proyecto por parte del equipo de gestión; el apoyo regular del FIDA a la ejecución del proyecto; la participación en el examen anual de la cartera en el país y en los talleres regionales de ejecución; la disponibilidad de directrices y procedimientos claros de adquisición y contratación, y de gestión financiera, y la participación en actividades de capacitación dedicadas a cuestiones específicas de prioridad para el FIDA y el proyecto.
 16. Al mismo tiempo, hay una serie de factores que influyen en el desempeño de la gestión de proyectos, entre ellos, los retrasos en el nombramiento del personal del proyecto y la frecuente rotación o los cambios de que son objeto; la escasa prioridad otorgada a las actividades de SyE; las dificultades de aplicar el sistema de gestión de los resultados y el impacto del FIDA; el conocimiento limitado de las políticas, las prioridades y los procedimientos operativos del FIDA, y la interferencia de la entidad de ejecución designada. Además, el análisis desveló que, si bien los comités directivos cumplen una función importante al proporcionar orientación estratégica y supervisión al equipo de gestión del proyecto, en general no se han desempeñado adecuadamente.
 17. **Resultados de los programas en los países.** Aunque las actividades no crediticias experimentaron una mejora, aún hay margen para que sus resultados mejoren todavía más: la gestión de los conocimientos, el diálogo sobre políticas y el fomento de las asociaciones son todas ellas actividades esenciales para ampliar la escala del impacto y la transformación rural. Las evaluaciones señalan cada vez con mayor claridad la importancia de que el FIDA apunte sus actividades no crediticias en las experiencias de proyectos financiados por medio de préstamos.

18. Son muy valiosos los esfuerzos por consolidar las oficinas del FIDA que existen en los países y establecer nuevas con gerentes de programas destacados sobre el terreno, pero la escasez de recursos humanos y financieros sigue siendo una limitación para el FIDA. Las oficinas regionales y subregionales también juegan un papel importante y, a juzgar por la experiencia de la oficina regional en Kenya, poseen el potencial para mejorar la eficiencia y la eficacia de las operaciones. Una esfera que merece mayor atención y deberá estudiarse en el futuro es la de las oportunidades y desafíos que supone la descentralización institucional del FIDA, un aspecto esencial para que el Fondo se compenetre más con las situaciones en el terreno y logre una mayor eficacia del desarrollo, y los costos relacionados con dicha descentralización.
19. En el ARRI también se señala que los programas sobre oportunidades estratégicas nacionales (COSOP) son instrumentos fundamentales para dotar de orientación estratégica general a las actividades del FIDA en los países. No obstante, no se cuenta con suficiente financiación para la preparación de estos programas, los cuales no siempre se formulan teniendo en cuenta los exámenes finales de los COSOP o las evaluaciones de los programas en los países. Valga aclarar que la IOE solo puede llevar a cabo estas evaluaciones en un número reducido de países en un año determinado. También hay ciertas posibilidades de lograr una mayor integración y mayores sinergias entre las distintas actividades apoyadas por el FIDA dentro de cada país (a saber: préstamos, donaciones, actividades no crediticias y asistencia técnica reembolsable, según corresponda), lo cual redundaría en mejores resultados a nivel nacional, sin limitarse a los proyectos individuales financiados por el Fondo.
20. **Recomendaciones.** En el ARRI de 2014 se formulan las siguientes recomendaciones de la dirección del FIDA:
- (i) **Exámenes finales de los COSOP.** Asegurar que a partir de 2015 se lleven a cabo de manera sistemática los informes finales de los COSOP (autoevaluaciones). Se deberán tener en cuenta las posibles implicancias para el presupuesto.
 - (ii) **Presupuestos para los COSOP y proyectos.** Considerar un enfoque más diferenciado de las asignaciones presupuestarias (por ejemplo, en función del contexto del país) destinadas a la elaboración y gestión de los COSOP, el diseño de proyectos, la supervisión y el apoyo a la ejecución y las actividades no crediticias. La dirección del FIDA deberá estudiar las posibilidades y dificultades en torno a establecer fondos fiduciarios especiales, financiados por donantes, para tales actividades de forma que se complementen los presupuestos administrativos anuales del Fondo. Además, también es preciso reflexionar sobre la posibilidad de integrar algunos de los costos relacionados con la preparación de proyectos dentro de los préstamos del FIDA.
 - (iii) **Descentralización institucional del FIDA.** Teniendo en cuenta los logros conseguidos y con el fin de alcanzar mejores resultados sobre el terreno, se deberá estudiar la manera de lograr una mayor descentralización de la organización, por ejemplo aumentando el número de gerentes de programas destinados en los países. A este respecto, debería tomarse en consideración la posibilidad de establecer otras oficinas regionales o subregionales en función de la experiencia acumulada hasta la fecha, por ejemplo, en la región de África Oriental y Meridional. Se deberán tener en cuenta las posibles implicancias de esta recomendación para el presupuesto.

(iv) **Uso de las calificaciones de las evaluaciones independientes.**

Las calificaciones de las evaluaciones independientes provenientes de la IOE deberán utilizarse, en el caso de estar disponibles, en el Informe sobre la eficacia del FIDA en términos de desarrollo con el fin de proporcionar información en relación con los criterios e indicadores del marco institucional de medición de los resultados y en cualquier otro informe específico sobre los resultados.

21. Se invita a la Junta Ejecutiva a aprobar las dos recomendaciones siguientes propuestas por la IOE:

- (i) **Tema de aprendizaje para el ARRI de 2015: la sostenibilidad.** La IOE deberá abordar la sostenibilidad de los beneficios como tema de aprendizaje del ARRI del año que viene.
- (ii) **Base de datos del ARRI.** En 2015, la IOE deberá revisar la base de datos del ARRI, incluidas las calificaciones de las evaluaciones independientes, para garantizar, entre otras cosas, que esté completa y sea clara para los usuarios externos, y con objeto de mejorar su estructura y el acceso a la misma para facilitar la consulta y el análisis estadístico.



China - South Gansu Poverty-Reduction Programme

As part of IFAD's country strategy in China, the South Gansu Poverty-Reduction Programme works on improving incomes and food security in rural, mountainous regions of Gansu Province. By improving access to education, health, social, and financial services while developing rural infrastructure, the programme endeavors to eradicate poverty in remote areas.

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Introduction

- 1. Background.** This is the twelfth edition of the Annual Report on the Results and Impact of IFAD Operations (ARRI). The ARRI has been prepared each year since 2003 by the Independent Office of Evaluation of IFAD (IOE) and is a requirement of IFAD Evaluation Policy.¹ In line with past practices the ARRI, together with the Management Response, is discussed with IFAD's Management and staff, as well as with the its Evaluation Committee and Executive Board.
- In 2003 IFAD was one of the first development organizations to produce such a report, and it remains one of the few among the multilateral and bilateral organizations to produce an annual evaluation report in the form of the ARRI.² The ARRI is a reflection of IFAD's continued commitment towards accountability and transparency and it also serves as a learning tool to improve impact.
- 3. Objectives and audience.** 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, which are to (i) present a synthesis of the performance of IFAD-supported operations, based on a common methodology for evaluation;⁴ and (ii) highlight underlying and cross-cutting issues, lessons and challenges that IFAD and recipient countries need to address to enhance the development effectiveness of IFAD-funded operations.
- The primary audience of the ARRI includes the IFAD Management, staff and consultants, as well as the Fund's Evaluation Committee and Executive Board. The report is also of interest to recipient countries and the international development community.
- 5. Data sources.** The 2014 ARRI draws from a robust sample of ratings from 224 project evaluations that were undertaken by IOE since 2002. They include 35 individual project evaluations managed in 2013,⁵ which are listed in annex 4. These 35 evaluations include 1 impact evaluation, 9 project completion report validations (PCRv), 9 project performance assessments (PPA) and 16 projects relating to five country programme evaluations (CPE). In addition, 2 corporate-level evaluations (CLE) and 3 evaluation synthesis⁶ reports were referred to during the preparation of the 2014 ARRI in order to build on the significant amount of evidence and lessons learned from these evaluations. The CLEs and evaluation synthesis reports are listed in annex 4, while the details of country programme objectives and the individual projects that were evaluated can be found in annex 5.
- Of the 35 IFAD-financed projects included in this year's ARRI, 11 were approved between 1997 and 2001; 18 between 2002 and 2005; and 6 between 2006 and 2009. Five projects are still ongoing, 27 were closed between 2010 and 2013, and 3 were closed between 2007 and 2009. The average project duration is 8.5 years. Ten of the 35 projects had an implementation period of more than 10 years. The evaluations that are included in this ARRI comprise the first impact evaluation in Sri Lanka, undertaken by IOE in 2013. Impact evaluations were introduced by IOE as a new product last year, in line with the provisions in the IFAD Evaluation Policy and by request

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 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 during the first part of 2014.

4. The methodology and processes followed by IOE are captured in the IFAD Evaluation Manual, which is available at http://www.ifad.org/evaluation/process_methodology/doc/manual.pdf.

5. The evaluations of the 35 individual IFAD-financed projects are included in 29 evaluation reports used to prepare this year's ARRI. This is because, according to established practice, CPEs include the evaluation of more than one IFAD operation.

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

from the Evaluation Committee and Executive Board, as well as the prevailing practice followed by evaluation offices in other international financial institutions (IFI) and United Nations (UN) specialized agencies, programmes and funds. Among other issues, impact evaluations allow IOE to measure poverty impact more rigorously in IFAD operations, as well as to experiment with innovative evaluation methodologies so as to benefit other evaluations carried out by IOE.

7. The second edition of the Evaluation

Manual. The introduction of impact evaluations by IOE and IOE's continued strengthening of its methodologies and processes, in general, will be reflected in the second edition of the IFAD Evaluation Manual, currently under development. The manual is a major undertaking and is fundamental to ensure the quality of and consistency across evaluations undertaken by IOE. Moreover, it will contribute to the generation of "value for money" for IOE and IFAD, since it will include strong methodologies for improved evaluations and assist in the streamlining of evaluations and internal administrative processes. The manual will be available in 2015, subsequent to interactions with the IFAD Management and Evaluation Committee.

- 8. Learning themes.** Each year since 2007, the ARRI has focused on one or two learning themes. The topics for these are agreed with the Executive Board, with the aim of strengthening the analysis on selected issues that merit additional reflection and debate in order to enhance the performance of IFAD operations. Chapter 3 of the document addresses the learning theme that has been selected for the 2014 ARRI: project management.⁷ The quality of project management has been identified as a key factor to explain, in particular, the success or lack of success of projects in last year's ARRI. The Executive Board, in December 2013, reiterated the importance of this learning theme, especially since the performance of governments (of which project management is

a key component) has not improved much over the years, as assessed by IOE in the context of IFAD operations.⁸

- 9. Comments on the 2013 ARRI.** Specific efforts were made by IOE during the production of the 2014 ARRI to address carefully the main comments of IFAD's Management, Evaluation Committee and Executive Board relating to last year's ARRI. These include, among others, a request for a more complete scenario in terms of project performance⁹ and the inclusion of strategic overarching recommendations in the report. The IFAD Management welcomed the methodological improvements to the 2013 ARRI and the approach to the analysis of project performance trends over the long term, including more recent trends. It expressed some reservation, however, concerning the inclusion of ratings with regard to non-lending activities (policy dialogue, partnership-building and knowledge management [KM] from CPEs, due to the relatively small number of CPEs available.

10. In this regard, it is important to emphasize that the number of CPEs with a common methodology (introduced in 2006) is gradually increasing. IOE has completed 31 CPEs since 2006 (approximately five new CPEs each year), based on a common methodology and process. Historically, IOE has conducted a total of 50 CPEs (see annex 10) in approximately half the countries in which IFAD has been active. The CPE sample size is robust and provides an invaluable source of evidence and knowledge relating to IFAD country programme performance, thus enhancing the analysis and reporting in the ARRI.

11. IOE, therefore, believes that there is value in the reporting ratings from CPEs, since they are the only instrument that is currently available to IFAD to systematically assess the performance of and generate lessons from IFAD country strategies (i.e. the country strategic opportunities programmes [COSOPs]) and non-lending activities. In addition – and in line with the IFAD Evaluation Manual, agreed with

7. 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); and understanding exceptional projects (2013).

8. Minutes of the 110th Session of the Executive Board, December 2013.

9. As requested by the governing bodies of IFAD, data on all rating categories (satisfactory and unsatisfactory) are now included in annex 7 of this document.

the IFAD Management and the Evaluation Committee – IOE evaluates a cohort of IFAD-supported projects in the context of CPEs. The projects included in each CPE are agreed with the Programme Management Department (PMD) and the concerned government at the outset of the process. This allows country programme managers (CPM) to make an overall assessment of IFAD’s portfolio performance within a given country during the period covered by a particular CPE.¹⁰ It would include a mix of ongoing and closed operations. Closed projects within CPEs are rated, based on a desk review (as with PCRVs) and the addition of field visits. The value of using the CPE ratings from active operations relating to the ARRI will identify the recent trends that can contribute to the improved outcome of ongoing operations.

12. **The independent evaluation ratings**

database. In terms of ratings, last year IOE made its independent evaluation database¹¹ publicly available. The data include information and ratings since 2002 and are in line with IFAD Evaluation Policy and the practices of the Independent Evaluation Group of the World Bank. The aim of this database is to enhance accountability and transparency, as well as to ensure that the independent evaluation dataset of IOE is available to others for their research on smallholder agriculture and rural development.

13. Ratings for all country programme and project evaluations, undertaken by IOE, are included in the independent evaluation database, thus adding to its comprehensiveness. The database also includes some ratings for the same country or project that may have been evaluated more than once by IOE over various years. It is essential, however, to emphasize that only the most recent evaluation ratings are used in the preparation of the ARRI in order to avoid double counting in the performance and trend analysis presented in the document.

14. There is one important reason why only the more recent evaluation ratings are used in the ARRI, in particular relating to ongoing projects evaluated within CPEs. Depending on their stage of implementation at the time of a CPE, the projects evaluated may not be assessed and rated according to all IOE evaluation criteria. While newer projects are mainly evaluated in terms of their relevance, they are not usually assessed with regard to their effectiveness, impact or sustainability. The same project, however – once completed – will ultimately be assessed separately by way of a dedicated PCRV or PPA (impact evaluation), and thus will present a more complete and up-to-date evaluation of the results across all criteria.

15. **The ARRI process.** As in previous years, an internal peer review of the ARRI by IOE took place. Subsequently, an in-house workshop was held on 19 September 2014 to discuss the report’s main findings and recommendations. It was attended by IFAD’s Management, staff and consultants, as well as representatives of the Swiss Agency for Development Cooperation and the United Nations Development Programme. The comments generated at the workshop and IFAD’s Management’s written feedback on the draft 2014 ARRI have been duly considered for the final document.

16. **Document structure.** This year’s ARRI follows the same format as that of last year and it includes two parts. First, chapter 2 provides a report on the performance trends, using independent evaluation ratings available since 2002. It benchmarks the performance of IFAD operations against those of other IFIs, as well as the internal targets adopted by the Fund, and it highlights the major issues raised in the evaluation reports as a basis for the ARRI. Second, chapter 3 is entirely devoted to project management which, as mentioned earlier, is the learning theme of this year’s ARRI. The main conclusions and recommendations are included in chapter 4.

10. CPEs normally cover a 10-year period of IFAD activities in a specific country. The period of coverage is agreed with the IFAD Management and the relevant government at the outset of the process, in order to develop the approach paper for each evaluation.

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

2 Performance 2000-2013¹²

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

13. In line with the Good Practice Standard of the Evaluation Cooperation Group of the Multilateral Development Banks for Public Sector Evaluation, IOE uses a six-point rating scale to assess performance in each evaluation criterion. The rating scale is as follows: 6 = Highly Satisfactory; 5 = Satisfactory; 4 = Moderately Satisfactory; 3 = Moderately Unsatisfactory; 2 = Unsatisfactory; and 1 = Highly Unsatisfactory.

14. The rural poverty impact criterion is disaggregated into five impact domains. These are (i) household income and assets; (ii) human and social capital and empowerment; (iii) food security and agricultural productivity; (iv) natural resources, environment and climate change; and (v) institutions and policies.

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

16. Until 2010, IOE used to undertake six to eight project evaluations a year, which would take approximately eight to ten months to complete and cost approximately US\$95,000 each. Based on the recommendation of the Peer Review of IFAD's Evaluation Function (2010), however, IOE transformed its approach to project evaluations by discontinuing project evaluations, as was previously the case, and introducing PCRVs and PPAs. The introduction of PCRVs and PPAs – which further aligns IFAD's independent evaluation function vis-à-vis other IFIs – allows IOE to evaluate all projects that were completed in any given year, were quicker to undertake and which cost substantially less.

17. The issue of sampling only applies to CPEs and PPAs but not to PCRVs; this is due to IOE evaluating/validating the PCRs of all completed IFAD-funded projects.

18. This chapter includes four sections. The first section discusses project performance since 2000, followed by an analysis of country programme performance, based on CPEs in the second section relating to country programme evaluations. The third section benchmarks the performance of IFAD-financed projects (i) with the performance of the agriculture sector operations of other IFIs; (ii) with IFAD's own internal targets (e.g. as contained in the IFAD9 results measurement framework [RMF]); and (iii) across the five geographic regions covered by IFAD operations. The last section summarizes some of the main cross-cutting issues and lessons emerging from the evaluations that were undertaken in 2013.

Project performance

18. **Methodology.** Each project is evaluated by IOE following the provisions included in the Evaluation Manual. Each project is assessed and rated¹³ across seven internationally recognized evaluation criteria, including relevance, effectiveness, efficiency, rural poverty impact,¹⁴ sustainability, and gender, as well as innovation and scaling up. Two of the evaluation criteria (i.e. gender and innovation and scaling up) are specific to IFAD's evaluation methodology, due to the importance attributed by the Fund to these areas of work.
19. In addition, for a more aggregated and consolidated view of project results, IOE 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.

20. Last but not least, each project is evaluated for IFAD's own performance and the performance of the relevant government, in line with the practices of other IFIs. The ratings for these two criteria do not inform either of the two above-mentioned composite evaluation criteria. This is because IFAD and government performance are factors that contribute, respectively, to project performance and overall project achievement. The definition for each evaluation criteria included in the IFAD Evaluation Manual and used in this ARRI are included in annex 3.
21. As outlined in last year's ARRI, and agreed by the IFAD Evaluation Committee and the Executive Board, IOE project evaluation ratings are now presented in two data series: (i) all evaluation data and (ii) PCR/PPA data only.¹⁵ The latter relate only to completed projects and are used as a basis for calculating the "net disconnect" between independent and self-evaluation ratings (see paragraph 57).
22. **All evaluation data** present the ratings from project and impact evaluations,¹⁶ CPEs, PCRVs and PPAs. The merits of this data series are its longevity and size. The evaluation data series goes back to 2002 and includes ratings on the previously mentioned 35 project evaluation ratings of 224 IFAD-funded projects that were added in 2013 (see annex 4).
23. The only drawback relates to the slightly differing methodology used for the various evaluations and the intended nature of the sample.¹⁷

For example, the sample of projects or country programmes evaluated each year was not randomly drawn and the sample was relatively small in the early years; the data, therefore, cannot be said to be a true representation of the entire IFAD portfolio. The longevity of the data series means that some of the evaluation criteria and methodologies have evolved in order to improve the quality of the evaluations, making consistent comparisons over time more difficult. These limitations need to be borne in mind when interpreting the data.

24. The **PCR/PPA** data series was introduced for the first time in last year's ARRI to address the concern that the "all evaluation data" series was based on too wide a variety of evaluations and possibly a non-representative sample. The data series only contains ratings from PCRVs, PPAs and impact evaluations.¹⁸ These evaluations use a consistent methodology in line with international good practices.
25. Moreover, according to the IFAD Evaluation Policy, IOE evaluates all IFAD-funded projects that are closed in any given year by validating the corresponding project completion reports (PCRs). In effect, IOE now assesses the entire portfolio at exit, which means that there are no sampling biases in the selection of projects evaluated.¹⁹
26. For the aforementioned reasons, this data series is therefore considered to be more reliable compared to the "all evaluation data" series. Since, however, PCRVs/PPAs were introduced by IOE in 2010 and impact evaluations in 2013, a sufficient number of PCRVs/PPAs are only available for projects completed in the period 2007-2009 onwards.
27. Notwithstanding the above, IOE so far has completed more than 70 PCRVs/PPAs in a relatively short period of time, thus providing a relatively solid basis on which to analyse

the performance of IFAD operations. The corresponding trend analysis, however, is based on a shorter time series vis-à-vis the entire evaluation data series, given that, as mentioned previously, PCRVs/PPAs were only introduced in 2010. Therefore this provides the justification for presenting both data series in the ARRI for now.

28. As was agreed last year, both data series present the ratings by the year of project completion rather than by the year of project approval²⁰ or by the year when the evaluations were undertaken. This is consistent with most other IFIs; is preferable to the previous method of presenting the data by the year of evaluation;²¹ and allows the PCR/PPA data to be progressively updated as more PCRs become available. Three-year moving averages are applied for consistency between data series.²² In this regard – and in terms of the RMF of IFAD's Tenth Replenishment (IFAD10) for the period 2016-2018²³ – IOE welcomes the proposal by the IFAD Management to also apply three-year moving averages in the Report on IFAD's Development Effectiveness (RIDE) in the future.
29. The ARRI presents only three satisfactory ratings,²⁴ illustrated in the charts. To present all six ratings (i.e. including the three unsatisfactory ratings) would prevent a clear view of performance trends. As suggested by the IFAD Evaluation Committee and Management last year, however – and for transparency purposes – the data for all six ratings is included in annex 7 for reference.

Trends since 2000:²⁵ all evaluation data

30. This section of the ARRI contains an overview of the performance trends over time, using the available 224 independent project evaluation ratings. Annex 6 of the document contains charts and graphs that illustrate the trends of the various evaluation criteria assessed by IOE.

18. As mentioned previously, IOE has so far completed one impact evaluation. It is undertaking another in 2014 and it has plans for a third in 2015.

19. Project Completion Reports are a requirement for all completed projects. A small number of projects, however, have been cancelled and the PCRs for some projects have not been provided in a timely manner. IOE can only produce PCRVs on the Project Completion Reports that are available.

20. Reporting by year of approval or year of completion provides broadly similar results (see ARRI 2013, annex 6). On balance, however, reporting by year of project completion is preferred, since it includes all inputs and changes to the project, rather than only project design and appraisal.

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

22. Three-year moving averages were first applied in the 2009 ARRI, prior to the undertaking by IOE of PCRVs/PPAs. A three-year moving average allows for the assessment of performance trends over time, and it will overcome the bias that could result from the sample of projects evaluated, which are not chosen at random. 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 level the short-term fluctuations and highlight the long-term trends.

23. See IFAD10 RMF at <https://webapps.ifad.org/members/repl/10/3/docs/IFAD10-3-R-3.pdf>.

24. The three ratings are Highly Satisfactory, Satisfactory and Moderately Satisfactory.

25. As mentioned earlier, the trends are from 2000, the year which represents the completion year of several projects that provide the basis for the first ARRI edition in 2003.

Three patterns can be discerned from the aggregated evaluation data available since 2002:²⁶ (i) long-term improvement; (ii) a recent upward trend; and (iii) unchanged performance. These patterns are presented using three-year moving averages starting from the period 2000-2002 to that of 2012-2014.²⁷

31. In addition, for the first time, this year's ARRI provides an analysis on independent evaluation ratings by IFAD replenishment period (from the Fifth Replenishment period, 2001-2003). This analysis will track the performance trends over subsequent replenishment periods, which may be useful in light of the ongoing Consultation on IFAD10 in 2014.

32. When organized by the year of project completion, three evaluation criteria show clear **improvement since the period 2000-2002**. These are IFAD's performance as a partner, sustainability and rural poverty impact.

33. IFAD's performance as a partner was evaluated as moderately satisfactory or better in approximately 90 per cent of the completed projects in the period 2012-2014 compared to only 27 per cent in that of 2000-2002. In particular, the percentage of projects rated as Satisfactory increased to 47 per cent in the period 2012-2014 from 0 per cent in that of 2000-2002. IFAD's own performance relating to completed projects in the period 2012-2014 is the best it has ever been since IOE included this criterion in its evaluations. This is due to various reasons, including the introduction of direct supervision and implementation support, more rigorous portfolio management and an IFAD in-country presence.

34. With regard to sustainability, performance has improved to 65 per cent moderately satisfactory or better in relation to completed projects between 2012 and 2014 compared to approximately 40 per cent in the period 2000-2002. Fewer projects, however, are rated as satisfactory or better and the share of projects assessed as moderately satisfactory

has increased. Several factors explain this improvement (i.e. moderately satisfactory or better in terms of sustainability), including more effort in recent years to scale up success stories. Sustainability in some countries, however, is constrained due to limited institutional capacity, especially at the local level, as well as by the lack of domestic resources to meet essential recurring costs (e.g. maintenance of small rural infrastructure). Few projects have exit strategies that can clearly define the role and responsibilities of different actors following project closure. Sustainability was rated as Moderately Unsatisfactory in approximately 26 per cent and Unsatisfactory in 9 per cent of completed projects in the period 2012-2014.²⁸

35. As mentioned previously in footnote 14, rural poverty impact is an overall criterion formed by the five rural poverty impact domains that IOE assesses (see annex 1). Figure 1 below illustrates the data for rural poverty impact.²⁹ Overall, approximately 97 per cent of the projects that were closed between 2012 and 2014 are rated as moderately satisfactory or better in terms of rural poverty impact, from which 59 per cent are moderately satisfactory and 38 per cent satisfactory. This indicates the best performance with regard to rural poverty impact since 2002, when IOE introduced a common methodology for all project evaluations. An improvement over the past decade is evident for food security and agricultural productivity; institutions and policies; and natural resources and environmental management (see annex 6).

26. Only evaluation data since 2002 can be aggregated, since it was in 2002 that IOE introduced and applied a systematic methodology across all project evaluations undertaken.

27. As mentioned, the ARRI includes a trend analysis that is based on all project evaluation ratings, using a three-year moving average (2000-2002, 2001-2003...2012-2014). The ARRI includes the last data point (2012-2014) as it contains evaluations carried out in 2012 and 2013.

28. The percentages may not always add up to 100, due to the rounding of figures.

29. The charts for IFAD's performance and sustainability can be found in annex 6.

Figure 1. Rural poverty impact by year of completion (all evaluation data)*



* To ensure transparency in all figures, IOE has shown the number of evaluations that have been applied to the calculation of performance in each of the three-year periods used to discern performance trends over time. It is important, however, to note that the number of evaluations in each three-year period may change from figure to figure. For example, the number of projects in Figure 1 for the period 2012-2014 is 32, whereas it is 36 for the same period in Figure 2. This is due to the fact that each figure illustrates performance by differing evaluation criteria; not all project evaluations assess each and every criteria applied by IOE. For example, IOE usually would not assess/rate impact on natural resources management in a project that focuses on small enterprise development.

36. There are many reasons for improvement in the three impact domains mentioned in item 35. For instance, in terms of the institutions and policies domain, the promotion of greater access to input and output markets – especially for communities that live in remote rural areas – is one determinant for improved food security and agricultural productivity. In some projects (e.g. the Bangladesh Microfinance for Marginal and Small Farmers Project³⁰), special attention was given to establish viable microfinance institutions to provide opportunities to small and marginal farmer households so that they can invest in on-farm and off-farm enterprises. Finally, in Rwanda,³¹ ensuring the sustainable improvement of the environment by (i) reducing reliance on natural fuel wood supplies and (ii) introducing

households to wood lots and agroforestry is contributing to improved natural resources and environmental management.

37. There is a second **recent upward trend** relating to four of the evaluation criteria: effectiveness, government performance, project performance and overall project achievement. Figure 2 below shows the data for project performance which, as mentioned, is a composite of the relevance, effectiveness and efficiency evaluation criteria. Projects closed in the period 2012-2014 represent 83 per cent and are rated moderately satisfactory or better, from which 44 per cent are rated as satisfactory.

³⁰ The United States Treasury Department has provided its 2014 Annual Development Impact Award to this project for promoting innovative mechanisms for agriculture finance.

³¹ The Umutara Community Resource and Infrastructure Development Project.

38. The recent improvement in government performance is significant, since governments ultimately are responsible for the execution of IFAD-supported projects and, therefore, they are a major determinant of successful outcomes. Only 20 per cent of projects completed in the period 2012-2014 are rated as moderately unsatisfactory or unsatisfactory in terms of government performance. It is important to clarify that in evaluating government performance, IOE focuses on the assessment of the delivery of services and inputs in the context of IFAD operations, such as whether counterpart funding has been provided according to plan; loan covenants have been fulfilled in line with the financing agreement; and auditing has been undertaken in a timely manner. It does not aim to assess government performance on the whole.
39. Another encouraging and positive trend has been the increase in the percentage of projects evaluated as satisfactory rather than moderately satisfactory in terms of relevance, IFAD's

performance as a partner (as mentioned above) and project performance. For example, in the period 2012-2014, IFAD's performance as a partner was rated as satisfactory or better in 47 per cent of evaluated projects as opposed to merely 21 per cent in that of 2007-2009. On the other hand, an extremely small number of projects are rated highly satisfactory for any of the evaluation criteria applied by IOE.

40. This recent upward trend is somewhat uncertain as it has yet to be confirmed by the PCRV/PPA data series and appears to be dependent on project data from the CPEs. It may be, however, that the CPE data reflect recent improvements in IFAD policy and practices that are yet to be apparent in the PCRV/PPA data. Furthermore, it is important to note that some CPEs include the evaluations of ongoing projects that are one to two years (or more) from completion. This implies that the CPE data cover more recent operations than do the PCRV/PPA data which include only completed projects.

Figure 2. Project performance by year of completion (all evaluation data)



Figure 3. Efficiency by year of completion (all evaluation data)

41. The third pattern shows, in general, **unchanged performance over the period 2000-2002**. Relevance, innovation³² and scaling up and gender show unchanged positive performance, while the efficiency of programme management displays the unfavourable performance over the period as unchanged.
42. In any event, as mentioned previously, the number of projects rated satisfactory in terms of relevance has increased and has remained consistently high: 89 per cent of completed projects in the period 2012-2014 are moderately satisfactory or better, from which 61 per cent are rated satisfactory and 6 per cent highly satisfactory. Approximately 80 per cent of IFAD-financed projects that were completed between 2012 and 2014 are moderately satisfactory or better for innovation and scaling up, from which 33 per cent are satisfactory. In spite of this, the evaluations indicate that greater attention and resources are needed with regard to non-lending activities (i.e. policy dialogue, partnership-building and knowledge management) for further achievements in the scaling up of impact by partners.
43. IOE introduced specific evaluation criteria for gender in 2010. Since then, performance relating to gender has been assessed, rated and reported regularly in all project and CPEs. Performance has been consistently good in this area, with close to 90 per cent of completed projects between 2012 and 2014 rated either moderately satisfactory or better for promoting gender equality and women's empowerment. In particular, these projects have been instrumental in helping women to gain greater decision-making power in the household and at the community level, as well as to improve their workload, nutrition and incomes. Further progress, however, is needed to achieve "gender budgeting"³³ – a work in process.
44. The efficiency of programme operations has remained consistently low, at 58 per cent as moderately satisfactory or better in the period 2012-2014 (see figure 3) and 42 per cent moderately unsatisfactory or worse. The efficiency of IFAD operations remains the least satisfactory of all evaluation criteria applied by IOE. Several factors contribute to this relatively poor performance, including the

³² IFAD's corporate innovation strategy, approved by the IFAD Executive Board in September 2007 (see EB 2007/91/R.3/Rev.1), includes the definition of innovation and IFAD's overall objectives for innovation. IOE, therefore, applies the corporate innovation strategy as a starting point to assess the innovative nature of IFAD-supported country strategies and operations.

³³ This is one of the key evaluation recommendations for gender at the corporate level (December 2010). The need to further work on gender budgeting is noted in the results and analysis of IFAD's achievements against the indicators in the UN Sector-Wide Action Plan for Gender Mainstreaming – see letter of the Executive Director of UN Women to the President of IFAD, dated September 2014, which states that "there is no specific allocation of financial resources to gender equality and women's empowerment at the corporate level".

widely geographic and sub-sector coverage of numerous projects. With regard to the latter, it is noted that IFAD-funded projects are built on the priorities (e.g. geographic and sub-sector) of relevant governments and are sensitive to country ownership. Simultaneously, more attention is required in the COSOPs and project designs to ensure that government priorities are reconciled with the objective of achieving a high performance of operations and country programmes, in general.

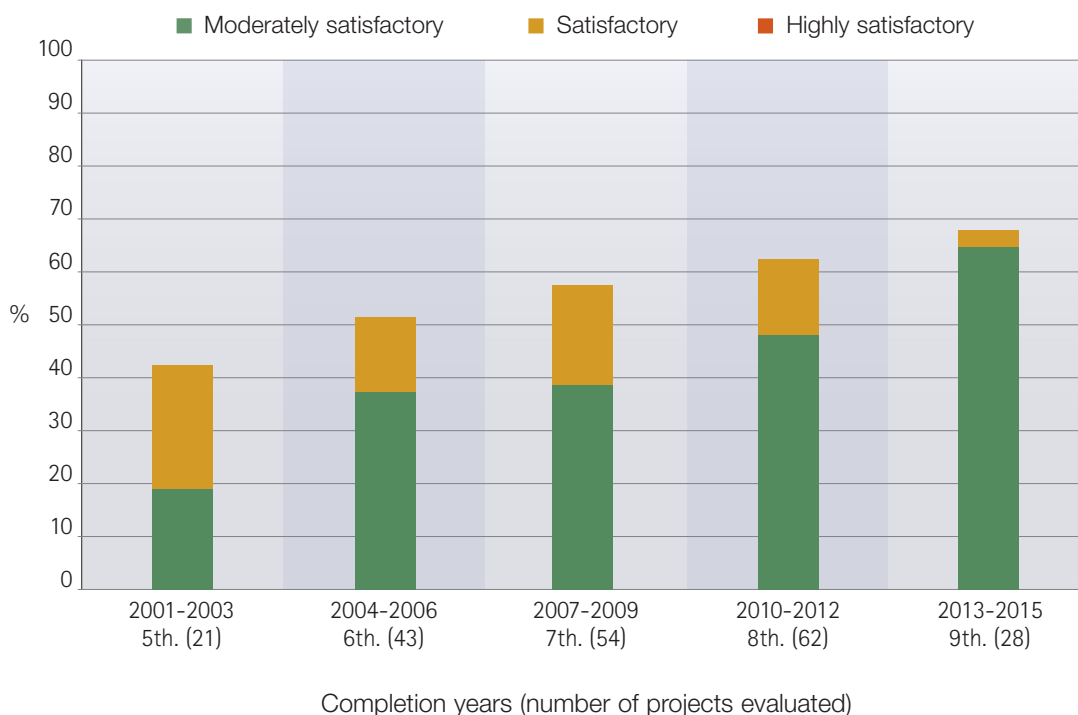
45. As mentioned previously, in addition to presenting the three patterns and trends in three-year rolling periods from the period 2000-2002, annex 6 presents the trends by IFAD replenishment periods as follows: IFAD5 (2001-2003), IFAD6 (2004-2006), IFAD7 (2007-2009), IFAD8 (2010-2012) and IFAD9 (2013-2015). This is potentially a more significant way to group the data than in arbitrary three-year periods, thus clearly

showing a gradual improvement in most evaluation criteria for completed projects from the IFAD6 period onward.

46. The chart for sustainability is shown in figure 4 as an example of a criterion that has consistently improved over replenishment periods. Approximately 64 per cent of completed projects in the IFAD9 period (2013-2015) are rated as moderately satisfactory or better in terms of sustainability. None of the projects, however, are highly satisfactory and only a few are rated as satisfactory.

47. In comparison to previous replenishments, IFAD's performance as a partner is rated the best in the IFAD9 period, with nearly 90 per cent of projects assessed as moderately satisfactory or better. A significant number of projects are, in fact, satisfactory, but none are highly satisfactory.

Figure 4. Sustainability by year of completion (all evaluation data)



48. A number of references have been made in previous paragraphs with regard to the fact that few projects have been rated highly satisfactory in one or more evaluation criteria. This is obvious from the various charts and tables included in the ARRI, which demonstrate a decreasing trend in performance. There are a number of explanations for this, which include (i) the development and introduction of the first IFAD/IOE Evaluation Manual in 2008 that promoted greater consistency, rigor and quality across evaluations; (ii) a more thorough internal peer review system in the past five to six years within IOE to ensure the minimization of “inter-evaluator” variability; and (iii) the fact that a large number of evaluation criteria is applied to determine “overall project achievement”, which makes it challenging for any operation to achieve an overall highly satisfactory rating. With regard to the latter and in relation to the development of the second edition of the IFAD Evaluation Manual, IOE is carefully reviewing the number and nature of evaluation criteria to apply in each project evaluation in the future.

49. In contrast, the evaluation data by replenishment period shows level or slightly declining performance with regard to relevance, efficiency of programme operations and innovation and scaling up. The efficiency of programme operations is particularly weak, with only around 50 per cent of the projects assessed as moderately satisfactory or better in the IFAD9 period. While efficiency is, in general, the weakest of the evaluation criteria, the projects evaluated by IOE will not yet have benefitted from the recent reforms that were introduced by the IFAD Management to improve efficiency in response to the CLE on Efficiency, completed in 2013.

Recent trends in performance: PCR/V and PPA data

50. This section includes an analysis of data from PCR/Vs, PPAs and impact evaluations, and excludes the individual projects evaluated in the context of CPEs. From the 35 projects evaluated by IOE in 2013, which form the basis

for this ARRI, 18 are PCR/Vs/PPAs, 16 are project evaluations in the CPEs and 1 is an impact evaluation. A total of 18 project evaluations (PCR/Vs/PPAs/Impact Evaluations) in 2013, therefore, have been used for the analysis in this section. In order to discern the trends over time based solely on the PCR/V/PPA dataset, however, this section draws from all PCR/Vs and PPAs (72)³⁴ undertaken since 2010.

51. Since IOE began to conduct PCR/Vs and PPAs only in 2010 and impact evaluations only in 2013, the overall data set is limited. In principle – as already indicated – the PCR/V/PPA data set is more reliable, as it is based on the same methodology and process and covers all IFAD-financed projects that close each year.

52. It is important to note that approximately 25 projects are completed each year and, in line with IFAD’s Evaluation Policy, IOE is required to validate the PCR or undertake a PPA or impact evaluation of 100 per cent of completed projects in any given year. IOE to date, however, has been unable to do so for two key reasons: (i) some completed projects already have been evaluated in the framework of the CPEs (it would be inappropriate to use IOE resources to duplicate the effort to undertake a PCR/V in such cases); and (ii) other completed projects could not yet be evaluated, since their PCRs were only received towards the end of the year and their validations were not available at the time of the 2014 ARRI analysis. These projects are currently being validated and will be included in the 2015 ARRI. This provides the rationale for the 2013 PCR/V/PPA data to be based on 18 evaluations in lieu of the approximate 25.

53. The charts in annex 6 include PCR/V/PPA data for four data points starting with the three-year moving average for 2007-2009.³⁵ The analysis reveals that there is no evidence of improvement for any of the evaluation criteria for projects completed within the five-year period for which sufficient data is available (2007-2012). The trend is rather flat, if anything.

34. This includes the 18 project evaluations in 2013.

35. The PCR/Vs/PPAs started by IOE in 2010 include projects completed from 2007 onward.

Figure 5 below shows the downward trend in project performance, with 14 per cent in 2010-2012 rated as satisfactory against 21 per cent in 2007-2009. The PCRV/PPA data confirms that the efficiency of operations remains a challenge, with 43 per cent of operations rated as moderately satisfactory or better in 2010-2012.

54. It is important to indicate that although the PCRV/PPA data are the most reliable and recently available, they reflect the performance of a historical cohort of projects. The projects completed in the period 2010-2012 were approved between 1997 and 2005, and most are not expected to have been significantly affected by the improvements in IFAD's operating model, which was introduced more recently. For example, quality assurance took effect from 2008; the changeover to direct supervision and implementation support (DSIS) was completed in 2010; and the Country Presence Policy and Strategy was approved in 2011. It is reasonable to assume that these improvements are yet to be substantially reflected in the projects covered by PCRVs or PPAs.

55. A comparison of the PCRV/PPA data and the "all evaluation data" is contained in table 1 below. The PCRV/PPA data shows slightly but consistently lower performance than the "all evaluation data". The relative performance across the different criteria, however, is broadly similar. Relevance of operations, rural poverty impact, promoting human and social capital and IFAD's own performance are high, based on the PCRV/PPA as well as the "all evaluation data" sets. Efficiency, sustainability and government performance are the weakest areas in both data sets.

56. With regard to government performance, as already indicated, the "all evaluation dataset" illustrates an improved performance in recent years. Given the uncertainty, therefore, of the trends in and the importance of government performance for the success of IFAD operations, it is essential to continue the efforts to support governments in improving their performance.

Figure 5. Project performance by year of completion (PCR/PPA data only)

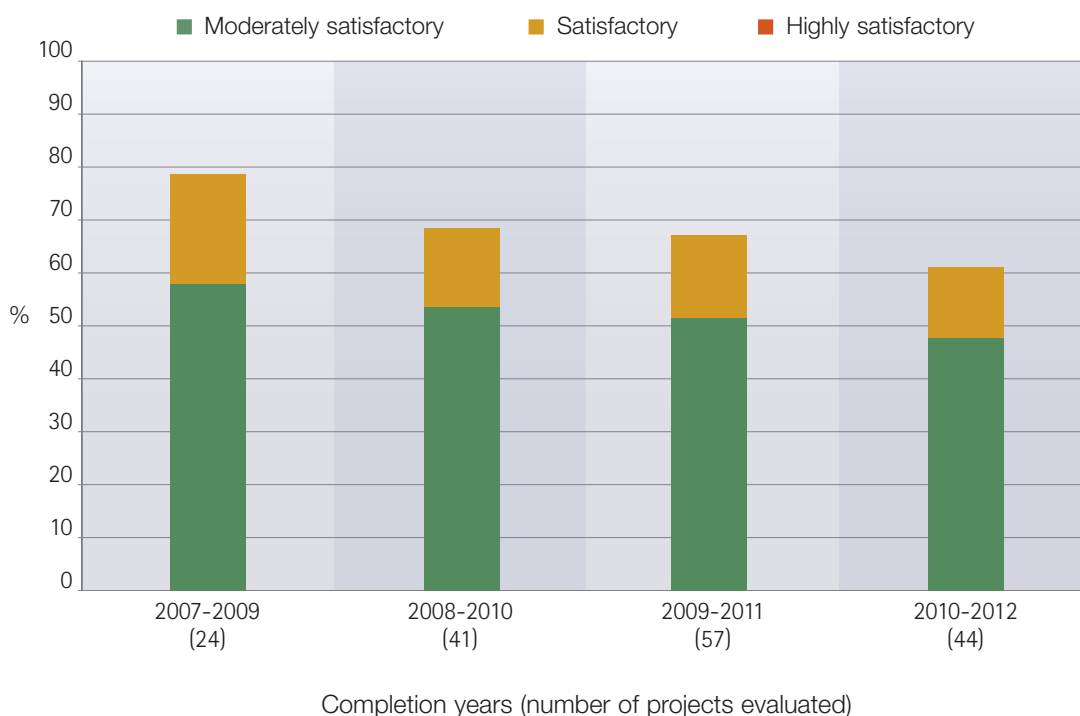


Table 1. PCRV/PPA only and all evaluation data for projects completing in 2010-2012

Evaluation criteria	Per cent moderately satisfactory or better	
	PCR/PPA data	All evaluation data
Relevance	89	92
Effectiveness	66	75
Efficiency	43	56
Project performance	61	71
Rural poverty impact	83	86
Sustainability	56	63
Innovation and scaling up	70	78
Gender equality and women's empowerment	75	80
IFAD performance	77	82
Government performance	52	63
Overall project achievement	73	79
Household income and assets	78	84
Human and social capital and empowerment	78	85
Food security and agricultural productivity	78	80
Environment	67	71
Institutions and policy	69	79
Number of projects evaluated	N=44	N=63

57. In each PCR/PPA undertaken by IOE, a calculation is made of the difference in ratings by IOE and IFAD's PMD across each evaluation criteria assessed. The "disconnect" between the PCR/PPA data reported by IOE and the PCR data produced by the IFAD Management is insignificant and appears to decrease over time. The average disconnect this year was -0.2 compared to -0.3 in 2013 and -0.4 in 2012 (see annex 9). Among other issues, the narrow disconnect shows that there is a common perception between IOE and the IFAD Management of the strengths and weaknesses in IFAD operations.

58. Each PCRV includes an overall assessment of PCR documents, using four criteria: (i) scope, (ii) quality of methods used and data, (iii) lessons, and (iv) candor. On a general note, it is encouraging that efforts are being made to

ensure that 100 per cent of completed projects produce a PCR. In spite of that, IOE notes that there are some PCRs that have not been delivered and that there are delays in the submission of PCRs. Furthermore, IOE finds that the quality of PCR documents varies from project to project and, therefore, there are opportunities to ensure greater consistency across the board.

59. More specifically, the overall assessment of PCR documents³⁶ appears to be improving, since nearly 70 per cent of the PCRs validated by IOE are moderately satisfactory or better (see annex 9). In fact, 35 per cent are, overall, rated satisfactory or better up to and including this year compared to 28 per cent up to last year. PCRs tend to be strongest in terms of "lessons learned" and "scope", but weakest with regard to "candour" and "quality".

³⁶ PCRs are produced by the borrowers. IFAD, however, offers support to the relevant authorities (e.g. by providing guidelines for the PCRs and, on a case-by-case basis, mobilizing consultant(s) to assist the borrower with regard to specific aspects that need to be covered in the final reports).

Regarding quality, the main concern remains the availability of data and the quality of evidence in PCRs that are needed to support the findings and ratings. In fact, in this area, performance is lagging in relation to the target set for “PCR quality”³⁷ (90 per cent moderately satisfactory or better) in the IFAD9 RMF for the end 2015.

60. One specific area of concern relates to weaknesses in monitoring and evaluation systems at the project level. M&E is an area of challenge for IFAD and other bilateral and multilateral development organizations. While there are good examples of M&E systems in some projects, others still face challenges, including limited attention to measure outcomes and the late and inadequate quality of baseline surveys. This is an indication that there is a need to (i) continue supporting individual projects and (ii) provide the technical

capacity necessary for institutions in developing member countries to undertake M&E activities.

61. Table 2 below ranks the criteria, using the percentage of projects rated as satisfactory or better, based on PCR/PPA data. Projects score best in terms of overall rural poverty impact and in the individual impact domains, with the exception of environment and natural resources (historically, the weakest, though improving in recent years).³⁸ The relatively poor project performance of programme operational efficiency and sustainability is not new.³⁹ These areas have always resulted as weak. The relatively low effectiveness of projects – only 21 per cent are rated satisfactory or better – has not been highlighted in previous reports. To improve project effectiveness in the future will require greater insight into the establishment of project objectives.

37. See indicator 4.5.3 in Level 4 of the IFA9 RMF.

38. The 2009 ARRI treated national resources and environment as one of the two learning themes (the second being access to markets). It underlined several reasons why the performance of IFAD operations is weak in natural resources and environment. For example, it found that relatively few resources were allocated in the past to address the major challenges in this thematic area; there was a lack of corporate policy on the topic; the availability of in-house technical expertise was insufficient; among others. Since then, however, IFAD has undertaken a number of measures to strengthen performance in this area, including the establishment of the Environment and Climate Change Division.

39. Sustainability also appears to be a challenge in other organizations, such as the Asian Development Bank (ADB). For example, the 2014 Annual Evaluation Review by the Independent Evaluation Department of the ADB established that 54 per cent of the agriculture sector operations evaluated between 2000 and 2013 are “most likely sustainable” or “likely sustainable”; that implies that nearly half their agriculture sector operations are “unlikely sustainable” or “less than likely sustainable”.

Table 2. Ranking of evaluation criteria by percentage of projects completed in 2010-2012, rated as satisfactory or better (PCR/PPA data only)

Evaluation criteria		Percentage of projects rated satisfactory or better
Best	Human and social capital and empowerment	41
	Food security and agricultural productivity	41
	Household income and assets	35
	Rural poverty impact	35
	Relevance	30
	Gender equality and women’s empowerment	34
	Innovation and scaling up	32
	IFAD as a partner	27
	Overall project achievement	25
	Institutions and policies	28
	Government as a partner	23
	Effectiveness	21
	Project performance	14
	Efficiency	16
Worst	Sustainability	9
	Environment and natural resources	9

Note: The above table is based on 44 completed projects that were evaluated

Explaining project performance

62. Last year's ARRI learning theme focused on understanding the performance of particularly successful or unsuccessful projects. This confirmed the importance of and the strong association between project design, management and the national/regional context. While context is clearly important, good design and good management (by project management, implementing institutions, government and IFAD) can compensate for this.
63. This year's evaluations confirm the importance of design and management, and especially the importance of ensuring that the project design addresses the institutional context to ensure good management. In the Microfinance Innovation and Outreach Programme in Pakistan, the implementation arrangements that were designed are consistent with the strengths and weaknesses of the implementing partners and they are built on sustained institutional development. One of the successes of the Uruguay Rural Project resulted from the ability of the project design to clearly identify institutional weaknesses and include ways in which to counter them. This same project included government commitment and ownership, as well as the active support of IFAD in project supervision as two further features that contributed to the success of the project. The well-supported participatory management that involved the beneficiaries was also a success factor in a number of projects this year. Furthermore, the Bangladesh Microfinance Project is yet another example of a well-tailored project that is relevant to the country context and to small and marginal farmers. It was implemented effectively and efficiently, with some appropriate adjustments, and it resulted in positive impacts on the livelihoods of the target group.
64. The weakness in design has proved to be one of the most common reasons for the outcome of poor project performance. This includes over-ambitious objectives, an over-complex design with multiple components and activities,

and/or project areas that are geographically too wide spread. The unsatisfactory rating in four projects in the PCRV/PPAs is due to some or all of these design flaws. It is important that project designs are based on, and matched to, a systematic and detailed understanding of institutional capacity. This did not take place in neither the Northern Region Poverty Reduction Programme (NORPREP) in Ghana or the *Programa Nacional de Desarrollo Rural* (PRONADER) in Guatemala. In both cases, the management capacity was insufficient⁴⁰ and their project performance is rated as moderately unsatisfactory or unsatisfactory. A lack of competent staff and solid ownership and understanding by all major stakeholders from project inception was identified in a number of evaluations, including one of the two projects rated as unsatisfactory for Overall Project Achievement.⁴¹

65. The PCRV that was undertaken this year of the National Agricultural Advisory Services Project (NAADS) in Uganda, a large programme supported by more than ten donors including IFAD, confirms the findings of the Uganda CPE (2012) that ownership and understanding are particularly critical for innovative projects. Furthermore, there was insufficient attention to marketing and market access; M&E systems were weak; poverty targets were inadequately differential; and project supervision at inception was poor, all of which contributed to a lower standard of project performance. Given that the World Bank cooperated in the NAADS programme, IFAD was unable to provide direct supervision of the operation as it has in other cases.

Country programme evaluations

66. CPEs assess and rate the performance of (i) the project portfolio; (ii) non-lending activities including knowledge management, policy dialogue, and partnership-building; and (iii) the country strategy (i.e. COSOP) in terms of its relevance and effectiveness. Annex 2 illustrates the CPE methodology.

⁴⁰. In NORPREP (Northern Region Poverty Reduction Programme, Ghana), the design was too complex for the capacity of the small programme support team. In PRONADER (National Rural Development Programme, Guatemala), management of the programme was inefficient. The PCRV concluded that a systematic and detailed study of institutional capacity should have been carried out at the design stage.

⁴¹. Rural Development Programme for Mountainous and Highland Areas, Georgia (RDPMHA).

67. With regard to portfolio performance, the findings of CPEs are included in the previous chapter of the ARRI and are limited to non-lending activities and COSOP performance. This chapter is based on five CPEs that were undertaken by IOE in 2013: Bolivia (Plurinational State of), China, Moldova (Republic of), Senegal and Zambia.⁴² Lessons learned from various previous CPEs have also been considered, as and when appropriate.

68. **Non-lending activities.** Non-lending activities include policy dialogue, knowledge management and partnership-building, which are a key to scaling up successes and will contribute to better results with regard to rural poverty at the country level. For instance, improved policy dialogue will enable IFAD, in partnership with other IFIs and United Nations organizations, to contribute to policy and institutional transformation in the agriculture sector at the country level.

National policies and stronger institutions at all levels are the foundation for sustainable smallholder agriculture and rural development. IFAD, however, should set its objectives realistically and determine the type and extent of policy dialogue it can undertake in large countries (e.g. Brazil, China and India) which traditionally have very strong political and administrative systems and institutions.

69. While the ratings for non-lending activities have improved since the period 2006-2008 (see figure 6), the majority of country programmes are rated as moderately satisfactory for non-lending activities.⁴³ Overall, non-lending performance was moderately satisfactory or better in 75 per cent of the programmes in the most recent period, 2011-2013, but are rated as satisfactory or better in only 8 per cent of the programmes that were evaluated.

Figure 6. Performance of non-lending activities, 2006-2013



42. Some of these CPEs were finalized in 2014.

43. The data in Figure 6 is based on all CPEs since 2006, and not only the five CPEs done in 2013.

70. The China CPE concluded that it is important that IFAD's policy dialogue efforts be incorporated into the experiences that result from IFAD's lending operations and grant activities. While most of the country programmes evaluated in 2013 were assessed as moderately satisfactory or better with regard to policy dialogue, a gap was identified between the objectives in the COSOPs and actual policy engagement or results. Moreover, IFAD still does not adequately draw from the outcomes of its grant-funded research to inform policy dialogue at the country level. The latter was also highlighted in the CLE on grants policy, completed by IOE in 2014. In summary, approximately 65 per cent of the country programmes evaluated in 2011-2013 were moderately satisfactory or better in terms of national policy dialogue – slightly lower than the target set in the IFAD9 RMF.⁴⁴

71. It is evident that knowledge management has improved significantly since the period 2006-2008. Approximately 70 per cent of the country programmes evaluated between 2011 and 2013 are considered to be moderately satisfactory or better regarding knowledge management. Given that there are only some COSOPs (e.g. China) that include knowledge management as a strategic objective, there is much room for improvement from not only learning from failures, but also through a greater exchange of lessons learned and good practices across IFAD's geographic regions. The lack of adequate human and financial resources explains, in part, the gap that lies between objectives and achievements in relation to policy dialogue and knowledge management.

72. IFAD's partnerships with governments, civil society organizations and non-government organizations (NGO) are usually strong, and IFAD's flexibility, participatory approaches and development focus are well recognized. Partnership with bilateral and multilateral organizations can vary from country to country. In China, for example, no projects have been cofinanced with the Asian Development Bank (ADB) or the World Bank in the past decade,

and cooperation with the Food and Agriculture Organization of the United Nations (FAO) has been limited. Of the five projects evaluated by the CPE in the Republic of Moldova, only one was cofinanced – with DANIDA, the Danish development agency. In Zambia, there has been a reasonable amount of cofinancing over the years from various donors, although none with the African Development Bank (AfDB), a major player in the region. Partnerships beyond project cofinancing can be strengthened by joint analyses and sector studies, as well as knowledge sharing. FAO and the United Nations Development Programme host IFAD country offices in various cases – a basis for improved cooperation and coordination at the country level.

73. Recent initiatives have led to renewed cooperation agreements at the institutional level (e.g. ADB and AfDB), although a more systematic effort will be needed at the country level to ensure stronger partnerships with lending and non-lending organizations. IFAD's partnership with the private sector has varied from country to country. Ultimately, it is essential that IFAD develop stronger partnerships with a range of stakeholders to enable it to fulfil its scaling up agenda and improve rural transformation. This is also reflected by the fact that approximately 75 per cent of country programmes evaluated by IOE between 2011 and 2013 are moderately satisfactory or better in relation to partnership-building compared to the 90 per cent target for 2015, established in the IFAD9 RMF.⁴⁵

74. **COSOP performance.**⁴⁶ COSOP performance relates to the assessment of its relevance and effectiveness, which has not improved since the period 2006-2008. The COSOPs that were evaluated for relevance for the period 2011-2013 resulted in 83 per cent being moderately satisfactory or better against 25 per cent rated as satisfactory or better. The equivalent figure for effectiveness was 50 per cent and 17 per cent, respectively. The latter figures illustrate that, while projects might achieve good results within their confined geographic areas,

44. The IFAD9 RMF establishes a target of 70 per cent moderately satisfactory or better performance by the end of 2015 for this indicator (i.e. engagement in national policy dialogue, indicator 4.2.3 in Level 4 of the RMF).

45. See indicator 4.2.4 in Level 4 of the IFAD9 RMF. Also see table 5 in the 2013 RIDE.

46. Which is a composite criteria based on the ratings for COSOP relevance and effectiveness.

- the achievements are not sufficiently impacting against poverty at the national level. This can be partly explained by the evidence that there are opportunities for greater integration of and synergies across all activities supported by IFAD at the country level. These opportunities include loans, grants, reimbursable technical assistance and non-lending activities.
75. The COSOPs were well aligned with government and IFAD policies and, in general, with the prevailing context. The CPEs undertaken, however, reveal that there are some challenges in the COSOPs that will require attention. For instance, in China, the COSOPs did not give sufficient importance to rural-urban migration and the changing socio-economics of the rural landscape. Likewise, in Senegal there was insufficient consideration of the grim environmental prognosis. In two other countries, the COSOPs lacked a convincing strategy to link the proposed interventions to the strategic objectives. In the Republic of Moldova COSOP, it was not clear how the interventions would benefit – directly or indirectly – the rural poor, nor how they would contribute to reducing rural poverty. Along the same lines, in the Plurinational State of Bolivia COSOP, it was judged unlikely that the interventions (primarily better technologies and technical assistance) would be sufficient to resolve the problems of the rural poor. In general, there is evidence that the allocation of administrative resources for the preparation and implementation of the COSOPs is limited. For example, as a result, insufficient analytical work and risk analysis is undertaken at the outset of the COSOP process.
76. **Four systemic issues.** The CPEs that were carried out in 2013 exposed four further systemic issues. First, the Executive Board approved guidelines for preparing COSOPs in September 2006. This required IFAD to undertake a COSOP completion report (as a self-evaluation) in all cases. While some COSOP completion reports are in progress, this is not the case across the board.
77. IOE considers COSOP completion reviews by the IFAD Management to be essential for several reasons, inter alia, (i) to allow country programmes to be assessed at the end of a COSOP cycle, including non-lending (knowledge management, policy dialogue, partnership-building) and grant activities. These are currently not assessed systematically prior to creating a new COSOP; and (ii) because IOE only undertakes CPEs in a selected number of countries in any given year.
78. Moreover, by IFAD Management carrying out COSOP completion reviews in all cases, IOE ultimately will be able to validate them as it does with PCRs, thus allowing IOE to report on the performance of IFAD country programmes, based on a wider cohort of evidence. The undertaking of the COSOP completion review would enhance the efficiency and effectiveness of IFAD's overall evaluation process, reinforce a results-based culture and promote lessons learned within the organization. It would also represent an additional step in the evolution of IFAD's evaluation system and ensure further alignment with the good practice standards of the Evaluation Cooperation Group (ECG) of multilateral development banks. While IOE recognizes, however, that COSOP completion reviews have budgetary implications for the IFAD Management, it considers it a priority that resources be made available, either through the internal reallocation of funds or through additional funding.
79. Second, all CPEs confirm that the establishment of IFAD country offices (ICO) is a key to IFAD's operating model, especially with regard to the out-posting of CPMs. This was further evidenced in the CPEs for Senegal and Zambia, where IFAD had recently out-posted a CPM to each country. IFAD's China country office plays a useful role in furthering country programme objectives. The China CPE, however, recommends the out-posting of the CPM to further improve dialogue and performance, especially in relation to its large portfolio and the importance of non-lending

activities and South-South and Triangular Cooperation within China. Finally, the CPEs recommend a further detailed study of the issues relating to IFAD's country presence and its institutional decentralization (e.g. delegation of authority to out-posted CPMs, relationship with headquarters), which could be covered through a CLE by IOE in 2016 or 2017.

80. An analysis of all CPEs undertaken by IOE between 2006 and 2014⁴⁷ indicates that the performance of IFAD operations is better in countries that have ICOs, compared to those with no such office. The average rating (on a scale from 1 to 6, with 6 being the highest score) for Overall IFAD-Government Partnership,⁴⁸ for example, is 4.2 in countries with ICOs compared to 3.5 in countries without. Not surprisingly, IFAD's own performance is better in countries with ICOs (4.2) compared to 3.8 in countries without. Furthermore, the performance of the IFAD-funded portfolio is higher in countries with ICOs (approximately 4.2) against 3.5 in countries without. This confirms the hypothesis that ICOs have a critical role in ensuring enhanced results on the ground.
81. Furthermore, some evaluations (e.g. the CLE on efficiency and the Kenya CPE) reviewed the effectiveness of the regional office in Kenya, which covers IFAD operations in the East and Southern Africa region. It was found that the office is effective in supporting activities throughout the region, for example, by providing implementation support to projects in specific areas in a timely manner, and sharing knowledge and conducting policy work on key topics (e.g. land tenure and gender). The evaluations also reveal the need to better clarify the roles and responsibilities between the regional office in Nairobi and the IFAD country offices in Kenya and other countries within the region. Moreover, while building on the experience of other multilateral and bilateral development organizations, these and other IOE evaluations⁴⁹ conclude that regional or sub-regional offices can have an important place in IFAD's institutional structure and can

contribute to improved overall development effectiveness and efficiency.

82. Third, there was evidence in the CPEs relating to middle-income countries (MICs) of the increasing interest among partners for IFAD to facilitate South-South and Triangular Cooperation and IFAD's start to do so. The CPEs also noted that IFAD has begun to devote attention to the topic (e.g. IFAD has supported the Government of China to organize a forum in Mozambique on South-South Cooperation with a focus on Africa, held in August 2014). This area will require further consideration in the future. With regard to IFAD's work in MICs, the relevant evaluations undertaken and the evaluation synthesis report (2014) on MICs found that, while some MICs have provided a fair amount of counterpart funding for IFAD-funded projects, others have provided a smaller amount – at times less than the share provided by some low income countries. This calls for a more consistent approach to mobilize counterpart funding from MICs, such as by applying income per capita as an indicator to determine a country's share of its contribution. IOE also recognizes that this approach will need to take into account the heterogeneity of the countries (e.g. size, gross national income per capita) that are classified as MICs.
83. Fourth, there is evidence from the CPEs that the COSOPs are significant and critical instruments to ensure that the strategic positioning of IFAD is appropriate. They can guide IFAD's operations and contribute to the integration of activities supported by IFAD in any given country to strengthen the overall country programme. There are some indications, however, that IFAD's limited administrative budget may affect COSOP development, project design, implementation, supervision and management. Some activities (e.g. COSOP mid-term and completion reviews, analyses) that are essential are not being carried out in all cases or require more in-depth analysis and stronger support, thus constraining learning and effectiveness. Given resource constraints, Management, therefore, is now

47. Between 2006 and 2014, IOE completed 31 CPEs in 29 countries. Within this timespan, two countries of the 29 had two CPEs each. The analysis in this paragraph is based on 23 countries with ICOs and 6 countries without ICOs.

48. This is a criteria applied in the CPEs undertaken by IOE. This final rating is based on three individual ratings: portfolio performance, performance of non-lending activities and COSOP performance.

49. In particular, the 2007 CLE on the Field Presence Pilot Programme, which included a very comprehensive benchmarking study of the country presence/decentralization models of other bilateral and multilateral development organizations.

reflecting on the eligibility criteria necessary to determine the countries where a COSOP might not be required in the future. Further discussion is required between IFAD Management, the Board and IOE to decide which COSOPs to discontinue.

Benchmarking

84. As previously done, the ARRI benchmarks the performance of IFAD operations in two ways. First, it benchmarks the performance of IFAD operations on an external basis with that of the agriculture sector operations of selected multilateral development banks.
85. There are inherent challenges to external benchmarking, since various organizations have differing development mandates and lending volumes. Comparisons are, nevertheless, possible, especially since the evaluation offices of the IFIs and that of IFAD/IOE use harmonized evaluation methodologies, as members of the ECG of the multilateral development banks. On the other hand, it is more challenging to benchmark the performance of IFAD operations against those of the United Nations and its Specialized Agencies, Funds and Programmes, given that the nature of their interventions and operating models differ significantly from that of IFAD. Their evaluation methodologies and architecture (e.g. in terms of institutional reporting lines) also vary from those of the members of the ECG.
86. Second, this section benchmarks performance on an internal basis (i) across the five geographic regions⁵⁰ of IFAD operations; and (ii) with selected internal benchmarks (e.g. targets included in the IFAD9 RMF). Benchmarking the performance of IFAD operations across the five geographic regions should not be an indication to compare the performance of the five regional divisions (organizational units) in the PMD, since IFAD operational benchmarks are significantly determined by those of the government of each country and each region as a whole. The regional divisions are driven by other key factors, such as internal organizational structure, staff performance, management and leadership.
87. **External benchmarking.** Table 3 below shows that the performance of IFAD operations was comparable with that of the World Bank: over three-quarters of the indicators are rated as moderately satisfactory or better.
88. At the regional level, IFAD projects performed better than those of AfDB, despite the fact that the time series of the data compared was not the same.⁵¹ IFAD operations fared better than those of ADB, although ADB ratings include sustainability, whereas IFAD ratings do not.
89. Finally, when interpreting the figures, the varying nature of IFAD's agriculture portfolio compared to those of other IFIs should be taken into account.

Table 3. Project performance: Percentage of agriculture and rural development projects completing 2000-2013 rated moderately satisfactory or better*

Time period	IFAD	IFAD Africa	IFAD Asia and Pacific	ADB	World Bank	AfDB
2000-2013	78	74	89	60	77	64
Number of projects evaluated	224	100	62	155	569	100

* The rating used for IFAD is project performance which is an average of relevance, effectiveness and efficiency. For ADB, it is the overall rating of Agriculture and Natural Resources projects (ADB's overall rating is a composite of relevance, effectiveness, efficiency and sustainability). For the World Bank, it is the Independent Evaluation Group's outcome rating for Agriculture and Rural Development projects (relevance, effectiveness and efficiency), similar to IOE's project performance criterion.

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

51. At the time of publication, AfDB data were available only for the period 2009-2012. The performance of IFAD operations, however, is moderately satisfactory or better in 65 per cent of evaluations in the period 2009-2012.

90. **Internal benchmarking.** Annex 8 includes two tables with an analysis of the internal benchmarking. First, the data reveals that IFAD operations performed most strongly in the Asia and Pacific region, followed by the East and Southern Africa region. The region that performed the weakest is that of West and Central Africa. With regard to the latter, it is important to emphasize that a key contributing factor is the relatively weaker policy and institutional context, as well as the large proportion of fragile states and conflict affected areas that exist in the West and Central Africa region.
91. Second, the data indicate that IFAD's operations have improved in most of the areas assessed (with the exception of the programme operational efficiency – since the Independent External Evaluation of IFAD was completed in 2005. Based on independent evaluation ratings, however, performance lags in relation to the targets set for the end of 2015 (see IFAD9 RFM, covering the period 2013-2015). The gap is relatively small in the case of the targets for relevance and rural poverty impact, but significant in a number of other criteria (e.g. effectiveness, efficiency, sustainability, government performance, partnership building and PCR quality).
92. It is suggested, therefore, that – where available – IOE evaluation ratings be applied, going forward, to set the targets and track progress. The IFAD Management should subsequently report against those RMF indicators/criteria covered in independent evaluations (e.g. effectiveness, efficiency, gender). This will eliminate the current practice of parallel reporting by IFAD (i.e. by the Management and IOE) which has previously resulted in different figures being reported for the same performance indicators/criteria. Parallel reporting can be grounds for ineffective discussions with governing bodies and stakeholders relating to the performance of IFAD-funded projects and country programmes.
93. IOE recognizes that IFAD's self-evaluation system is improving and that the overall average disconnect between the IOE ratings and the self-evaluation ratings is less evident. Nevertheless, this does not provide sufficient reason to apply self-evaluation ratings to report against those RMF indicators that are assessed by IFAD's independent evaluation function, since it is not possible to predict the future trends in the net disconnect between the IOE and self-evaluation ratings. Moreover, an important consideration in favor of applying IOE ratings is that they will further enhance the credibility of the Fund's results reporting system, in general, given that they are based on an independent perspective. Finally, the application of independent evaluation ratings to report against RMF indicators would be consistent with the approach taken by other IFIs (e.g. ADB).
- Cross-cutting issues raised by the 2013 evaluations**
94. This section highlights a selection of the more strategic issues raised by the 2013 evaluations. Many of last year's issues – the efficiency of programme operations, objectives that are over-ambitious, focus on poverty and M&E processes that are persistently weak – are once more in evidence in the reports. They are not, however, repeated in this ARRI edition.
95. **Environment and climate change.** Many of the CPEs highlight the overarching and cross-cutting threat posed by environmental degradation and climate change, and the inadequacy of project efforts to date. In the Plurinational State of Bolivia, the introduction of sustainable practices has not reversed the progress of desertification. In Zambia, environmental degradation and climate change pose significant constraints to key growth sectors, such as agriculture and tourism. While IFAD-supported projects have mainstreamed environmental approaches, positive impacts on the environment remain quite limited. The Senegal and China CPEs draw a similar conclusion.

In Senegal, projects did not provide adequate consideration to the grim environmental prognosis. In China, there is a growing correlation between rural poverty and environmental stress. Merely looking at the direct environmental impacts of projects is no longer an adequate approach. Finally, next year, IOE plans to prepare an evaluation synthesis report on natural resources and environmental management, including climate change. This will provide a timely opportunity to study the topic in more detail and identify areas of strengths and weaknesses.

96. **Knowledge management** is increasingly recognized as a key component for learning and improvement in IFAD. At the corporate level, several measures have been taken in the past few years (e.g. the creation of the Strategy and Knowledge Department) and others are being introduced (e.g. a new knowledge management framework) to improve performance in this area. At the country level, however, the resources allocated and the attention to knowledge management varies from country to country and region to region. For instance, as already mentioned, the latest China COSOP (2011) included knowledge management as a specific objective. Emphasis is given to the important role of M&E in supporting knowledge management; the critical contribution of knowledge management to scaling up and policy dialogue; and the importance of grants for knowledge management and policy dialogue. As non-lending activities increasingly become recognized as fundamental to IFAD's impact in-country, knowledge management should be viewed as one of the key factors to achieve that impact.

97. **Middle income countries.** MICs are increasingly significant within IFAD. Most of the world's poor people are now in MICs. While extremely diverse as a group – and sometimes representing a context that is just as challenging as found in low income countries – the nature of IFAD's partnership with MICs is changing. Access to loans remains important, but there is

increasing demand for non-lending services, including technical assistance and support for South-South and Triangular Cooperation. MICs are becoming increasingly discerning and demanding. This, in turn, has important implications for IFAD's business model and for the funding and capacity of in-country offices. The potential for joint country strategies, particularly with other United Nations food agencies and IFIs, needs to be more actively explored.

98. **Partnerships** are a related issue. As mentioned in the section on country programme performance above, partnerships with immediate government counterparts and NGO/civil society project partners has usually been very good. Partnerships were sometimes less strong with government departments and agencies not immediately involved with project implementation and, in all five of the country programmes evaluated this year, they were much weaker with other multilateral and bilateral agencies. While consultative partnerships sometimes existed, technical and financial partnerships with other development agencies were insufficiently expanded. Opportunities for cofinancing or scaling up were missed. This applied equally to partnerships with the private sector, which were generally limited. Partnerships are particularly crucial for relatively small agencies, such as IFAD, and are particularly essential in MICs. These countries are interested in impact at scale and in technical expertise and policy contributions of the highest calibre. IFAD will be best placed to contribute to both in partnership with others.

99. Partnerships with the private sector are worth highlighting. IFAD has traditionally worked with borrower governments to reduce rural poverty. More recently, a focus on value-chains development has highlighted the importance of working with small- and medium-sized enterprises. While national investment is important, international investment in commodity production and international supply chains has become very significant in recent years in some countries. Some positive shifts

towards more socially and environmentally responsible supply chains are also evident. Many of these initiatives, investments and supply chains have major implications for small farmers and rural environments. IFAD's partnership role in relation to the private sector – national and international – is, therefore, an important emerging issue.

100. **Sustainability** is not a new issue. It has long been highlighted by the ARRI as a major challenge. While by some measures sustainability is slightly improving, it remains one of the lowest performing criteria. Based on PCRV/PPA data, approximately 10 per cent of projects are rated as satisfactory or better for sustainability over the period 2010-2012 (see table 2) and approximately 45 per cent are moderately unsatisfactory or worse. The lack of maintenance to rural infrastructure is still being identified in project evaluations over a decade since it this was first mentioned in the ARRI. More generally, the Zambia CPE concludes that there are weak prospects for sustainability in most IFAD-funded projects, and the Senegal CPE found that there is a systematic lack of sustainability beyond the life of projects. Given that sustainability remains a major challenge in IFAD-funded projects, as it does for other development agencies, IOE proposes to further analyse the sustainability of IFAD operations by treating it as the learning theme for next year's ARRI, subject to the agreement of the Executive Board.

101. **The project approach.** While more can be done to improve sustainability, the Senegal CPE has made the important point that the problem of sustainability is also, to a large extent, inherent in the project approach. Projects are, by definition, finite and IFAD continues to be an institution that is primarily based on projects, in spite of more consideration being provided to non-lending activities in the COSOPs. This links to almost all the other issues mentioned: knowledge management, environment and climate change, and MICs. For all these issues, a continued focus on projects will need to be

reconciled with greater attention to non-lending activities and grants and their integration into more coherent country programmes. Moreover, when lending for a longer duration, strategic programmes aimed at major national challenges should be more actively considered when moving forward. In this regard, the ARRI notes that there are some recent examples of introducing programmes with longer term durations, such as covering more than one Performance-Based Allocation System cycle (three years).

102. **Slow project effectiveness.** A significant number of evaluations identify a familiar pattern of delayed project effectiveness; implementation delays and problems in the early years; and much improved performance after the mid-term review. While sometimes the project has recovered and is ultimately successful, too often this pattern leads to project extensions being required and to higher than necessary management costs. A more gradual pace for the first half of the project may be inevitable to some extent. Project staff may need to refine the design and implementation process, and it may take time to become familiar with IFAD policies and procedures to build the necessary capacity. Inadequate designs and weak supervision by IFAD in the early years, however, often contribute to slow project effectiveness. A joint review of this issue by the relevant government and IFAD is required in countries with a history of slow project effectiveness, as proposed in the Plurinational State of Bolivia CPE.



Rwanda - Support Project for the Strategic Plan for the Transformation of Agriculture

Outside the Community Innovation Centre in Kigoma village there is a community school where schoolchildren are learning to grow vegetables in their own kitchen gardens.

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3

Learning theme: Project management⁵²

Introduction

103. The 2013 ARRI recommended that this year's learning theme should examine the role of government, with particular emphasis on project management. Subsequent discussions have highlighted the importance of project management arrangements more generally and the role of government and IFAD with respect to these. Nevertheless, although the 2014 ARRI learning theme is devoted to project management issues more generally, special attention has been devoted to project management arrangements as key to the success of IFAD-funded operations.
104. Moreover, it is useful to clarify that this chapter covers only the subject of project management and related arrangements in IFAD-funded projects; it does not aim to cover the wider issues related to the institutional architecture of IFAD-funded projects nor does it attempt to provide an assessment of service providers (e.g. NGOs, ministries of agriculture, private sector, civil society), which also have an important role in the implementation of IFAD-funded projects.
105. The objectives of this section are to synthesize available information on project management arrangements in IFAD and to identify some of the key issues that need to be given further consideration, possibly as part of a CLE in the future. It draws from a review of 60 projects approved within the last 14 years, roughly divided across three groups: completed projects (approved in the period 1999-2004); projects far along in implementation (approved for the period 2007-2008); and recently launched projects where early project status reports (PSR) are

available (approved in 2011). The review was supplemented with interviews with the IOE staff, selected CPMs and other PMD staff and managers, and with an internal learning event that was held in September 2014. The analysis also benefits from a review of previous IOE evaluation reports.

Context

106. In the context of operations funded by IFAD and other IFIs, project management broadly refers to the management and coordination of the different elements of project implementation. These include, inter alia, design and engineering; procurement of works, goods and services; financial management; and more importantly, M&E. As has long been recognized in the development community (and elsewhere), effective project management is a vital condition for successful project implementation. Project management arrangements encompass project management units (PMUs) but also go beyond them. While project implementation itself is distinct from project management in theory, the two overlap in practice. The IFAD Policy and Technical Advisory Division (PTA) recently undertook a study⁵³ on project management arrangements. Among other issues, the study emphasizes that project management should go beyond the PMU, which is but one link in the borrower-to-beneficiary chain.
107. On a related issue, it is necessary to point out that the PMUs of IFAD-supported projects are entirely staffed by national officers and do not include international personnel. This is unlike projects funded by several other bilateral or multilateral development organizations

52. This chapter builds on an Issues Paper produced by IOE on project management, as well as on comments received from IFAD Management and staff at the ARRI learning workshop, held on 19 September 2014. The full Issues Paper is available at http://www.ifad.org/evaluation/events/2014/arr/arr_i_issuep.pdf.

53. Effective Project Management Arrangements for Agricultural Projects: A Synthesis of Selected Case Studies, PTA (2013).

- (e.g. FAO or United Nations Development Programme) or international NGOs, which often have dedicated international staff assigned on a full-time basis for projects at the country level.
108. It is also important to clarify the role of IFAD CPMs in relation to the management of IFAD-funded projects. CPMs (whether Rome-based or out-posted to recipient countries) are not directly involved in the day-to-day management or implementation of IFAD-supported projects. CPMs, however, do play an indirect role – for example, by undertaking project supervision that generates recommendations for improving project management and implementation; providing implementation support on a periodic basis (e.g. by mobilizing consultants in specific technical areas, such as for gender mainstreaming or M&E, to support project management teams); providing inputs in the preparation of the project’s annual work programmes and budget; reviewing proposed candidates for the position of project directors; providing clearance on the withdrawal application of loan funds; and authorizing the replenishment of project special accounts.
109. The quality of project management is long recognized as one of the critical factors determining project performance. This is emphasized in the review of exceptional projects in the 2013 ARRI. The few exceptionally successful projects in difficult contexts tend to have high-quality project management, as well as good design and good support from IFAD and government. Poor design and management are consistent features of exceptionally poor projects.
110. Each IFAD-funded project has customized project management arrangements outlined in the Project Implementation Manual. The basis for these arrangements is almost always the project unit in a variety of forms. Other IFIs, United Nations and bilateral development agencies depend on similar arrangements to a greater or lesser extent.
111. The issue of these units – often termed project implementation units (PIU) (now referred to as PMU) – drew a lot of criticism in the 2000s. The 2004 *World Development Report* has cited studies that show that PIUs had no significant impact on project outcomes, while they undermine the sustainability of results. A 2005 ADB report concluded differently: PIUs are a generally justifiable implementation arrangement for capital investment projects. That aside, the accepted view most clearly expressed in the Paris Declaration on Aid Effectiveness (2005) was that parallel PIUs are detrimental and are to be avoided wherever possible. Such structures are often “set up outside (and therefore parallel with) existing country institutions and structures and can as a result, undermine efforts to strengthen the capacity of core government institutions, distort public sector staffing and salary levels, and reduce the degree of control and accountability exercised by partner governments in the implementation of aid-funded activities”.⁵⁴
112. A 2010 OECD progress review states that the total number of parallel PIUs had declined by 32 per cent since 2005, but that IFAD was the only participating IFI where the analysis shows an increase in the number of PIUs.⁵⁵ While there may be good reasons for the prevalence of PIUs in IFAD-supported projects – such as the typically weak capacity in ministries of agriculture and the remoteness of the rural areas where the projects are located – the continued reliance on such project arrangements merits examination.
113. The evidence relating to the performance of project management is limited. IFAD does not maintain a database of the kinds of PMUs or other management arrangements that are put in place, their cost, or their scope.⁵⁶ IFAD has not yet conducted a portfolio-wide review specifically devoted to project management or project management arrangements. There is also no dedicated evaluation criterion in the IOE methodology to assess the performance

54. Aid Effectiveness 2005-2010: Progress in Implementing the Paris Declaration (OECD, 2011).

55. Aid Effectiveness 2005-2010: Progress in Implementing the Paris Declaration (OECD, 2011). There is some debate about the validity of the number of PMUs reported in this report.

56. Other IFIs do not maintain such a database.

Project management performance

of project management per se. Aspects of project management do contribute, however, to the assessment of effectiveness, efficiency, sustainability and government performance as a partner, which are four of the evaluation criteria in the IFAD Evaluation Manual.

114. While project management is not explicitly rated, the IOE evaluation reports do include some analysis of the qualitative explanatory factors affecting the performance of project management. These include delays in appointment of and frequent rotation/changes in project staff; low priority attributed to M&E activities; challenges in applying the IFAD Results and Impact Management System; limited knowledge of IFAD policies, priorities and operational procedures; relationship and communication challenges due to the higher compensation packages provided to project staff; and the uneasy relationship with and interference by the designated executing agency.
115. The evaluations also underline some positive characteristics that enhance the performance of project management. These include, for example, the commitment by and ownership of project management staff; regular implementation support by IFAD; participation in annual country-level portfolio review and regional implementation workshops; clear guidelines and procedures for procurement and financial management; and participation in dedicated training on specific issues of priority to IFAD and the project.
116. PSRs⁵⁷ include a rating for the quality of project management. For 2013, 31 per cent of ongoing projects are rated as satisfactory or better for the quality of project management and 80 per cent are rated as moderately satisfactory or better.⁵⁸ The important function of M&E is rated the weakest. It also appears that there has been a drop in ratings between projects approved pre- and post-2009, with only 20 per cent or less of the post-2009 projects reaching the satisfactory or better threshold. There are at least two reasons to

explain the drop in performance of projects approved post-2009. These relate to a more rigorous internal quality assurance system introduced within IFAD in 2008 to assess project design and more comprehensive divisional portfolio reviews in recent years, including detailed peer reviews of project performance during implementation by internal and external reviewers.

117. As mentioned above, in 2008 IFAD introduced an arms-length quality assurance system to assess the robustness of project design. Project management is the issue most frequently raised in IFAD's internal (ex-ante) quality assurance of new project designs. Of the 217 quality assurance reviews conducted from 2008 to 2014, half (109) include significant comments on institutional arrangements, implementation arrangements and project management. A review of those quality assurance reports reveals that the following sub-topics are most likely to receive special attention: project management arrangements, including monitoring and funding arrangements; recruitment of qualified staff (including project managers); provisions to build capacity in local institutions through the project; and the role and capacity of service providers.

Findings

118. **The data on project management arrangements and costs is limited and inconsistent.** The limited data on project management arrangements already has been mentioned. This extends to data on the cost of project management, especially at the project completion stage. There appears to be no clear guidance on what is to be included under the heading of project management costs and little guidance on consistency with respect to what is included in this category in different projects. This makes it a challenge to systematically track (let alone evaluate) project management costs, including those costs that may be hidden and which have potential adverse implications on project efficiency and the IFAD funds available

57. The concerned CPM prepares a PSR each year during the implementation phase of each on-going IFAD-financed project. PSRs are based on supervision reports and other information available to the CPM and include an assessment and rating across a number of indicators/criteria (e.g. targeting, M&E, gender, sustainability). PSRs for the same project are updated from year to year.

58. Annual Review of Portfolio Performance 2012-2013, PMD (November 2013).

- for other project components. While project management costs average approximately 10 per cent of total project costs in the projects reviewed, the percentage in specific projects – as shown in the President’s Reports and other project design documents – ranges from less than 5 per cent to as high as 25 per cent. There are, however, examples of projects evaluated by IOE where approximately 40 per cent of total costs were spent on project management at the time of closure.
119. **PMUs in the IFAD context vary widely in the functions that they perform.** The function of PMUs may vary from coordinating the actions of subordinate PMUs to implementing specific project components. Stemming from this range of functions, the units are named in IFAD documents in a variety of ways. ‘Project management unit’ (PMU) is the most common name, followed by “project coordination unit”. Sometimes these reflect real differences in functions, as in the case between a PMU and a PIU, but not always.
120. There has been little change in the pattern of project management arrangements at IFAD over the period 1999-2011, with one important exception. Within the sample reviewed, a large majority of IFAD-supported projects still use PMUs for project management, and the mix of the types of PMUs has remained more or less the same. Two significant developments – the 2005 Paris Declaration and IFAD’s adoption of DSIS in 2007 – appear to have had little effect on IFAD’s project management arrangements, at least at this broad level of categorization.
121. DSIS has significantly benefited project management. It has given IFAD staff an opportunity to directly work with and support PMU teams during implementation. DSIS has, therefore, strengthened IFAD’s knowledge and understanding of project management issues and has allowed CPMs (particularly out-posted CPMs) and country-based staff to contribute to resolving bottlenecks emerging during implementation in a more timely and effective manner. Several evaluations have reported that project management has also benefited from IFAD country presence.
122. In preparing the Issues Paper on project management for the 2014 ARRI, discussions with IFAD staff revealed the importance to tailor PMUs to the project and country context. Weak institutional capacities and policy frameworks in fragile states will have an impact on PMUs. For instance, PMU staff might require greater training in issues relating to project management (e.g. participatory M&E) than in other low income countries and MICs with wider human resource capacity. PMUs in fragile states might require closer coaching, supervision and mentoring by the lead executing agency, as well as more implementation support by IFAD.
123. **Parallel and single PMUs still predominate.** Of the 60 projects reviewed, 8 are fully embedded in the government structure, while 49 were or are being managed by PMUs that are parallel to existing government structures, albeit to a varying degree. This mix has not changed over time.
124. It is essential, however, to be cautious in classifying the PMUs of IFAD-supported projects as parallel structures. That is, unlike the PMUs of several other development partners, the PMUs in IFAD-funded projects – though dedicated entities – are part and parcel of the government apparatus. The project directors are often government officials who are seconded for the duration of the implementation phase and who report to a steering committee composed of senior officials from government. Projects draw on government line departments for implementation and use government systems for the flow of funds.
125. Interestingly and in this regard, if adequately anchored within government institutions and systems, PMUs can indeed enhance the efficiency of IFAD operations, as concluded by the Mozambique CPE (2010). This is because, inter alia, a dedicated PMU, whose prime responsibility is to manage IFAD-funded

3. Learning theme

projects, is likely to pay more attention to ensure that implementation remains on track and is undertaken in line with agreed timelines.

126. PMUs can be broadly classified into four sub-categories: single, multi-layered, multiple parallel and the Super PMU. Single PMUs (one for each IFAD-funded project) were the most common project management arrangement over the time period reviewed, accounting for more than half of all PMUs. In this arrangement, one PMU is responsible for managing the implementation of project components over the project's entire geographic area. Evaluations show that there are several advantages to this model, as mentioned in the previous paragraph. There could be, however, some challenges to sustainability, especially if – at the end of the implementation stage – the PMU staff is no longer available to support government development efforts in general. Super PMUs (units that manage two or more IFAD-funded projects) also raise sustainability and other issues, but they can have advantages in terms of knowledge sharing and synergies across projects in the country programme; government attendance at a higher level at steering committees; and economies of scale.
127. Steering committees are important to support PMUs in providing strategic guidance, monitoring and oversight. While the heads of PMUs (i.e. the project directors and/or managers) are responsible to the executing agency, most IFAD-supported projects build in a “steering committee”. They are expected to meet between one to four times a year with project stakeholder representation. The chair of the committee is a representative from the designated executing agency – which, in a large number of cases, is the ministry of agriculture – and is supposed to be either the minister or a high-ranking deputy. The committees are joined by representatives of concerned NGOs, private sector partners, and other relevant organizations, as well as by IFAD staff (usually from the country office). These committees are intended to be a forum

for relevant stakeholders to convene and discuss the progress of the project and take steps to address issues that arise.

128. The PTA study on PMUs points out that steering committees have not proved to be effective and offer limited strategic guidance. Issues raised in interviews conducted for that study include inactive steering committees, weak capacity of steering committee membership and lack of balance of membership. The study notes that while the preceding issues appeared to be resolved on paper, “reports indicate that senior members would delegate meetings to junior members”, reintroducing the problem of lack of capacity and authority. This is confirmed in this review and it was a sentiment echoed in the large majority of interviews held with CPMs, although one interviewee did highlight the steering committee's importance for generating buy-in at the local level. PCRs and PPAs rarely mention steering committees and thus shed little light on this subject.
129. One other attribute that appears to have changed little over the time period is the **limited use of competitive selection for the project manager and other project staff**. The most common method (47 per cent of cases) of selecting a project manager is through designation by the government. Based on the limited sample, the use of this method appears to be slightly declining over time and the percentage of managers transferred from previous IFAD-funded projects is slightly increasing. The percentage of project managers selected through an open competitive process (28 per cent of cases), however, has not changed over time.
130. **There has been a positive trend away from the use of PMUs to implement project components and an increasing reliance on service providers. In effect, PIUs have been replaced by PMUs.** For projects approved in the periods 1999-2004 and 2007-2008 almost a quarter had components that were implemented by the PMU; in 2011, none did.

There has been a corresponding increase in the use of a combination of government and service providers, including NGOs and private sector businesses, to implement IFAD-supported projects. This implies that greater use is being made of national institutions and country systems for implementation purposes, in line with the Paris Declaration on Aid Effectiveness.

131. As mentioned earlier, project management arrangements need to be “tailored” to the country and project context. However, **the wide variety of different arrangements in IFAD-funded operations does not appear to depend on the type of activities being financed but may largely be driven by the preferences of governments and CPMs.**

The increased role of government (particularly in large MICs) in the choice of project management arrangements and staff selection can increase effectiveness through a sense of ownership and knowledge of local capacity and institutions. Project management arrangements that reflect the experience and preference of the responsible CPM can also be positive if it results in arrangements that are well tailored to the project and country context. The influence of government and CPMs, however, risks decreasing effectiveness and efficiency if it constrains the use of best practices.

132. **The lack of good practice guidance on project management is a clear and fundamental gap in the “toolkit” that is available to CPMs/project teams.** Better evidence is required to guide the choice of different management arrangements in different circumstances. This is linked to a reported lack of knowledge sharing, particularly across regions. The knowledge of what works, what does not and the why that is obtained from the practical, on-the-ground experience of individual CPMs is not readily available to others. Systematic learning from IFAD’s experience over the years would benefit the development of a clear typology and related guidance on the arrangements that are suitable for different types of projects.

133. The key motivations in the choice of project management arrangements are those of efficient, timely and effective project implementation and disbursements. A parallel PMU with full-time, dedicated staff is an attractive option for this reason, particularly in countries or regions with weak government capacity. Such an arrangement, however, may or may not undermine capacity development and the potential for sustainability and scaling up. These trade-offs are contested and are not well understood.

Box 1. Contributions from the 2014 ARRI learning event

An internal learning event to discuss an Issues Paper on project management, prepared by IOE, was held on 19 September 2014. The importance of project management for project effectiveness and efficiency and the need for clear definitions covering project management arrangements and costs was agreed.

The extent to which project management arrangements are influenced by CPMs or determined by governments was discussed. This is likely to depend on the type of country concerned. Large MICs are likely to be more assertive. Project management costs will vary for the same reason. There are likely to be trade-offs between effective and efficient project management on the one hand, and costs, sustainability, and capacity development on the other. The important point is that these trade-offs be explicitly considered at the project design and appraisal stages, and that better evidence on project management and other arrangements that help minimize or manage these trade-offs be made available.

Learning theme conclusions

134. This review of the issues relating to project management within IFAD confirms the case for further research and analysis. The 2013 PTA study arrives at similar conclusions. The case for a CLE on project management in the future remains strong.

135. The main question that requires a response is whether IFAD is making the right choices about project management arrangements. The wide variation in project management arrangements in IFAD-funded operations can neither be completely explained by the type of activities or the project context nor is the diversity of arrangements, by itself, evidence that the most appropriate choices are always being made. While many of the project management arrangements are well tailored to the project design and the context and are increasingly determined by borrower governments, there is limited institutional “good practice” guidance and little evidence of systematic institutional capacity assessment as a basis for the design of project management arrangements. The predominance of single, largely parallel PMUs may well be justified by the special nature of many IFAD-supported operations – and does not necessarily indicate an unacceptable level of compliance with the Paris Declaration on Aid Effectiveness – but it warrants examination, nevertheless.

136. Two priorities are apparent for future work. First, better information and an improved evidence base are required: better definition and documentation of project management; better evaluation of existing practices and their consequences for effectiveness, efficiency, capacity building, sustainability and scaling up; and clearer analysis of the trade-offs between these. Second, this improved evidence base should be translated into “good practice” guidance for CPMs and project teams.



Senegal - Agricultural Development Project in Matam (PRODAM II)

Local adults attend a literacy training in Lumbol Samba Abdoul village. The teacher has been trained by the Agricultural Development Project in Matam and now teaches others and receives a salary from the project.

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4

Conclusions and recommendations

Conclusions

137. Overall, the ARRI shows that the performance of IFAD-supported operations is strong in a number of areas, and that the Fund is making a very good effort to reduce rural poverty by promoting smallholder agriculture and rural development. IFAD is increasingly being recognized as a leader in its field and, in particular, its approach to development with an emphasis on country ownership is much appreciated by partners.
138. At the same time, the ARRI finds that there are some areas that remain a challenge for the organization, which will need attention in the future. These challenges are not necessarily specific to IFAD and have been raised in previous ARRIs, but they are worth restating so that collective efforts are made in the near future to further improve their performance.
139. **Project performance.** The ARRI finds that IFAD's performance as a partner is currently the best it has ever been since the ARRI was first issued in 2003. This is due to many factors, such as the fundamental changes made to IFAD's operating model, including the undertaking of direct supervision and implementation, the establishment and consolidation of IFAD country offices with the out-posting of CPMs, greater focus on results and better portfolio analysis and review.
140. Similarly, IFAD-financed operations are having very good impact on reducing rural poverty, and the strong areas of operation are the relevance of IFAD-financed projects; innovation and scaling up; and promotion of gender equality and women's empowerment.
141. This year ARRI has analysed independent evaluation ratings and trends in performance by "replenishment period", starting from the Fifth replenishment (2001-2003). In this regard, another noteworthy finding is that, across many evaluation criteria assessed by IOE, the performance of IFAD operations is strongest in the IFAD9 period (2013-2015) compared to previous replenishment periods.
142. On a related issue, the ARRI finds this year that a greater number of projects show satisfactory performance – rather than moderately satisfactory – in some evaluation criteria. For example, in the period 2007-2009 – based on the "all evaluation data" – IFAD's performance as a partner is satisfactory or better in 21 per cent of the projects evaluated compared to approximately 47 per cent in the period 2012-2014.
143. It is also worth noting that the performance of IFAD-financed operations are, at least, on par with or better than the agriculture sector operations of other IFIs for which comparable data is available. One should note that, although IFAD is a specialized agency unlike other IFIs, its agriculture portfolio is perhaps more challenging to manage, given the nature of its operations, remoteness of interventions and special focus on grassroots institution building, gender, participatory approaches and targeting.
144. As mentioned above, however, there are some challenges that require attention. First, programme operational efficiency continues to be the weakest evaluation criteria assessed by IOE, followed by the sustainability of benefits.

Although there have been some improvements in sustainability over time, the majority of the projects in the satisfactory zone are moderately satisfactory for this criterion and a large number remain moderately unsatisfactory or worse.

145. Government performance is one of the strongest determinants of project success, according to the evaluations, since governments are ultimately responsible for the implementation of IFAD-financed projects. The “all evaluation” dataset, as a whole, shows some improvement in recent years in government performance, although the “PCR/PPA data” set does not. Given the uncertainty in the trends in government performance and the importance of government performance for project outcomes, the strengthening of government capacity in the context of IFAD operations should continue to remain a priority for IFAD in the foreseeable future.
146. Emphasis should also be given to the additional efforts required to meet some of the targets – by the end of 2015 – included in the IFAD9 RMF, which relate to project and country programme performance. Based on independent evaluation ratings, the gap between current performance and the established targets is relatively small in terms of rural poverty impact, but it is wider in areas such as programme operational efficiency, sustainability, partnership building and government performance. Furthermore, the use of independent evaluation ratings in the ARRI and self-evaluation ratings in the RIDE is creating inconsistencies in the reporting of operational performance.
147. Finally, very few projects are rated as highly satisfactory, also noted by the IFAD Evaluation Committee and Executive Board last year. In this regard, it can be argued that this is partly due to the fact that IFAD works in remote rural areas – where infrastructure, institutions, markets and services are often rather weak – and a large number of IFAD operations are implemented in fragile states and conflict-affected situations.
- Another reason could be the adoption of a more rigorous evaluation methodology in 2008 and stronger internal peer reviews within IOE of evaluation deliverables in the last four to five years. At the same time, the evaluations emphasize the need to be more realistic in the setting of COSOPs and project objectives and to have a more differential approach to the allocation of budgets with careful regard to the country context.
148. **Project management.** This year’s learning theme focuses on project management. IOE evaluations and other studies have found that project management is a key determinant for positive results on the ground. For example, there is growing recognition that, with a good project management team in place, there is greater chance of a project being successful, whether or not it is initially weak in design. In parallel, evaluations find that a strong design at inception is not a sufficient condition to ensure successful outcomes if the performance of project management during implementation is inadequate.
149. There are challenges to ensure effective and efficient project management, including delays in the appointment and high turnover of staff, relatively low priority of M&E activities and limited knowledge of IFAD policies, priorities and operational procedures. There has been, however, a positive trend away from using PMUs to implement project components and an increasing reliance on service providers. There is wide diversity in project management arrangements in IFAD-funded operations and it would be worthwhile for IOE and the Management to study the alternative arrangements more in detail, in order to extract evidence-based good practices and lessons to inform future project design.
150. **Performance of non-lending activities.** A number of findings from evaluations, particularly CPEs, point in the same direction. Although improving, there is scope to further improve IFAD’s non-lending performance:

knowledge management, policy dialogue and partnerships. Constrained human and financial resources remain the main limiting factors for improving non-lending performance. In this regard, more can be achieved through the use of grants, also mentioned in the recent corporate-level evaluation on the grants policy.

151. Improved attention to and performance in non-lending activities are essential for IFAD, especially as they are critical for scaling up the impact – by partners including governments – of successful innovations introduced in the context of IFAD operations. The planned evaluation synthesis report in 2015 on non-lending activities in the context of South-South and Triangular Cooperation will provide an opportunity to take stock, in a more holistic manner, of the lessons learned in this area.
152. **Country strategies.** CPEs found that COSOPs are fundamental instruments to provide overall strategic guidance to IFAD operations at the country level; however, the preparation of COSOPs is under-funded. The formulation of new COSOPs will be enhanced if they are informed by COSOP completion reviews by the IFAD Management and CPEs by IOE in selected cases. COSOP completion reviews have not been carried out in a systematic way in the past, partly due to limited budgets.
153. While the relevance of country strategies is high, there is room to improve effectiveness in achieving COSOP objectives. In this regard, CPEs have found that there are opportunities to ensure greater integration of, and synergies across, all activities (i.e. loans, grants, non-lending activities and reimbursable technical assistance) promoted by IFAD in individual countries. This would lead to better outcomes in terms of rural poverty reduction within and beyond individual projects.
154. **Country presence.** CPEs have demonstrated that IFAD's efforts to consolidate existing ICOs and establish new ones are contributing to the improvement of development effectiveness. IFAD's organizational decentralization is, indeed, one of the most important dimensions of IFAD's transformation – from a headquarters-based to a field-oriented organization. In this regard, of particular importance is the permanent in-country presence of CPMs.
155. There are, however, some aspects of country presence that will require further strengthening and study. These include the clarification of the relationship between regional/sub-regional offices and country offices vis-à-vis headquarters, including in terms of delegation of authority; staffing and infrastructure requirements in country offices; and a more thorough understanding of the costs of running an organization that is decentralized.
156. Several recent evaluations by IOE and others (including FAO) have shown that regional and sub-regional offices have the potential to play an important role, in general, and can serve to enhance effectiveness and efficiency in programme delivery. Subject to the approval of the Executive Board, a corporate-level evaluation on IFAD's decentralization is planned for the period 2016-2017, which will allow for a more focused and in-depth assessment.
157. **Final messages.** In addition to the above, the ARRI concludes that IFAD should intensify its ongoing efforts to move beyond a primary focus on projects. A shift to longer term programmatic lending, with more focused sub-sector coverage in partnership with others, should be a priority. There are indications that efforts are being made to take a wider programmatic approach in some countries, for instance, by covering more than one Performance-Based Allocation System cycle (three years), which would represent a step in the right direction and it merits further consideration in the future. This would ensure better efficiency, impact and sustainability.
158. Given IFAD's relatively limited human and financial resources, especially in light of the magnitude and challenges related to rural poverty in all regions, more concrete and systematic partnerships are needed at the country level to deliver the type of lending and

non-lending programmes that can be scaled up to ensure wider rural transformation. The recent effort to strengthen partnerships – such as those with the ADB, AfDB and the Islamic Development Bank – by reshaping the respective co-operation agreements is encouraging. An attempt, however, is needed to ensure the timely implementation of the renewed partnership agreements, since this is an area where previous performance has been somewhat inconsistent.

Recommendations

159. The 2014 ARRI makes the following recommendations to the IFAD Management, which will contribute to further enhance the institutional and operational performance of the organization. Recommendations that are likely to have budget implications have been identified as follows:

1. COSOP completion reviews

(see paragraphs 76-78 and 152). Ensure that the COSOP completion reports (self-assessments) are carried out more systematically from 2015 onwards, which will serve as a basis for new COSOPs. This is likely to have budgetary implications for the IFAD Management and will need consideration. The COSOP completion reviews should follow the same methodology used by IOE for the CPEs and be validated by IOE, as is the case with the PCRs. This will further align IFAD's overall evaluation function with that of other IFIs. The practice of preparing new COSOPs following the CPEs by IOE, where available, should also be continued.

2. Budgets for the COSOPs and projects

(see, for example, paragraphs 75, 83, 150 and 152). Consider a more differentiated approach towards budget allocations (e.g. depending on the country context) for COSOP development and management; project design; supervision and implementation support; and non-lending activities. This will allow

budgets to be more systematically allocated according to actual needs to ensure improved project and country programme performance. At the same time, given the flat budgets foreseen for the future – and in line with the practice in other IFIs and building on their lessons learned – the IFAD Management should explore the opportunities for and challenges to establish trust funds (financed by donor grants) for activities to complement the Fund's annual administrative budget. Moreover, the possibility to integrate some of the costs relating to project preparation within IFAD also merits consideration.

3. IFAD's organizational decentralization

(see paragraphs 79-81 and 154-156). For better on-the-ground results, opportunities for greater decentralization of IFAD and further out-posting of CPMs should be explored by building on ongoing efforts. Considerations for establishing other regional/sub-regional offices, based on experience thus far (e.g. from the East and Southern Africa region) should also be considered. This recommendation is likely to have budgetary implications and need further examination.

4. Use of independent evaluation ratings

(see paragraph 92-93 and 146). The independent evaluation ratings of IOE, where available, should be applied in the RIDE against the criteria/indicators in the IFAD RMF and in other adhoc reports relating to results. This will enhance the efficiency in reviewing the results reported by IFAD. It also will be consistent with the practice of other selected multilateral development organizations (e.g. ADB) and will ensure consistency in the reporting of the ARRI and the RIDE in relation to country programme and project performance.

160. The IFAD Executive Board is invited to adopt the following two recommendations addressed to IOE:

1. 2015 ARRI learning theme:

sustainability (among others, see table 2, paragraphs 34, 46 and 144). It is recommended that IOE treat the sustainability of benefits as the learning theme in next year's ARRI. There are a number of reasons why it is timely to analyse in more detail the rationale for effective or less effective sustainability:

- (i) though performance relating to sustainability has slightly improved, there is room for more improvement;
- (ii) sustainability was considered a learning theme in the 2007 ARRI and IOE has since accumulated significant evidence to generate good practices and lessons learned for the future; and (iii) the other two key challenges for IFAD operations (i.e. efficiency and government performance) have been covered by IOE in recent years. It is important to clarify that sustainability, as an ARRI learning theme, should neither be considered equivalent to a CLE nor included in an evaluation synthesis report. The objective is a short Issues Paper, as is the practice for all ARRI learning themes, which will summarize the good practices and lessons learned from previous evaluations and identify the issues for further consideration by the IFAD Management and staff.

2. ARRI database. In 2015, IOE should review the ARRI database, which now includes independent evaluation ratings for 224 projects and 50 country programme evaluations by IOE. The review should focus on, inter alia, the completeness and clarity of the database for external users and further develop the format and improve accessibility to facilitate navigation and statistical analysis.

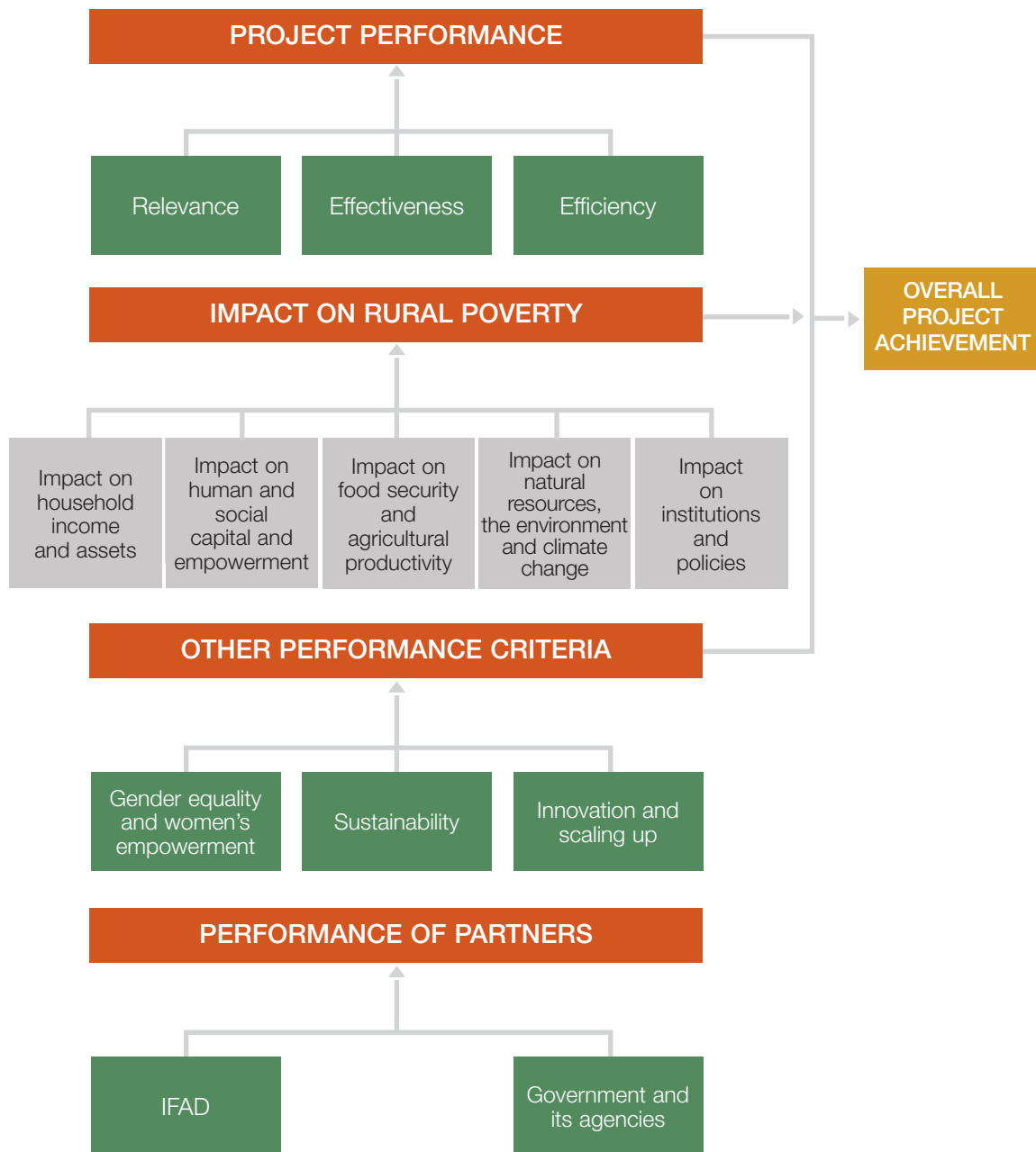


Republic of The Sudan - Gash
Sustainable Livelihoods Regeneration
Project

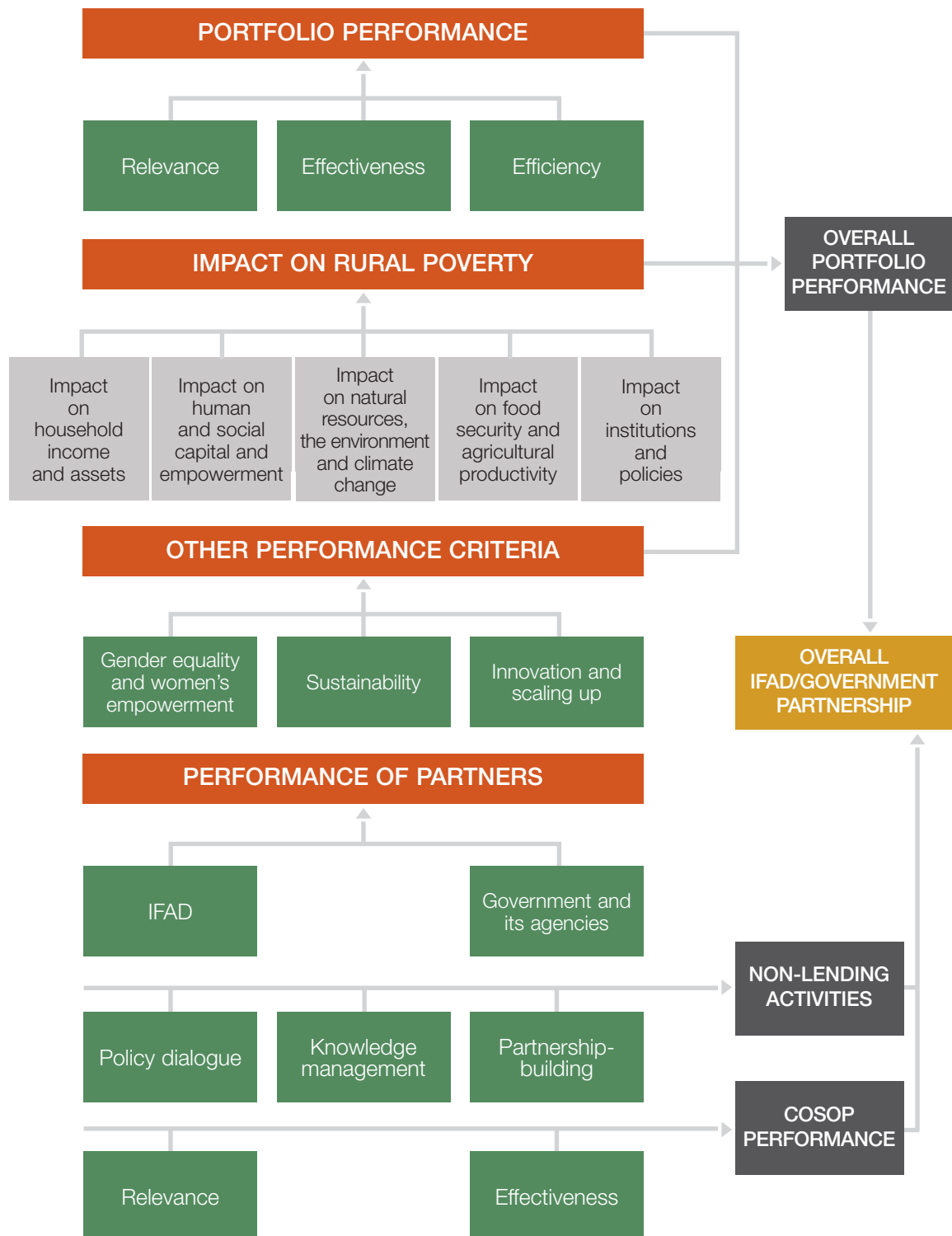
Members of a women's group, near
Aroma. The Gash Sustainable
Livelihoods Regeneration
Project contributed to improving their access
to microcredits (from the Agricultural
Bank of Sudan).

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Annex 1 Project evaluation methodology



Annex 2 Country programme evaluation methodology



Annex 3 Definition of the evaluation criteria used by IOE

Criteria	Definition ^a
Project performance	
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.
<ul style="list-style-type: none"> 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.
<ul style="list-style-type: none"> 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.
<ul style="list-style-type: none"> 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.
<ul style="list-style-type: none"> 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.
<ul style="list-style-type: none"> 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.

Definition of the evaluation criteria used by IOE (continued)

Criteria	Definition ^a
Other performance criteria	
<ul style="list-style-type: none"> • 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.
<ul style="list-style-type: none"> • 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.
<ul style="list-style-type: none"> • 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	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.
<ul style="list-style-type: none"> • IFAD • Government 	

^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 4 Evaluations included in 2014 ARRI

Type	Country/ region	Title	Executive Board approval date	Project completion date	IFAD loan ^a (US\$ million)	Total project costs ^a (US\$ million)
Corporate-level evaluations	All	CLE on the achievements of IFAD replenishments				
	All	CLE on the IFAD Policy for Grant Financing				
Evaluation syntheses	All	IFAD's engagement in middle-income countries				
	All	Water conservation and management				
	All	Rural youth				
Country programme evaluations	Bolivia (Plurinational State of) ^b	Small Farmers Technical Assistance Services Project	29 Apr 1997	31 Dec 2007	8.1	28.3
		Enhancement of the Peasant Camelid Economy Support Project	14 Dec 2006	31 Dec 2015	7.2	14.4
	China ^c	Environment Conservation and Poverty Reduction Programme in Ningxia and Shanxi	11 Dec 2002	13 Dec 2011	29.0	90.3
		South Gansu Poverty Reduction Programme	08 Sept 2005	30 Sep 2012	29.3	80.6
		Xinjiang Uygur Autonomous Region Modular Rural Development Programme	14 Dec 2006	30 Jun 2014	25.1	55.0
		Inner Mongolia Autonomous Region Rural Advancement Programme	13 Dec 2007	31 Dec 2014	30.0	70.9
		Dabieshan Area Poverty Reduction Programme	17 Dec 2008	30 Sep 2015	31.9	70.9

Type	Country/ region	Title	Executive Board approval date	Project completion date	IFAD loan ^a (US\$ million)	Total project costs ^a (US\$ million)
Country programme evaluations	China ^b (continued)	Sichuan Post-Earthquake Agriculture Rehabilitation Project	30 Apr 2009	30 Sep 2012	29.0	77.0
	Moldova (Republic of) ^b	Rural Finance and Small Enterprise Development Project	09 Dec 1999	31 Dec 2005	8.0	19.5
		Agricultural Revitalization Project	18 Dec 2003	31 Mar 2013	14.9	18.2
	Senegal ^b	Agricultural Development Project in Matam – Phase II	10 Apr 2003	31 Dec 2011	12.5	24.3
		Agricultural Services and Producer Organizations Project – Phase II	14 Sep 2006	31 Mar 2011	6.0	47.0
		Promotion of Rural Entrepreneurship Project – Phase II	19 Apr 2005	31 Mar 2013	13.1	18.7
	Zambia ^b	Smallholder Enterprise and Marketing Programme	08 Dec 1999	30 Jun 2008	15.9	18.3
		Rural Finance Programme	02 Dec 2004	30 Sep 2013	13.8	17.4
		Smallholder Livestock Investment Project	13 Dec 2005	30 Sep 2014	10.1	57.1
Impact evaluation	Sri Lanka	Dry Zone Livelihood Support and Partnership Programme	09 Sep 2004	31 Mar 2013	22.0	30.4
Project completion report validations	Argentina	North Western Rural Development Project (PRODERNOA)	08 Sep 1999	31 Dec 2011	17.5	25.0
	Burkina Faso	Community Investment Programme for Agricultural Fertility	11 Sep 2003	31 Dec 2012	12.1	26.9
	Ghana	Northern Region Poverty Reduction Programme	06 Dec 2001	30 Sep 2011	12.3	59.6

Type	Country/ region	Title	Executive Board approval date	Project completion date	IFAD loan ^a (US\$ million)	Total project costs ^a (US\$ million)
Project completion report validations	Guatemala	National Rural Development Programme Phase I: the Western Region	11 Sep 2003	31 Dec 2012	30.0	48.0
	Morocco	Livestock and Rangelands Development Project in the Eastern Region – Phase II	11 Sep 2003	31 Dec 2010	6.4	9.2
	Pakistan	Microfinance Innovation and Outreach Programme	13 Dec 2005	30 Sep 2011	26.5	30.5
	Peru	Market Strengthening and Livelihood Diversification in the Southern Highlands Project	11 Dec 2002	30 Jun 2011	16.0	34.5
	Rwanda	Umutara Community Resource and Infrastructure Development Project	04 May 2000	30 Jun 2011	15.9	30.5
	Uganda	National Agricultural Advisory Services Programme	07 Dec 2000	30 Jun 2010	17.5	107.9
Project performance assessments	Bangladesh	Microfinance for Marginal and Small Farmers Project	02 Dec 2004	30 Jun 2011	20.1	29.7
	Bhutan	Agriculture, Marketing and Enterprise Promotion Programme	19 Apr 2005	30 Jun 2012	13.9	19.7
	Georgia	Rural Development Project	19 Apr 2005	31 Dec 2011	9.2	34.7
		Rural Development Programme for Mountainous and Highland Areas	13 Sep 2000	30 Sep 2011	8.0	9.2

Type	Country/ region	Title	Executive Board approval date	Project completion date	IFAD loan ^a (US\$ million)	Total project costs ^a (US\$ million)
Project performance assessments	Lesotho	Sustainable Agriculture and Natural Resource Management Programme	02 Dec 2004	30 Jun 2011	10.1	12.0
	Mauritius	Rural Diversification Programme	29 Apr 1999	31 Dec 2010	11.1	16.6
	Morocco	Al-Haouz Province: Rural Development Project in the Mountain Zones of Al-Haouz	07 Dec 2000	30 Sep 2010	18.0	36.2
	Sudan	Gash Sustainable Livelihoods Regeneration Project	18 Dec 2003	30 Sep 2012	24.9	39.0
	Uruguay	Uruguay Rural	07 Dec 2000	31 Mar 2011	14.0	24.5
Total					589.4	1.332

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

^b The projects listed in the next column were individually assessed as part of the Plurinational State of Bolivia, China, Republic of Moldova, Senegal and Zambia CPEs, respectively. They do not constitute a comprehensive list of projects funded by IFAD in the five countries.

Annex 5 Objectives of country programmes and individual projects evaluated

Objectives of country strategies

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

(i) **Bolivia (Plurinational State of).**

The 2007 COSOP was organized around two strategic objectives:

- a. Strategic objective 1: Enhance the livelihood assets (human, natural, physical, cultural and social) of the rural poor and promoting the adoption of technological and knowledge innovations by supporting the access of the poor to a wide range of services; and
- b. Strategic objective 2: Promote integrated and sustainable management and development of natural resources in defined territorial areas, with due regard for socio-cultural issues.

(ii) **China.** The 2011 COSOP identified the following strategic objectives:

- a. Strategic objective 1: The rural poor in targeted areas sustainably use enhanced productive natural and economic assets and improved technology and advisory services in a changing environment and market conditions;
- b. Strategic objective 2: The rural poor and their organizations are enabled to take advantage of improved market access and financial services for increased income generation and enhanced resilience to risks; and
- c. Strategic objective 3: Enhanced South-South Cooperation and knowledge management provide opportunities for sharing knowledge generated through innovation and the scaling up of good practices in rural development.

(iii) **Moldova (Republic of).** The 2007 COSOP identified the following strategic objectives:

- a. Strategic objective 1: Establish pro-poor market linkages; and
- b. Strategic objective 2: Promoting access to rural financial services.

(iv) **Senegal.** The 2010 COSOP identified the following strategic objectives:

- a. Strategic objective 1: Access by smallholders and their organizations to effective production factors and services, appropriate technologies and markets is improved; and
- b. Strategic objective 2: Access by rural people to entrepreneurial know-how is improved.

(v) **Zambia.** The 2011 COSOP includes three Strategic Objectives:

- a. Strategic objective 1: Increase access to, and participation in, expanded and more competitive markets by poor rural men and women, within more efficient value chains;
- b. Strategic objective 2: Increase access to and use of technologies and services for enhanced productivity, sustainability and resilience of smallholder production systems; and
- c. Strategic objective 3: Increase access to and use of sustainable financial services by poor rural men and women.

Objectives of projects and programmes

Country and project/programme	Objectives
<p>Argentina North Western Rural Development Project (PRODERRNOA)</p>	<p>The overall objective of the project is to reduce poverty and foster rural development in the provinces of Catamarca, Jujuy and Salta by improving the socio-economic conditions of the rural poor. The general objective is to bring about increases in the real incomes of destitute farmers and help them evolve from their present state of poverty. This will be achieved through efficient management of their production systems and effective links to the goods and services markets, with due attention to the special needs and requirements of destitute rural people, including women. The specific objectives of the project are to: (i) provide demand-driven technical services, including extension, farm management, organization and management, training and marketing and to regularize land titles on a sustainable basis; (ii) provide adequate financial services to the poor smallholders in order to integrate them into the formal banking system; (iii) provide integrated training, technical services and special financial support, focused on the most vulnerable rural families in order to alleviate their critical poverty situation; and (iv) establish an adequate management system for project implementation and related policies that involves integrating national and provincial-level institutions and local beneficiary organizations, with due attention to gender issues in all project activities.</p>
<p>Bangladesh 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>Bhutan Agriculture, Marketing and Enterprise Promotion Programme</p>	<p>The primary objective of the programme is to improve the livelihoods of the rural poor in the programme area on a sustainable basis by enhancing productivity, income growth and access to economic and social services. This objective will be achieved through both land-based and non-land-based production by: (i) supporting capital formation in crop, livestock and niche-crop production; (ii) improving the conditions under which enterprises and income-generating activities are started and operated; (iii) enhancing access to rural financial services (especially credit) so that beneficiaries can acquire the necessary inputs for productive activities; (iv) building the capacities of grass-roots organizations and developing beneficiaries' skills through training; and (v) improving the common socio-economic infrastructure, especially the road network and marketing support systems.</p>

Country and project/programme names	Objectives
<p>Bolivia (Plurinational State of) Small Farmers Technical Assistance Services Project</p>	<p>The project's goal is to raise the income of the rural population through the establishment of a demand-based technical assistance service market, with direct contracts of technical assistance between groups of men and women beneficiaries and technical advisors, in order to strengthen their productive and marketing capacity and, as a consequence, aim to improve their economic situation.</p>
<p>Bolivia (Plurinational State of) Enhancement of the Peasant Camelid Economy Support Project</p>	<p>The project aims to enhance, increase and accumulate social, human, financial, physical and natural assets of poor camelid producers and microentrepreneurs, especially women and young people, who will have better access to financial services, sustainable technical assistance, and knowledge and information. It would eliminate or significantly reduce poverty levels among 6,300 targeted families and alleviate poverty conditions and help improve food security for an additional 7,800 families.</p>
<p>Burkina Faso Community Investment Programme for Agricultural Fertility</p>	<p>The programme is designed to sustainably enhance agricultural productivity, and contribute to soil protection and rehabilitation through soil and water conservation techniques, soil restoration, agroforestry and grazing paths. It also aims to support income-generating activities, facilitate access to land by vulnerable groups (particularly women and rural youths) and strengthen the capacity of the rural poor and their organizations. The programme will (i) focus on agricultural investments; (ii) assist projects supporting the ongoing decentralization process in addressing fertility, livestock and crop production issues; (iii) seek to create synergies with other projects, particularly the Community-Based Rural Development Project; (iv) take into account the approach and action plans proposed in the COSOP; (v) use the watershed approach to develop upstream and downstream areas of lowlands; (vi) strengthen capacity through literacy and training modules; (vii) undertake infrastructure investment; (viii) contribute to improving productivity by addressing constraints to water supply, agricultural inputs and equipment supply; and, (ix) seek to improve access to credit and land tenure in order to ensure that the necessary investments are undertaken.</p>
<p>China Environment Conservation and Poverty Reduction Programme in Ningxia and Shanxi</p>	<p>The goal of the programme is sustainable and equitable poverty reduction for 300,000 vulnerable rural households living in an environment with limited and deteriorating natural resources. The objective is to achieve a sustainable increase in productive capacity, both on- and off-farm, and to offer households increased access to economic and social resources, including financial services, education, health and social networks. Specific programme outputs will be: (i) provision of more farmer-, gender- and poverty responsive extension services, with poor farmers as demonstrators; (ii) land and land use improved through increased investment in irrigation for 208,000 mu and improvements in dry land agriculture for about 480,000 mu (unit measure used in China: 1 mu = 0.00667 ha); (iii) strengthening of environmental management and desertification control strengthened for about 300,000 mu; (iv) rural credit cooperative financial services dispensing investment and seasonal loans, and made more sensitive to poverty and gender</p>

Country and project/programme	Objectives
<p>China Environment Conservation and Poverty Reduction Programme in Ningxia and Shanxi (continued)</p>	<p>issues, with lending substantially increased to poor women and men; (v) social service facilities in health and education upgraded, including 547 village schools and a large adult literacy programme for 31,000 trainees; (vi) women's support programmes, in particular skills training, implemented for about 45,000 trainees; (vii) a rural infrastructure construction, rehabilitation and maintenance programme implemented; and (viii) participatory and gender-sensitive village development plans established and operational.</p>
<p>China South Gansu Poverty Reduction Programme</p>	<p>The long-term goal is to achieve sustainable and equitable poverty reduction for vulnerable rural households living in an environment with limited and deteriorating natural resources. The objectives are a sustainable increase in productive capacity, both on- and off-farm, and increased access to economic and social resources, including education, health and social networks, while improving the environment. The specific outputs of the activities would be: (i) participatory and gender-sensitive village development plans produced; (ii) more farmer-, gender- and poverty responsive extension services developed, with poor farmers as demonstrators; (iii) land and land use improved through irrigation and dry land development; (iv) rural credit cooperative financial services made more poverty- and gender-sensitive; (v) social service facilities upgraded, especially for education and health, including a large adult literacy and skills training programme; and (vi) rural infrastructure constructed and/or rehabilitated.</p>
<p>China Xinjiang Uygur Autonomous Region Modular Rural Development Programme</p>	<p>The programme aims to reduce the incidence of poverty in target villages in a sustainable and gender-equitable way: poor women and men will have improved their social and economic situation in a sustainable manner, with incomes exceeding the poverty line at all times; innovations will have demonstrated their potential for poverty reduction and successful modules will have been scaled up; and women will have benefited from all programme activities in at least equal proportions to men. The programme will contribute to the introduction of innovative approaches in rural poverty reduction. To this end, it adopts a modular approach, allowing local Programme Management Offices to adapt innovations to specific social, economic and market conditions. The programme ensures the establishment of durable grass-roots institutions and the strengthening of relevant support services. Lastly, the programme applies an active scaling-up approach.</p>
<p>China Inner Mongolia Autonomous Region Rural Advancement Programme</p>	<p>The programme aims to reduce the incidence of poverty in the target villages in a sustainable and gender-equitable way by enhancing access to information, technology, rural financial services and markets. Poor women and men will have improved their social and economic situation in a sustainable manner, with incomes exceeding the poverty line at all times; innovations will have demonstrated their potential for poverty reduction; and successful modules will be scaled up. The programme supports the establishment of durable grass-roots institutions and the strengthening of relevant support services. The programme will directly contribute to the ongoing reform</p>

Country and project/programme	Objectives
<p>China Inner Mongolia Autonomous Region Rural Advancement Programme (continued)</p>	<p>of the rural banking system. It responds to recent policies on rural finance in enhancing managerial capacities of formal rural banks and supporting the graduation of grass-roots credit groups to registered microfinance institutions.</p>
<p>China Dabieshan Area Poverty Reduction Programme</p>	<p>The purpose of the programme is for the innovative and diversified development modules to lead to increased income and reduced poverty for farm households in a sustainable and gender-equitable way in eight poverty-stricken counties of Xinyang Prefecture, Henan Province. The programme aims to strengthen agricultural support services so that poor people have better access to knowledge and, as a result, be capable of adopting improved technology. The ongoing development of private farmer cooperatives will be enhanced through the inclusion of the poor in order to enhance their capabilities to access input and remunerative output markets. In this way, the programme responds directly to the recently issued government regulation on farmer cooperatives.</p>
<p>China Sichuan Post-Earthquake Agriculture Rehabilitation Project</p>	<p>The project aims to contribute to re-establish the essential living conditions for rural households affected by the Sichuan earthquake, and will complement the Government's reconstruction programme. It to provide vulnerable households with access to environmentally friendly rural energy, through the widespread reconstruction of household-based biogas systems; enhance access to services; and rehabilitate and develop crop and livestock production and related income-generating activities. The project will strengthen public and beneficiary-led support services in order to make investments in biogas systems sustainable. It will assist farmers' cooperatives to provide better services to farmers for agricultural production and marketing.</p>
<p>Georgia Rural Development Project</p>	<p>The project's overall goal is sustained rural income growth and poverty reduction. This will be achieved by facilitating the access of Georgia's mainly small and medium scale farmers to commodity supply chains, improving the competitiveness of agribusinesses and associated supply chains, and strengthening the capacity of selected agricultural and financial institutions that serve private-sector agricultural market activity. Project activities are expected to increase incomes and employment and reduce poverty in rural areas.</p>
<p>Georgia Rural Development Programme for Mountainous and Highland Areas</p>	<p>The overall goal of the programme is to improve living conditions of mountain area communities in a sustainable manner by increasing incomes in a way that contributes to protecting and restoring the environment. To help achieve this goal, initial programme investments will aim to (i) strengthen the beneficiaries' capacity to organize themselves in order to position themselves better in participating in the market economy and managing the natural resource base in a sustainable manner; (ii) restore economic livelihoods through improved management of the resource base and improved access to financial, technical and commercial services; (iii) protect and rehabilitate the environment by developing appropriate, community-based institutional mechanisms; and (iv) fortify public capacity to identify and respond to the needs of the mountain areas by putting in place appropriate institutional mechanisms.</p>

Country and project/programme	Objectives
<p>Ghana Northern Region Poverty Reduction Programme</p>	<p>The goal is to improve the livelihoods and living conditions of poor rural communities, with emphasis on women and other vulnerable groups, through strengthening and broadening rural development services and community and individual self-help capacity. The specific objectives are to (i) build the capacity of decentralized local government, civil society and community organizations to better respond to the needs of the poorest strata of the rural population; (ii) improve the access of the large rural population, especially women, to resources and services; and (iii) introduce the operational changes and reforms needed to enhance the efficiency and sustainability of institutions and community service providers in the Northern Region.</p>
<p>Guatemala National Rural Development Programme Phase I: the Western Region</p>	<p>The programme aims to reduce poverty levels and address the exclusion and discrimination suffered by the poorest indigenous and non-indigenous groups in Guatemala. Its general objective is the active and equitable (gender-focused) participation of all stakeholders in the development and transparent implementation of pro-poor national rural development policies and the institutional framework.</p>
<p>Lesotho Sustainable Agriculture and Natural Resource Management Programme</p>	<p>The overall goal of the programme is to improve food security, family nutrition and incomes for rural households in the programme area. Its specific objective is to secure a sustained increase in agricultural production and productivity through investment to: (i) promote the effective delivery of core support services responsive to the needs and priorities of poor rural households; (ii) promote agricultural diversification and intensification with due attention to sustainable natural resource use and management; (iii) strengthen institutional capacity of the decentralized district administrations as the focal points for programming, implementation, monitoring and evaluation; and (iv) empower local communities through the participatory community-action planning process.</p>
<p>Mauritius Rural Diversification Programme</p>	<p>The goal of the programme is to stimulate diversified and sustainable economic development for low income households. This will be achieved by: (i) diversifying and improving the income and resource base of poor, particularly low income, households; (ii) developing institutional modalities and instruments to enable the poor to avail themselves of increased economic opportunities from agriculture, fishing and off-farm microenterprises; and (iii) improving the technical and entrepreneurial capacity of the target group through training and the strengthening of grass-roots groups and organizations, in close cooperation with the private sector, NGOs and civil society.</p>
<p>Moldova (Republic of) Rural Finance and Small Enterprise Development Project</p>	<p>The principal goal of the project is to assist the Government of the Republic of Moldova to accelerate the agricultural recovery, realising the sector's full potential in providing the foundation for future income growth and poverty reduction in rural Moldova. This would be achieved through project supported investments in (i) facilitating the participation of the rural poor in the commercialization of agricultural and rural development; and (ii) establishing of a responsive institutional framework for rural financial services delivery. The activities were financed under two major components: (i) Institutional</p>

Country and project/programme	Objectives
Moldova (Republic of) Rural Finance and Small Enterprise Development Project (continued)	support to rural financial services and project management and coordination; and (ii) revolving credit funds for Savings and Credit Associations and small enterprise development.
Moldova (Republic of) Agricultural Revitalization Project	The project's overall goal is to contribute to sustainable poverty reduction in rural areas of the Republic of Moldova, and to improve rural livelihoods through higher qualitative and quantitative levels of agricultural production, increased incomes, and a transparent, replicable governance process. Specifically, the project will create productive employment and improve rural assets through a farmer-entrepreneur partnership, which will lead to the (i) conversion of approximately 10,000 hectares of land in about 60 villages to intensive cultivation of high-value crops; and (ii) establishment of linkages between farming and agro-services, agro-processing and marketing channels; and creation of off-farm income-generating opportunities. It will also create a replicable revitalization process, by (i) establishing a proven process for community-based planning and implementation of development interventions; and (ii) developing, with government support, an approach for the revitalization of rural communities that focuses on operationalizing backward and forward market linkages.
Morocco Livestock and Rangelands Development Project in the Eastern Region – Phase II	The principal objective of the project will be to increase the income and improve the living conditions of the rural poor population. It will do so through local community empowerment, favouring sustainable rehabilitation and management of natural resources and the creation of new opportunities for the most vulnerable groups, thus capitalizing on the Eastern Region's potential. Building on the achievements of the first phase, the specific objectives include (i) strengthening the capability of local public institutions and grass-roots organizations to establish a viable participatory mechanism through which the target group can drive the identification and implementation of investment opportunities; (ii) promoting adapted livestock production systems, leading to higher value added to animal products through local processing and improved linkage to potential markets; and (iii) diversifying income sources through promotion of income-generating activities and improved access to technical, marketing and financial services.
Morocco Al-Haouz Province: Rural Development Project in the Mountain Zones of Al-Haouz	The overall objective of the project is to contribute to the sustainable socio-economic development of the disadvantaged rural population of the mountain zones of the Al Haouz Province. This will be achieved by improving and diversifying income sources, leading to better living conditions and the development of sustainable systems of natural resources management. The specific development objectives will be to implement approaches, procedures, mechanisms techniques and technologies for (i) strengthening the participatory capacity and involvement in project implementation of grass-roots organizations, particularly those of the targeted groups; (ii) boosting the productivity of agricultural and livestock production systems and the value of their products; (iii) increasing and diversifying agricultural and non-agricultural income through

Country and project/programme	Objectives
<p>Morocco Al-Haouz Province: Rural Development Project in the Mountain Zones of Al-Haouz (continued)</p>	<p>income-generating activities which particularly benefit women and the young; (iv) facilitating access of the poorest rural communities to basic socio-economic infrastructure; and (v) rehabilitating, protecting and managing natural resources in a rational manner.</p>
<p>Pakistan Microfinance Innovation and Outreach Programme</p>	<p>The development goal is to reduce poverty and improve livelihoods of rural households. Central to achieving this goal and as the overall objective, the programme will enable the active rural poor to increasingly access a wider range of sustainable financial services and products that respond to their needs. The programme will be an integral part of the Pakistan Poverty Alleviation Fund's most important operation – its credit and enterprise development programme – and will, through the development of new microfinance products and services, leverage the sizeable funding already available to partner organizations through the Pakistan Poverty Alleviation Fund's regular lending programme (2.5 million beneficiaries to date). The 180,000 households that are projected to benefit directly from programme funding represent only a portion of the households that should ultimately benefit from the programme once successful products and services are mainstreamed.</p>
<p>Peru Market Strengthening and Livelihood Diversification in the Southern Highlands Project</p>	<p>The project aims to enhance the human, natural, physical, financial and social assets of men and women engaged in small-scale, on- and off-farm activities in the southern highlands as a means to improve their livelihoods and promote income-generating opportunities. This will involve improving beneficiaries' natural resources; increasing their access to markets; and classifying and building on their knowledge. The project is expected to result in greater trade in goods and services, more availability of financial services, and in knowledge sharing and asset building.</p>
<p>Rwanda Umutara Community Resource and Infrastructure Development Project</p>	<p>The specific objectives of the project will include (i) establishing processes to enhance community control over development and the services needed to facilitate it; (ii) providing a clean water supply to the majority of households in the prefecture, and constructing roads to isolated communities; (iii) increasing household food security by intensifying agricultural production through the introduction of improved seeds and fruit-tree species, and the use of soil conservation measures, mineral fertilizers and other soil amendments; (iv) ensuring long-term agricultural sustainability through better cropping and rangeland practices; (v) raising household cash incomes through income-generating activities and inventory credit; (vi) ensuring sustainable improvement of the environment by reducing reliance on natural fuel wood supplies and by introducing households to wood lots and agroforestry; and (vii) promoting civil society organizations to implement community-based and community-driven development. Women will be key beneficiaries of, and participants in, project activities.</p>
<p>Senegal Agricultural Development Project in Matam – Phase II</p>	<p>The development objective of the project is to assist targeted rural populations in developing their own capacity to increase their incomes and improve their living conditions on a sustainable basis.</p>

Country and project/programme	Objectives
<p>Senegal Agricultural Development Project in Matam – Phase II (continued)</p>	<p>More specifically, the project aims to (i) improve the capacity of beneficiary organizations to provide essential services to their members and to play an important advocacy role on their behalf; (ii) promote the participation of women and young people in community decisions and activities; (iii) increase the agricultural and pastoral productive potential of the project area in a sustainable manner; and (iv) increase and diversify rural incomes, particularly those of the more vulnerable groups.</p>
<p>Senegal Agricultural Services and Producer Organizations Project – Phase II</p>	<p>The development goal of the four-year second phase of the project is to reduce rural poverty by improving access by smallholder farmers to sustainable and diversified agricultural services and innovations, with a view to diversifying and stabilizing production and increasing the incomes of smallholder farmers, and improving household food security. The project will strengthen the institutional framework put in place during the first phase, expand the coverage of agricultural advisory services nationwide, support the emergence of private service providers, strengthen research capacity and focus, and empower producer organizations, while increasing their social accountability and representation.</p>
<p>Senegal Promotion of Rural Entrepreneurship Project – Phase II</p>	<p>The overall goal of the project is to promote, in a gender-equitable way, the sustainable diversification of rural poor people's livelihoods and income sources. Its specific objectives are to (i) foster and consolidate profitable rural micro and small enterprises able to offer stable jobs in the target areas; (ii) strengthen and professionalize the rural entrepreneurial subsector in those areas; and (iii) improve the overall political, legal and institutional environment for rural micro and small enterprises.</p>
<p>Sri Lanka Dry Zone Livelihood Support and Partnership Programme</p>	<p>The programme goal is the sustainable increase in the incomes and improvement in the living conditions of poor women and men in about 80,000 households in the dry zone. The purpose of the programme is to put in place a mechanism for the mobilization of resources and services that will sustainably increase production and add value to the produce in the dry zones of the country in order to achieve the overall programme goal. Therefore, the programme's immediate objectives, which reflect the anticipated outputs of each component, will include the following: (i) rain fed upland farm productivity improved and increased; (ii) irrigated crop production increased through the rehabilitation and operation of the necessary infrastructure; (iii) marketing opportunities and linkages expanded and value added in the agricultural production in rain fed and irrigated areas; (iv) sources of income for the poor, especially women, diversified through expanded microfinance services; and (v) priority community infrastructure realized and used to effect.</p>
<p>Sudan Gash Sustainable Livelihoods Regeneration Project</p>	<p>The overall goal of the project will be to regenerate the livelihoods of 67,000 poor households in and around the Gash Delta in a manner compatible with the efficient and sustainable use of the land and water resources and based upon a shared vision of development and the stability of the related institutional arrangements.</p>

Country and project/programme	Objectives
<p>Sudan Gash Sustainable Livelihoods Regeneration Project</p>	<p>The purpose of the project is to ensure the efficient, equitable and sustainable operation of the Gash Agricultural Scheme and the integration of the scheme into the local economy. The specific objectives of the project are (i) the elaboration and maintenance of a shared vision of development, (ii) the establishment of the related institutional arrangements appropriate to the shared vision, (iii) rehabilitated water and other social infrastructures and water-harvesting devices, (iv) improved crop and livestock husbandry practices, (v) the establishment of financial services, and (vi) strengthened state planning capacity.</p>
<p>Uganda National Agricultural Advisory Services Programme</p>	<p>The programme's development goal is to increase the security of rural livelihoods, with sustainable improvements in agricultural productivity and household incomes. The purpose is to ensure that men and women farmers become aware of and apply improved crop, animal and fishery husbandry and management practices, and identify and solve their technical and marketing problems using appropriate knowledge and practices. The primary means to this end will be to realize the vision of a decentralized, largely farmer-owned and private-sector-delivered farm advisory service that will increase farmers' access to essential information and support to improve farm productivity, profitability and the welfare of rural households. The principal expected outputs that will be key measures of the progress and impact of the programme include (i) appropriate advice and information made available to differentiated categories of men and women farmers in a cost-effective manner; (ii) appropriate technologies made available in sufficient quantities and sustainably enhanced to meet farmers' identified needs for advice and information; (iii) quality of advice and information supplied by service providers assured; and (iv) appropriate institutional structures and capacity to operate the programme, effectively developed at all levels.</p>
<p>Uruguay Uruguay Rural</p>	<p>The main objective of the programme is to contribute to alleviating rural poverty by raising the income levels and living standards of the rural poor. It will strive to increase the value added to agricultural production through crop diversification – a boost in productivity and the creation of employment opportunities for landless male and female workers. Transferring responsibility for programme implementation to beneficiary organizations and through local capacity building will enhance beneficiary participation in implementation and decision-making. The programme will support the creation of a sustainable institutional framework and permanent operational mechanisms to combat and prevent rural poverty, while providing lessons from implementation experience and examples for possible replication in other projects and countries in Latin America. The programme will adopt a targeting approach that is based on poverty mapping. The specific objectives of the programme include: (i) strengthening beneficiary organizations and sectoral institutions in order to foster participation, ownership, and the sustainability of policies and interventions; (ii) improving access of project beneficiaries to financial resources in order to support productive</p>

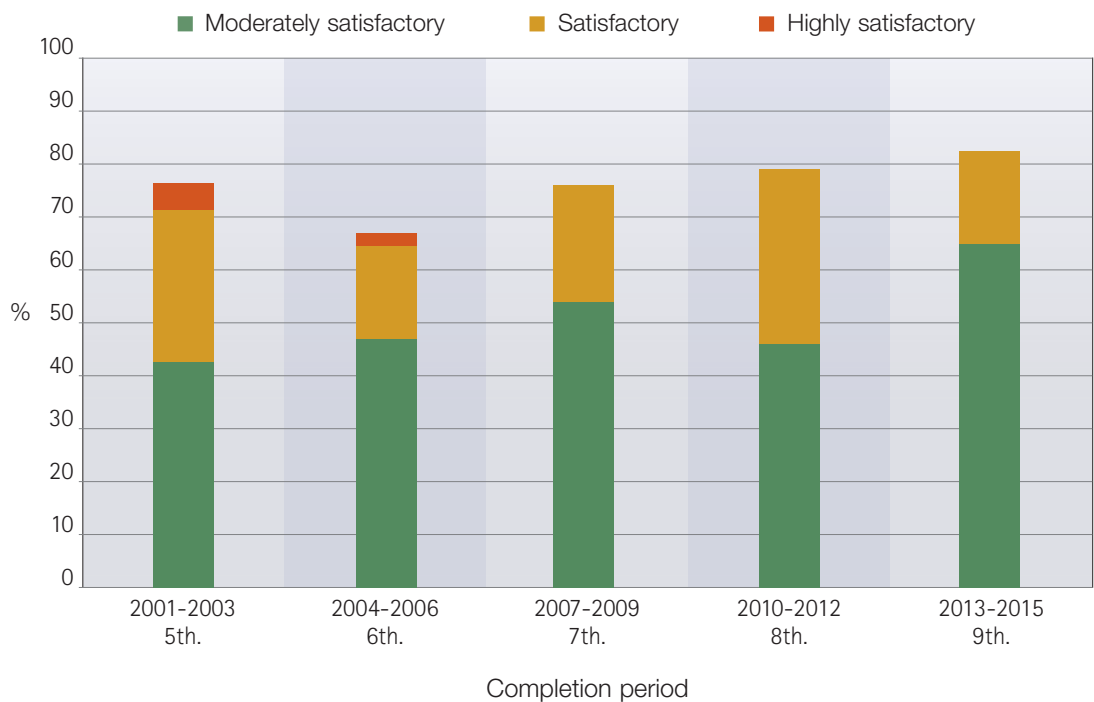
Country and project/programme	Objectives
<p>Uruguay Uruguay Rural (continued)</p>	<p>investment and create rural microenterprises; (iii) strengthening a central institutional mechanism to coordinate rural development initiatives and investment projects; (iv) providing sustainable access to production-support services for small-scale agricultural producers and small and medium-sized enterprises; and (v) instituting a participatory M&E system that will allow for close follow-up of processes, actions and field impact, while fostering learning processes and innovation in rural development.</p>
<p>Zambia Smallholder Enterprise and Marketing Programme</p>	<p>The primary objective of the programme is to improve smallholder farmers' access to input and output markets, with the overall goal of realizing increased smallholder incomes and food security. This will be achieved through five intermediate objectives: (i) facilitate the formation and strengthening of smallholder-enterprise groups and the development of capacity in local institutions to implement such activities; (ii) improve physical access to input and output markets in concert with market linkage initiatives; (iii) facilitate a cost-effective, competitive and efficient network of agribusiness/trading enterprises that serve smallholder farmers; (iv) promote diversification in production and marketing of smallholder crops/enterprises; and (v) strengthen the policy, legislative and institutional framework to improve smallholder-market linkages.</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 to improve rural finance.</p>
<p>Zambia Smallholder Livestock Investment Project</p>	<p>The goal is to increase incomes and food security among poor smallholder farmers through restored access to draught animal power. The project's two objectives are (i) reduction in the incidence of contagious bovine pleuropneumonia and east coast fever to levels that allow smallholders' cattle herds to be re-established and to grow; and (ii) adequate restocking for poor smallholder farmers who have lost their cattle to disease, in a way that will provide them with sustainable access to draught animal power.</p>

Annex 6 Project performance 2002-2013

Overall project achievement - all evaluation data by year of completion



Overall project achievement - all evaluation data by replenishment period



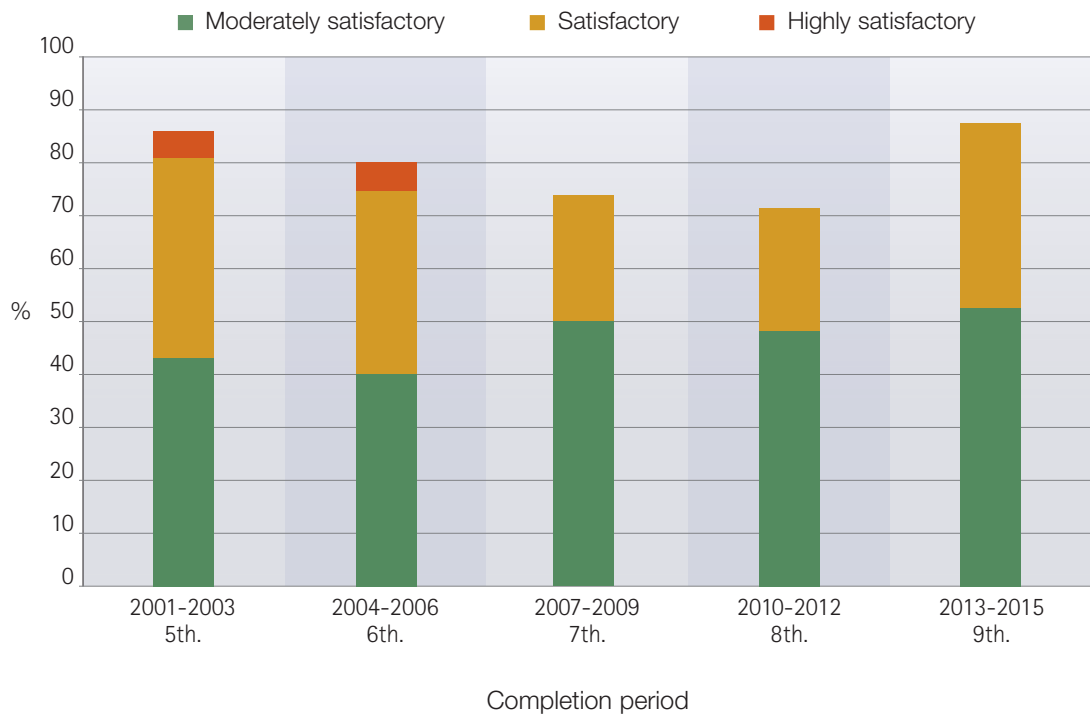
Overall project achievement - PCRV/PPA data by year of completion



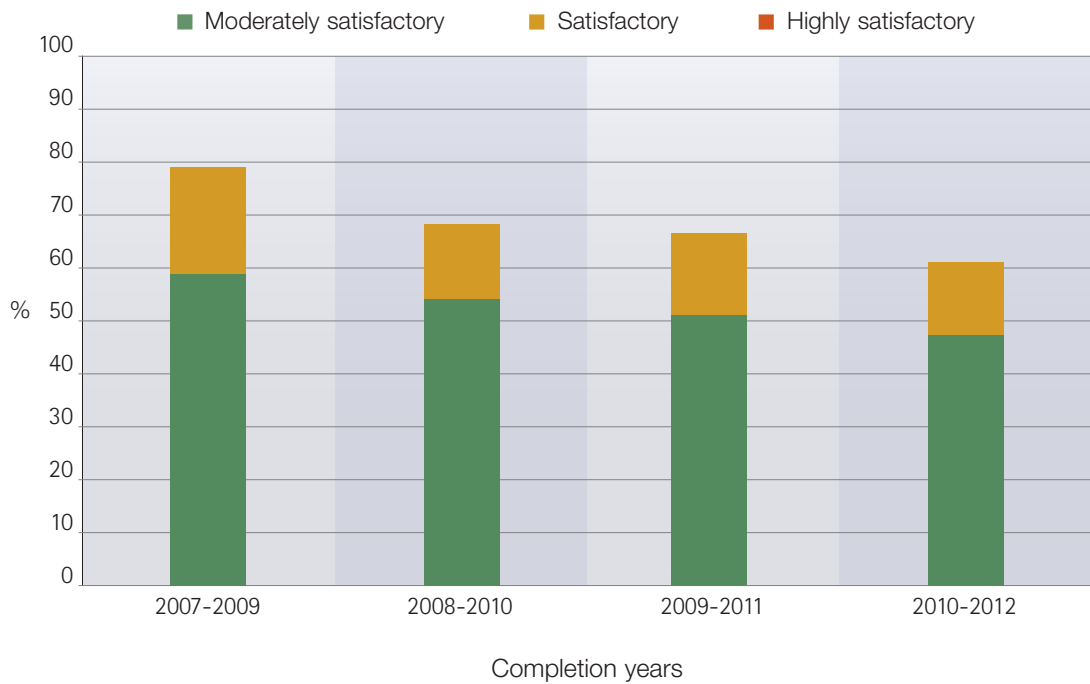
Project performance - all evaluation data by year of completion



Project performance - all evaluation data by replenishment period



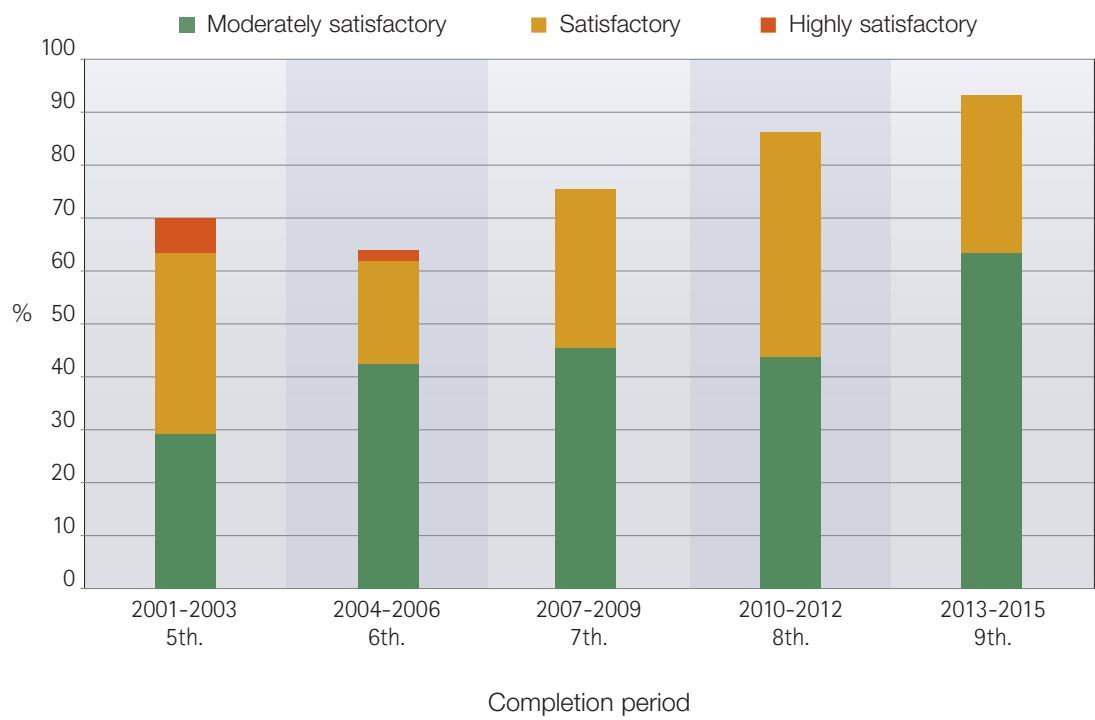
Project performance - PCR/PPA data by year of completion



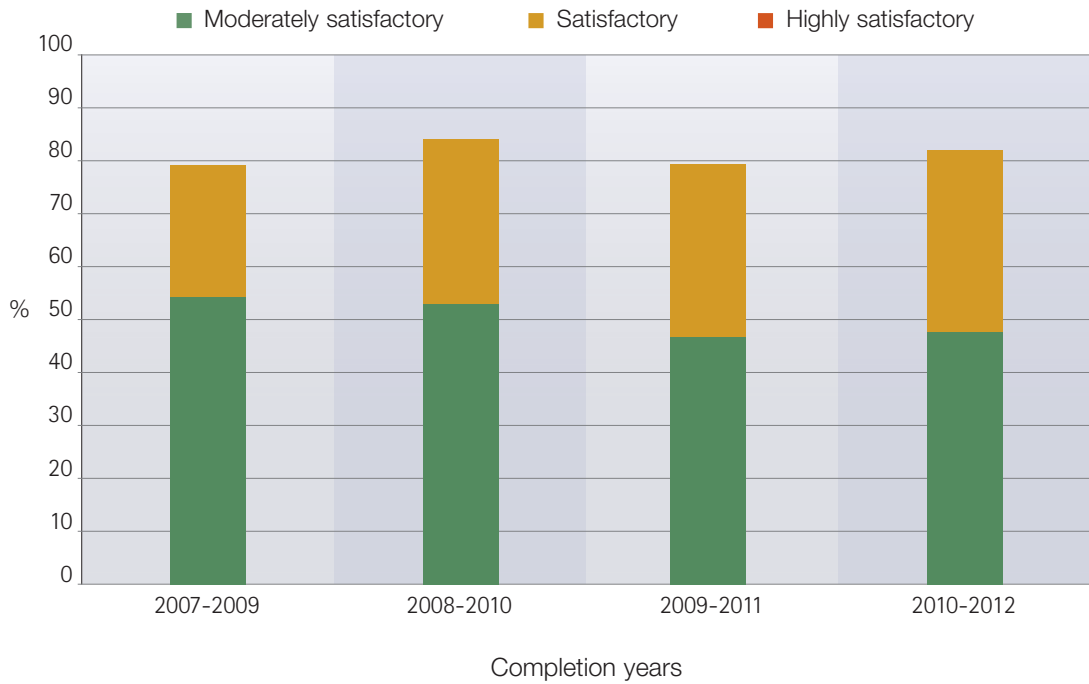
Rural poverty impact - all evaluation data by year of completion



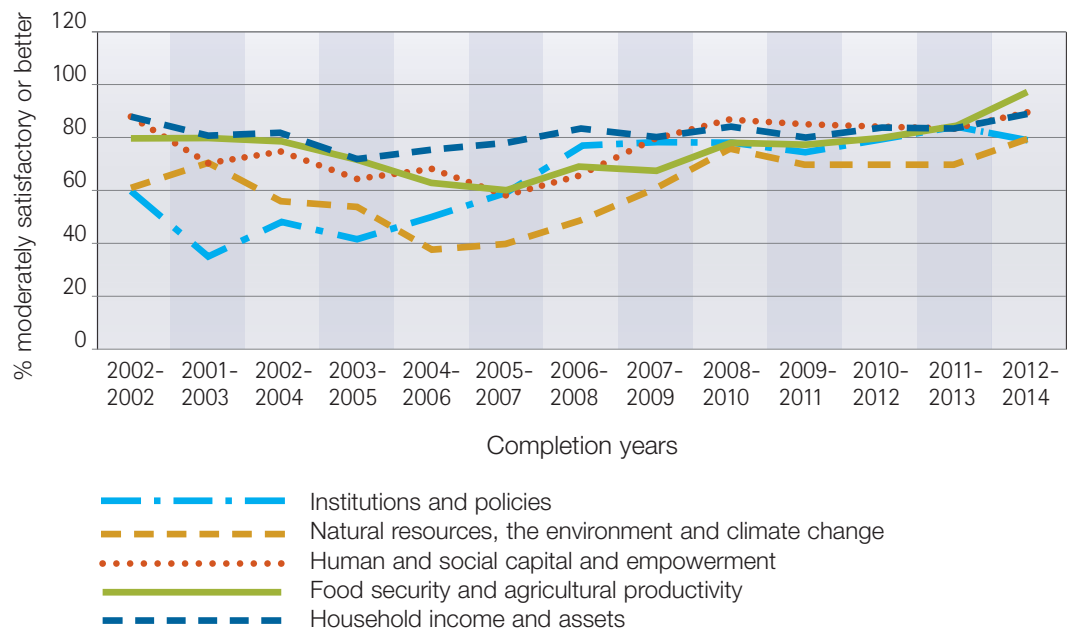
Rural poverty impact - all evaluation data by replenishment period



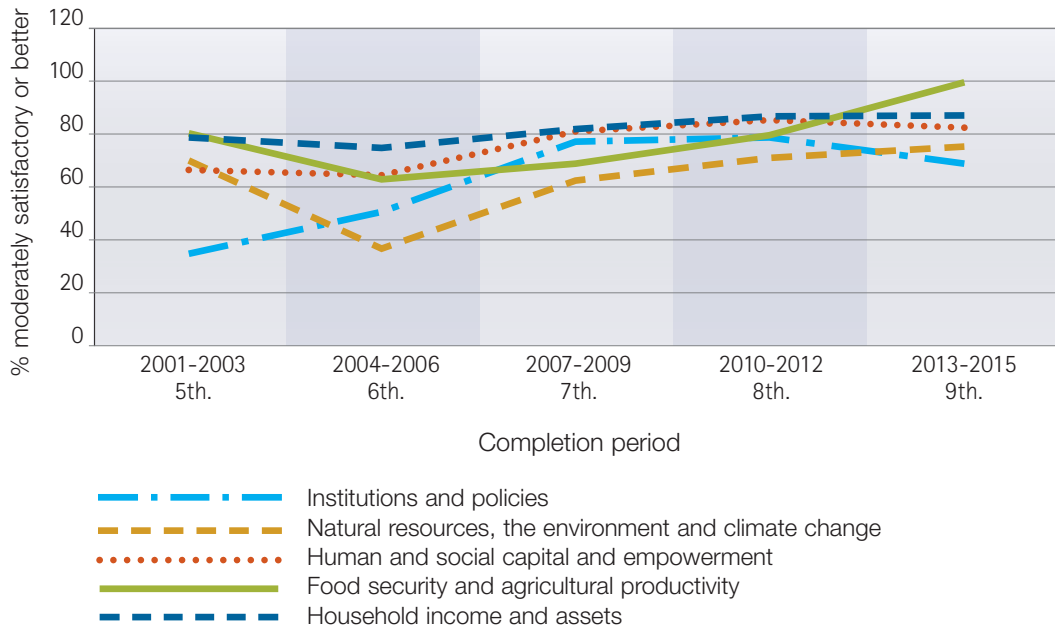
Rural poverty impact - PCRV/PPA data by year of completion



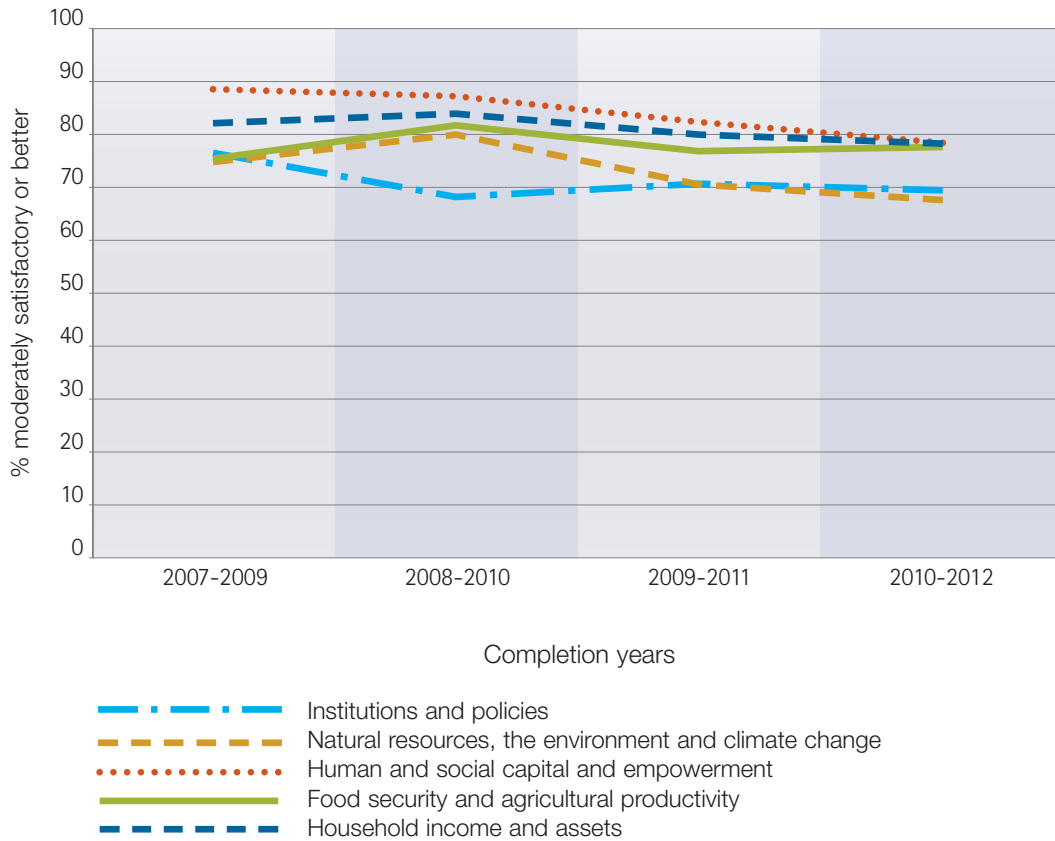
Rural poverty impact domains - all evaluation data by year of completion



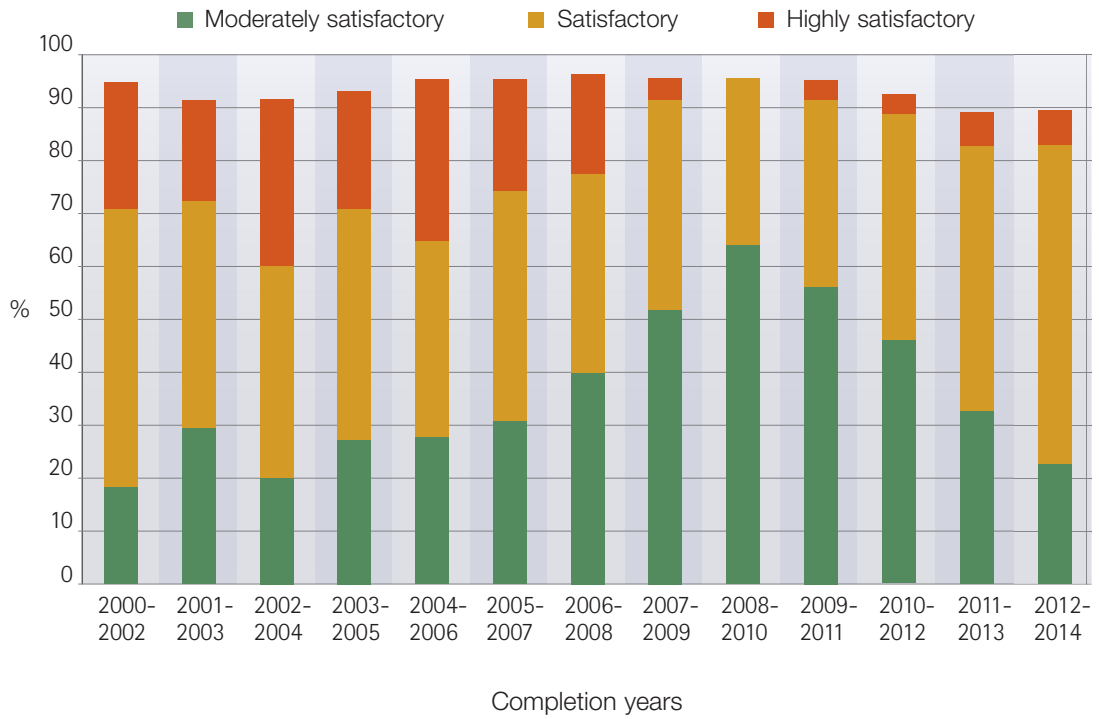
Rural poverty impact domains - all evaluation data by replenishment period



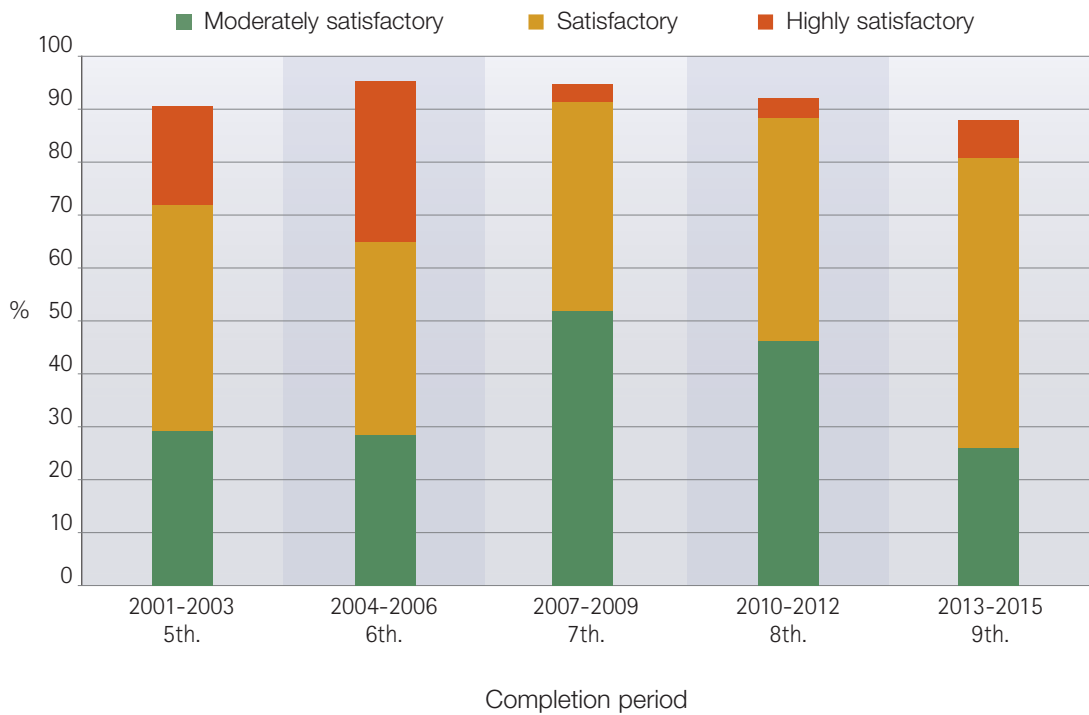
Rural poverty impact domains - PCRV/PPA data by year of completion



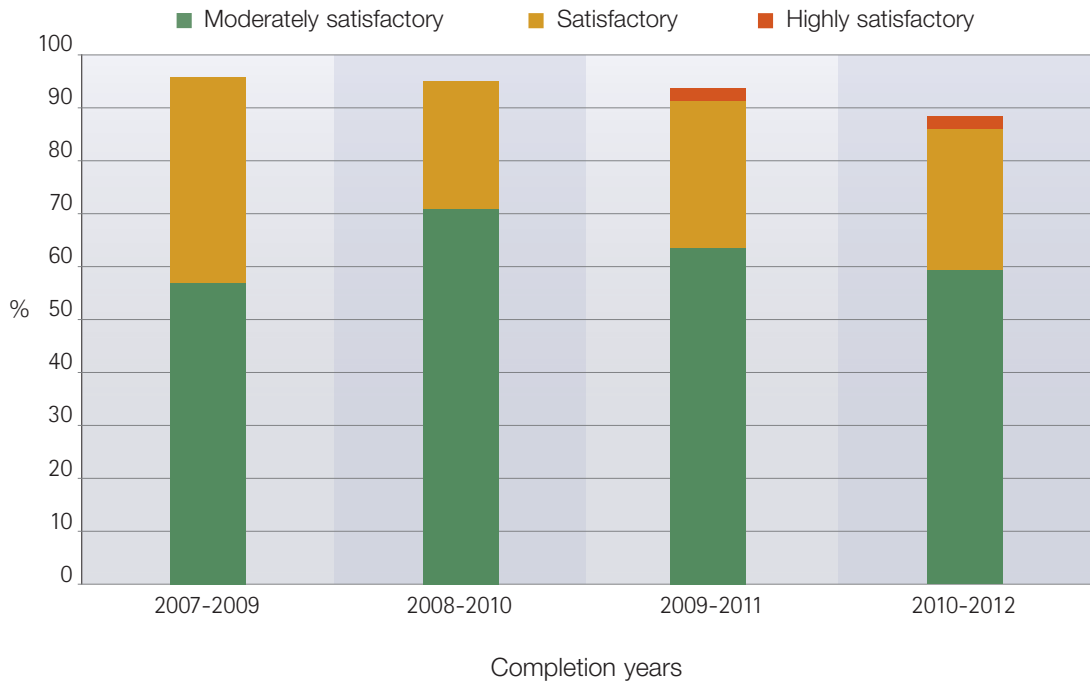
Relevance - all evaluation data by year of completion



Relevance - all evaluation data by replenishment period



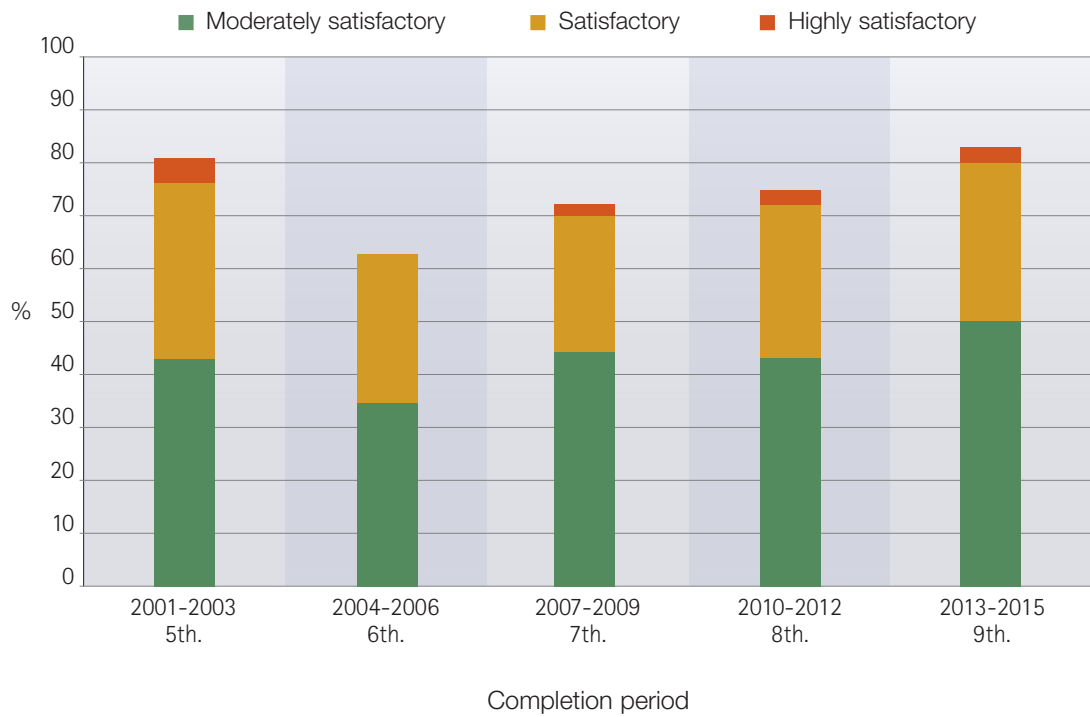
Relevance - PCRV/PPA data by year of completion



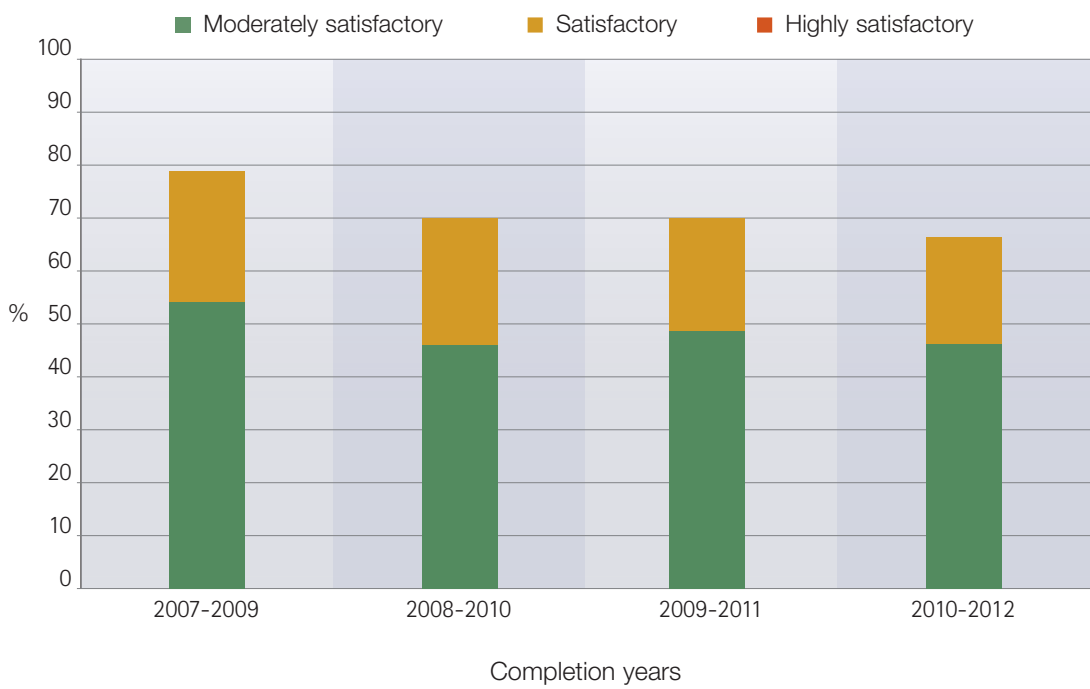
Effectiveness - all evaluation data by year of completion



Effectiveness - all evaluation data by replenishment period



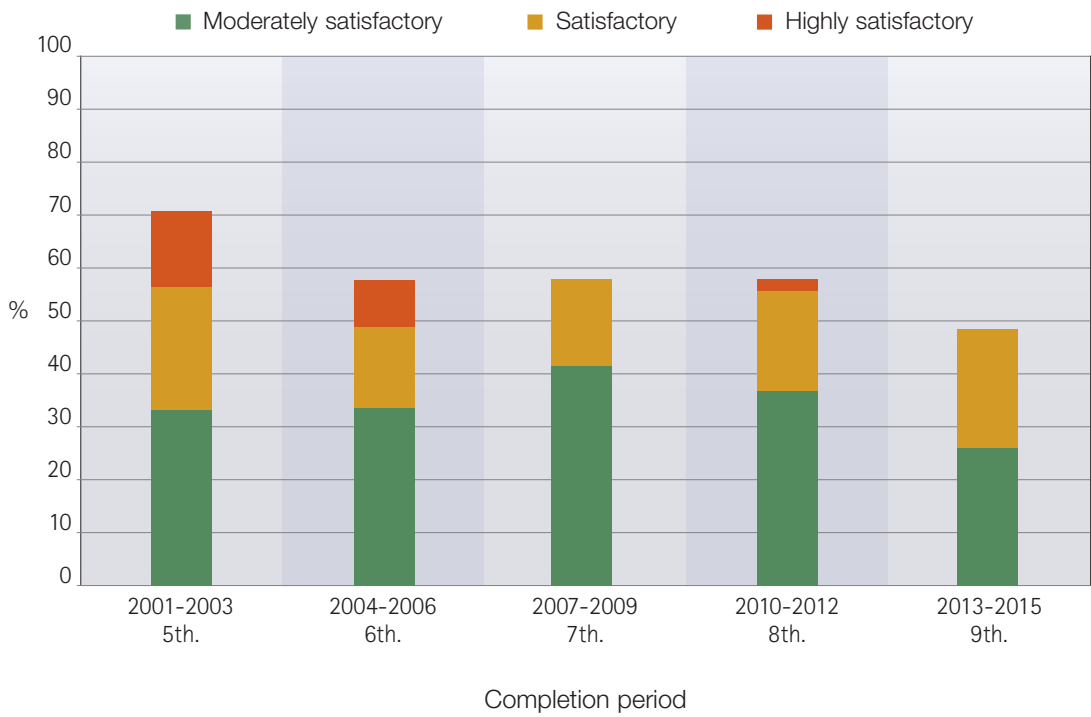
Effectiveness - PCR/PPA data by year of completion



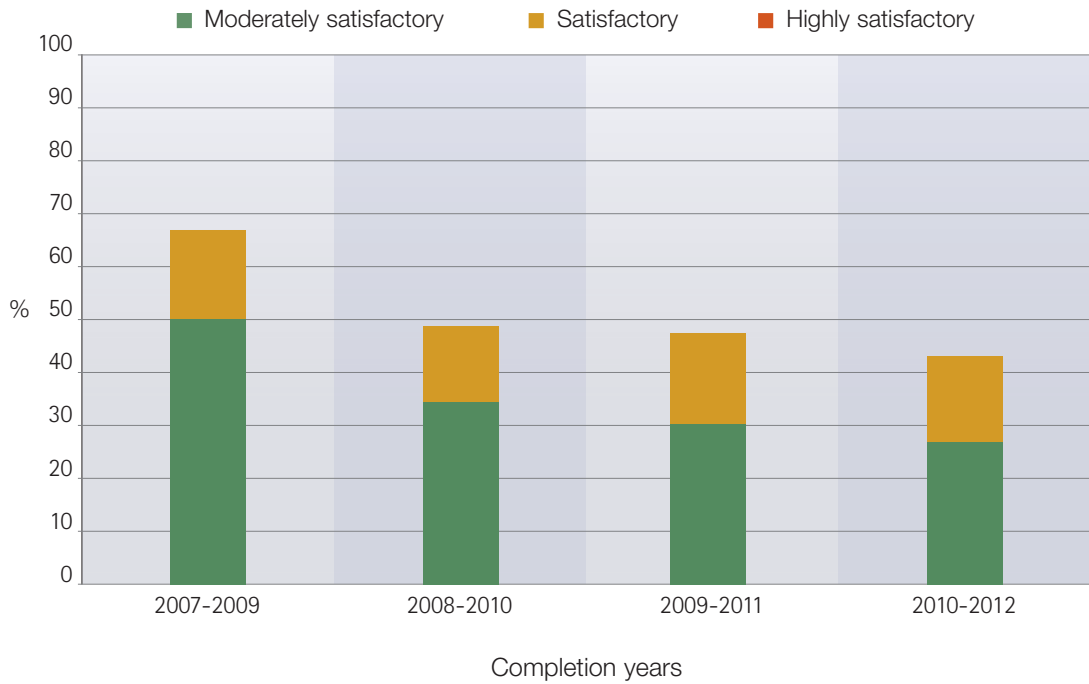
Efficiency - all evaluation data by year of completion



Efficiency - all evaluation data by replenishment period



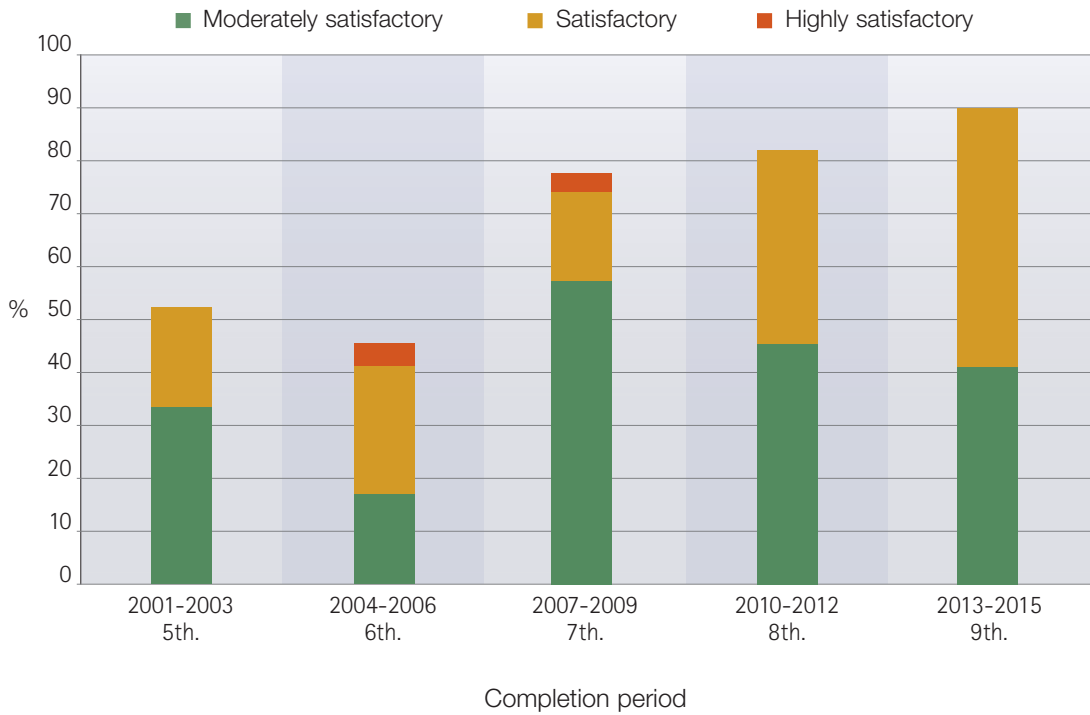
Efficiency - PCR/PPA data by year of completion



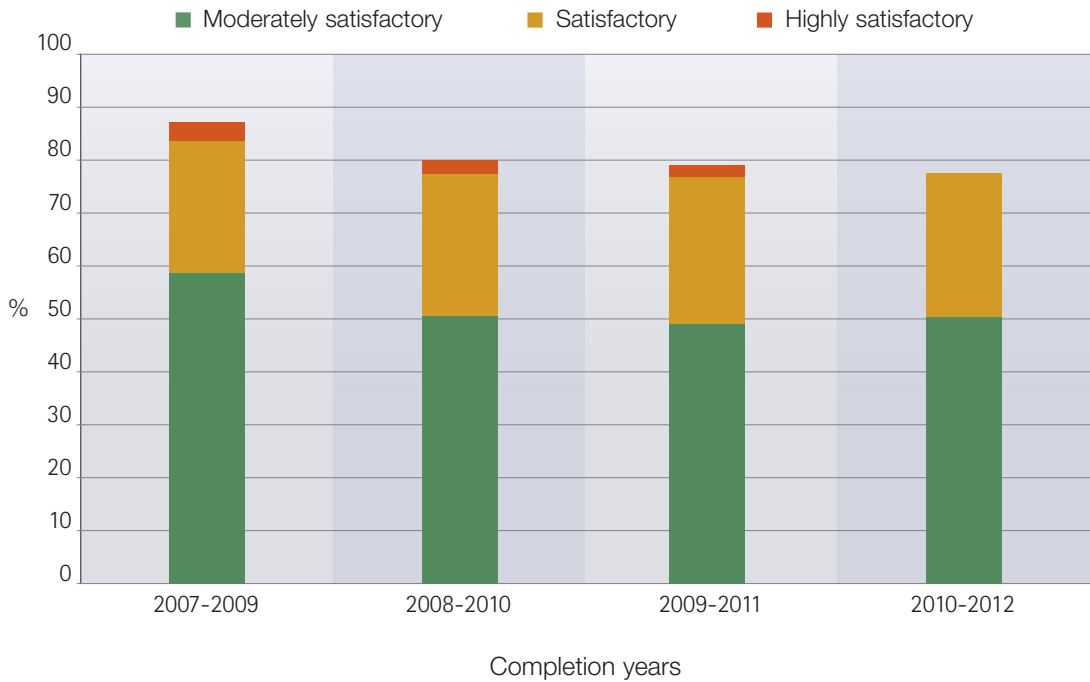
IFAD performance - all evaluation data by year of completion



IFAD performance - all evaluation data by replenishment period



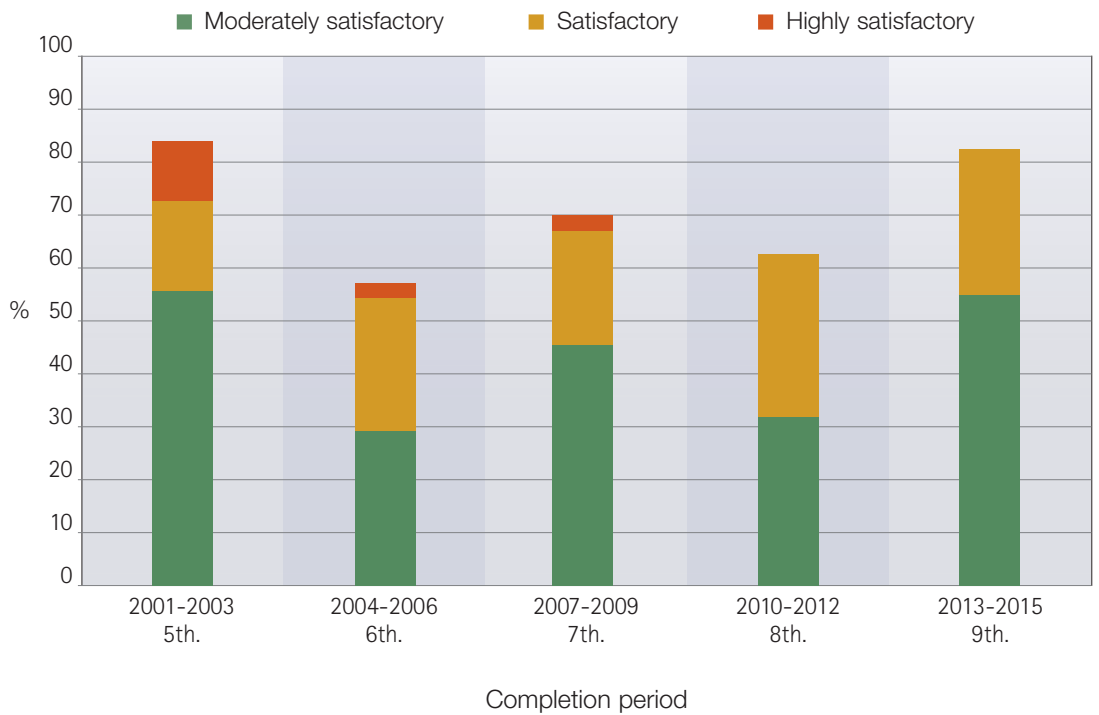
IFAD performance - PCR/PPA data by year of completion



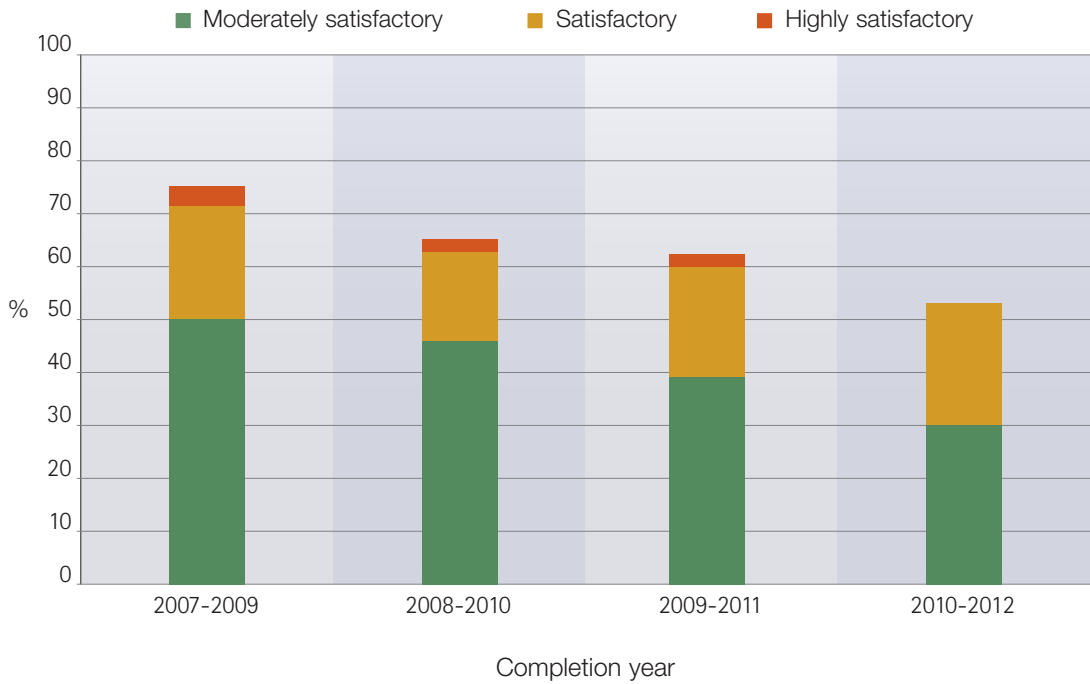
Government performance - all evaluation data by year of completion



Government performance - all evaluation data by replenishment period



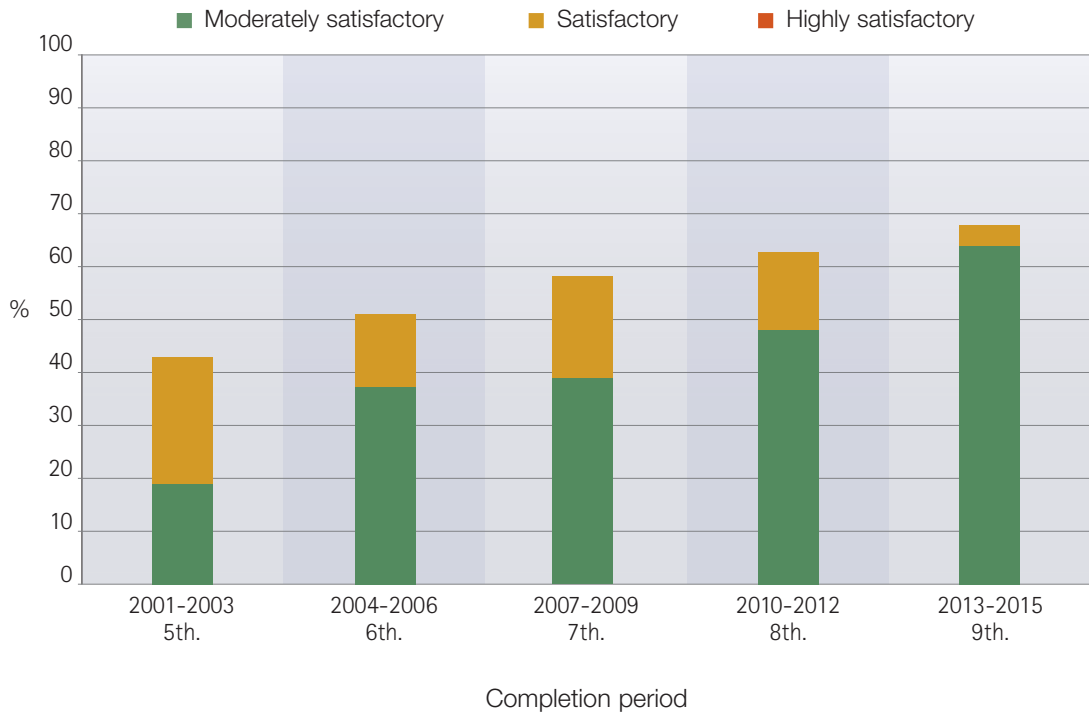
Government performance - PCRV/PPA data by year of completion



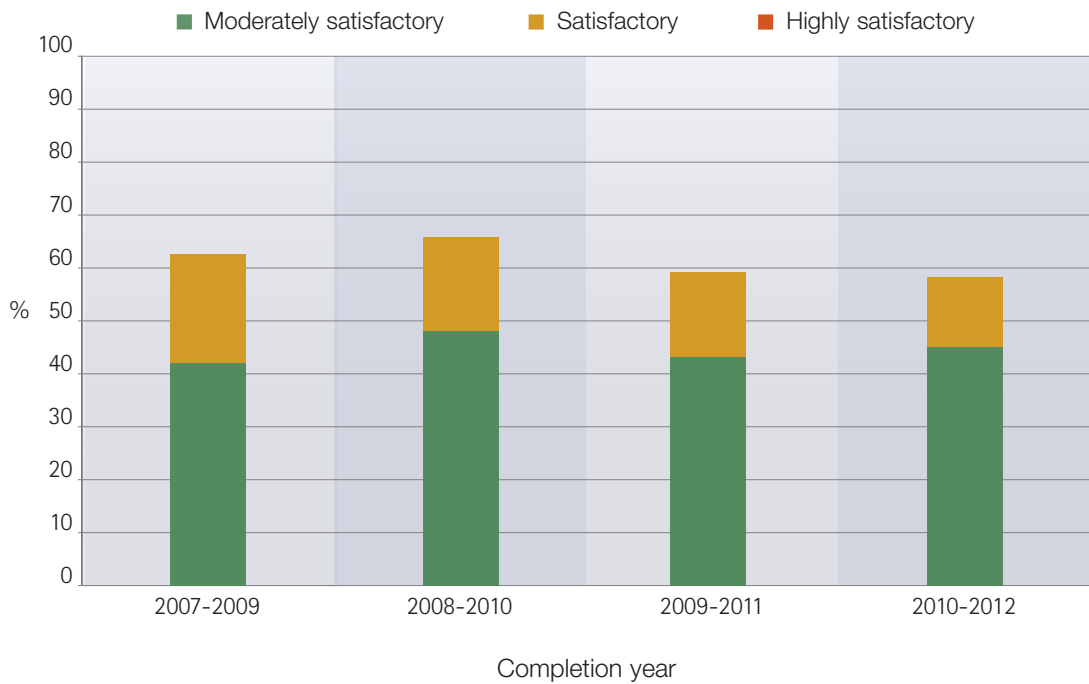
Sustainability - all evaluation data by year of completion



Sustainability - all evaluation data by replenishment period



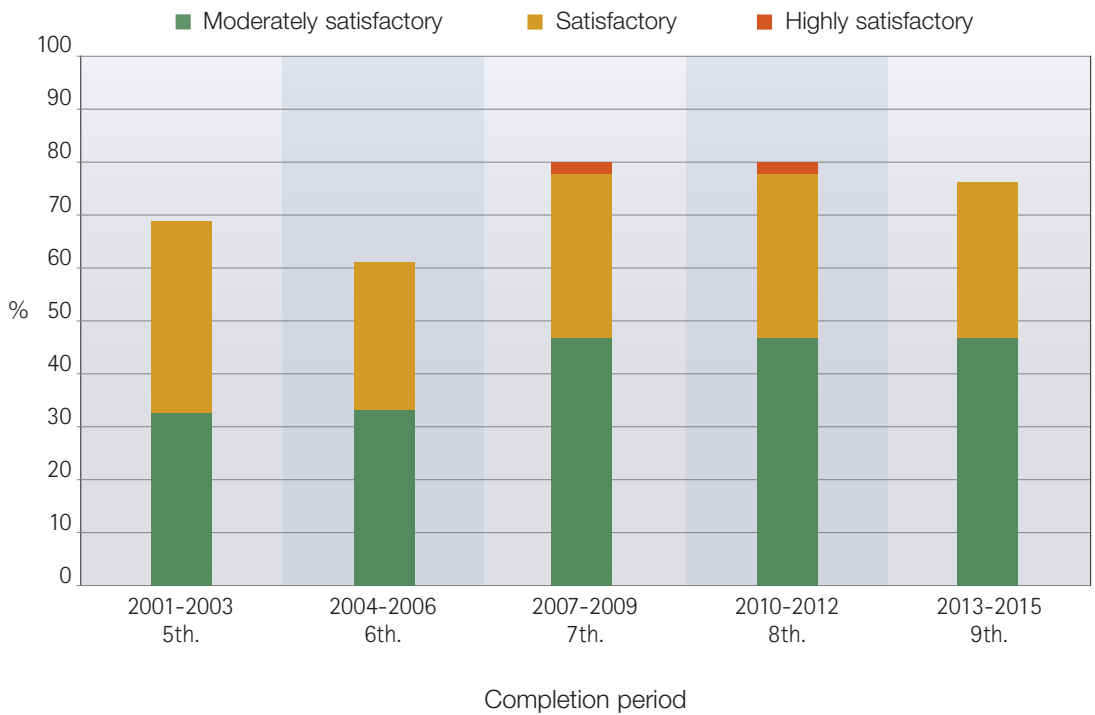
Sustainability - PCR/PPA data by year of completion



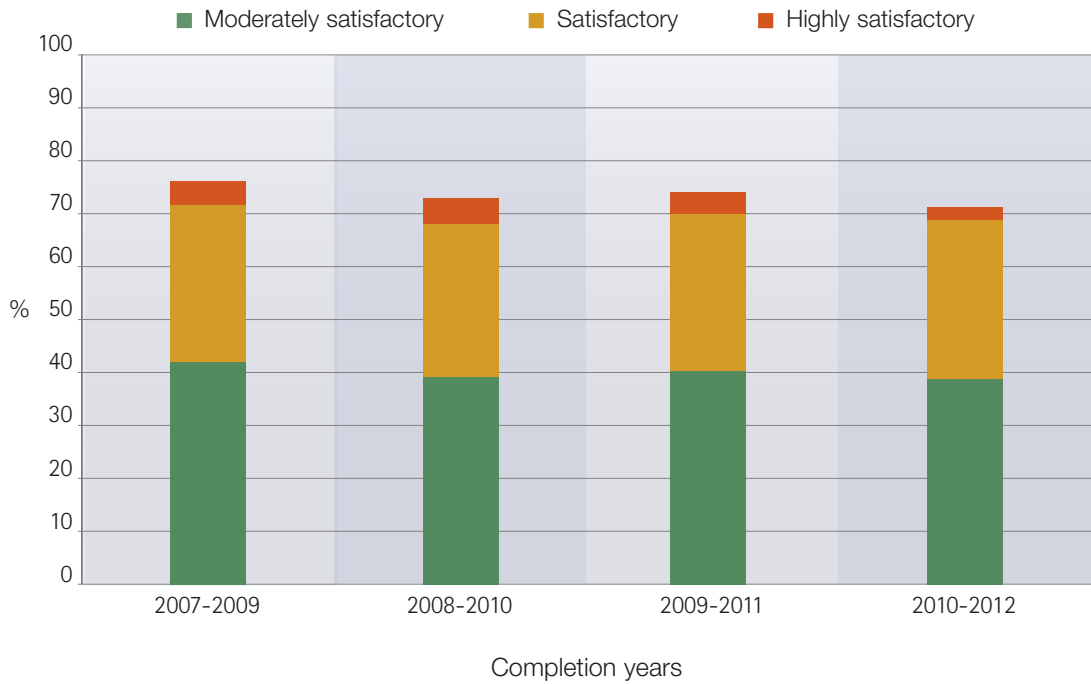
Innovation and scaling up - all evaluation data by year of completion



Innovation and scaling up - all evaluation data by replenishment



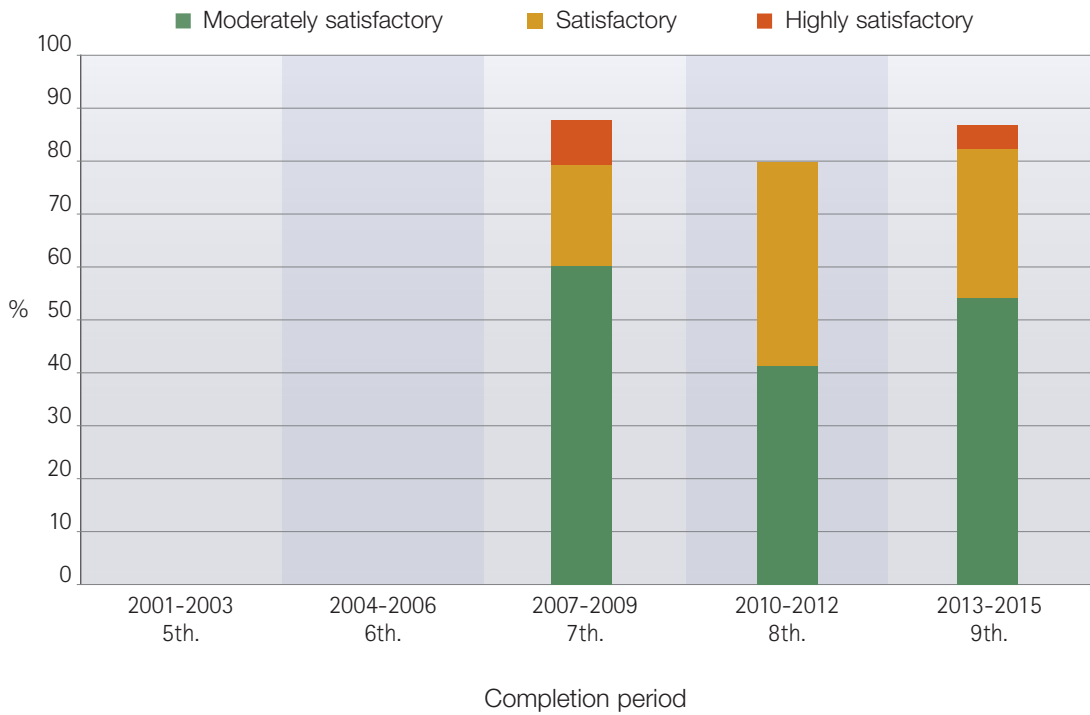
Innovation and scaling up - PCR/PPA data by year of completion



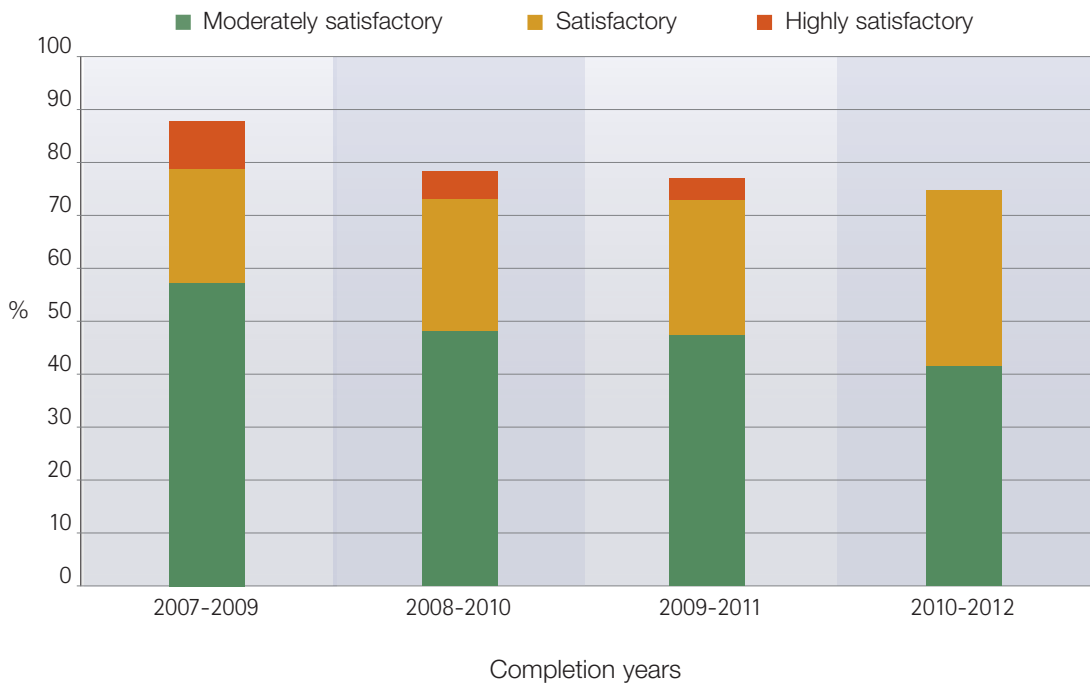
Gender equality and women's empowerment - all evaluation data by year of completion



Gender equality and women's empowerment - all evaluation data by replenishment period



Gender equality and women's empowerment - PCRV/PPA data by year of completion



Annex 7 Project performance 2000-2013

All evaluation data and all ratings (percentage of projects)

Overall project achievement

	Year of completion				
	2000-2002	2001-2003	2002-2004	2003-2005	2004-2006
Highly unsatisfactory	0	0	0	0	0
Unsatisfactory	6	5	3	2	2
Moderately unsatisfactory	24	19	17	24	30
Moderately satisfactory	35	43	49	49	47
Satisfactory	29	29	26	22	19
Highly satisfactory	6	5	6	2	2
	100	101	101	99	100

Project performance

	Year of completion				
	2000-2002	2001-2003	2002-2004	2003-2005	2004-2006
Highly unsatisfactory	0	0	0	0	0
Unsatisfactory	6	5	0	0	0
Moderately unsatisfactory	12	10	14	16	21
Moderately satisfactory	53	43	40	40	40
Satisfactory	29	38	40	40	35
Highly satisfactory	0	5	6	4	5
	100	101	100	100	101

2005-2007	2006-2008	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013	2012-2014
0	0	0	0	0	0	0	0
2	2	4	7	8	10	6	3
28	16	20	15	17	11	15	14
49	58	54	54	51	46	49	54
21	23	22	24	25	33	30	29
0	0	0	0	0	0	0	0
100	99	100	100	101	100	100	100

2005-2007	2006-2008	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013	2012-2014
0	0	0	0	0	0	0	0
7	7	6	3	5	8	6	3
14	12	20	26	26	21	17	14
44	51	50	54	52	48	45	39
33	28	24	16	17	24	32	44
2	2	0	0	0	0	0	0
100	100	100	99	100	101	100	100

Rural poverty impact

	Year of completion				
	2000-2002	2001-2003	2002-2004	2003-2005	2004-2006
Highly unsatisfactory	0	0	0	0	0
Unsatisfactory	7	6	3	5	7
Moderately unsatisfactory	21	24	23	29	29
Moderately satisfactory	36	29	39	37	42
Satisfactory	29	35	29	27	20
Highly satisfactory	7	6	7	2	2
	100	100	101	100	100

IFAD performance as a partner

	Year of completion				
	2000-2002	2001-2003	2002-2004	2003-2005	2004-2006
Highly unsatisfactory	0	0	0	0	2
Unsatisfactory	0	0	3	2	2
Moderately unsatisfactory	73	47	40	44	50
Moderately satisfactory	27	33	20	22	17
Satisfactory	0	20	33	29	24
Highly satisfactory	0	0	3	2	5
	100	100	99	99	100

2005-2007	2006-2008	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013	2012-2014
0	0	0	0	0	0	0	0
5	2	2	3	5	5	4	0
32	21	23	12	14	9	10	3
42	50	45	48	46	44	50	59
22	26	30	36	35	42	37	38
0	0	0	0	0	0	0	0
101	99	100	99	100	100	101	100

2005-2007	2006-2008	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013	2012-2014
2	2	0	0	0	0	0	0
2	2	4	2	3	2	2	0
43	29	19	18	14	16	12	12
38	45	57	51	51	45	45	41
10	17	17	28	31	37	41	47
5	5	4	2	1	0	0	0
100	100	101	101	100	100	100	100

Annex 8 Internal benchmarking

Table 8.1. Percentage of projects rated moderately satisfactory or better

Evaluation criteria	Independent External Evaluation ^a	IOE PPA/PCRV evaluations	2012 Targets from the 2010-2012 RMF ^b	2015 Targets From the 2013-2015 RMF
		Projects completing 2010-2012		
Relevance	100	89	90	100
Effectiveness	67	66	90	90
Efficiency	45	43	75	75
Rural poverty impact	55	83	90	90
Sustainability	40 ^c	56	75	75
Innovation ^d	55	70	80	90
Gender ^e	n/a	75	80	90
Government performance	n/a	52	n/a	80

^a See IEE, chapter 2.

^b These are targets, to be compared with ARRI results, approved by the Executive Board in September 2009. See table 2 in document EB 2009/97/R.2, Results Measurement Framework for the Eighth Replenishment period (2010-2012).

^c This is based on the ratings of 10 late and completed projects. However, it found that 61 per cent of all of the 18 projects (it covered 18) were likely to have a satisfactory impact on sustainability.

^d The IEE split the analysis into local and national innovations. The results included in the table refer to local innovations, which are defined as something "new or different at the community or village level" (more commonly understood to be technology transfer). As for national innovations, defined as something "new or different in a particular country context" (a new type of microfinance organization, a new agriculture technology), only 25 per cent of projects rated were considered satisfactory.

^e Based on two years of data (2010-2011).

Table 8.2. Comparisons of overall project achievement across geographic regions (2000-2013)

Geographic region	Number of projects evaluated	Overall project achievement	
		Percentage of projects rated moderately satisfactory or better	Percentage of projects rated moderately unsatisfactory or worse
Asia and the Pacific	62	85	15
Latin America and the Caribbean	35	74	26
East and Southern Africa	46	80	20
Near East, North Africa and Europe	35	74	26
West and Central Africa	44	61	39

Annex 9 Project completion reports – disconnect and quality

The average disconnect or difference between IOE PCR/PPA ratings and PMD PCR ratings is -0.2. This is the average disconnect for all the PCR/PPA data available in the ARRI database (57).

PCR findings on the quality of PCRs are as follows:

Evaluation criteria	% satisfactory or better	% moderately satisfactory or better	% moderately unsatisfactory or worse
PCR scope	39.4	73	27
PCR quality	20	52	48
PCR lessons	47	82	18
PCR candour	3	74	26
Overall rating for PCR document	35	69	31

Annex 10 List of country programme evaluations completed by IOE during the period 1992-2014

This list does not include country programme evaluations ongoing in 2014.

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	Syria	2001
11	APR	Papua New Guinea	2002
12	APR	Sri Lanka	2002
13	ESA	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
21	APR	Bangladesh	2006
22	ESA	Rwanda	2006
23	WCA	Mali	2007
24	LAC	Brazil	2008
25	NEN	Morocco	2008
26	APR	Pakistan	2008

Nr.	Division	Country programme evaluation	Publication year
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
44	NEN	Jordan	2014
45	NEN	Republic of Moldova	2014
46	LAC	Ecuador	2014
47	WCA	Senegal	2014
48	ESA	Zambia	2014
49	LAC	Plurinational State of Bolivia	2014
50	APR	China	2014



**Republic of Moldova - Rural Business
Development Programme**

Preparation of the mixture for sausages
at the Bunele Traditi business in
Hincesti village. Bunele Traditi is a
family business which produces several
types of sausages for local markets
since 2006.

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Annex 11 Response of IFAD Management to the Annual Report on Results and Impact of IFAD Operations evaluated in 2013

A. Introduction

1. This document presents Management's response to the Annual Report on Results and Impact of IFAD Operations (ARRI) evaluated in 2013. This is in line with the decision taken by the Executive Board in September 2004 and reiterated in the revised Evaluation Policy (EB/2011/102/R.7/Rev.1, para. 54).
2. IFAD Management thanks the Independent Office of Evaluation of IFAD (IOE) for continuing with the past practice of sharing the draft ARRI for Management's comments and addressing many of these comments in finalizing the ARRI.

B. Performance trends

3. IFAD Management is pleased with IOE's recognition of the clear improvements shown since the 2002 ARRI with regard to IFAD's performance on partnership, sustainability and rural poverty impact. Rural poverty impact is the evaluation indicator that gauges the extent to which IFAD projects have had a positive influence on the lives of rural poor people. These findings clearly reflect the efforts that IFAD has made to focus on results.⁵⁹ Management agrees with IOE that the introduction of direct supervision and establishment of country offices have indeed yielded substantial improvements in project performance.
4. With respect to those indicators that have remained essentially unchanged since 2002 (relevance, innovation and scaling up, and gender), Management wishes to point out that according to the ARRI, performance has been "consistently high: 92 per cent" (relevance) and "consistently good ... close to 90 per cent (gender)." With respect to innovation and

scaling up, Management notes the more recent emphasis placed on scaling up during country programme and project design and implementation.

5. Management shares IOE's concerns on the low ratings for efficiency (also identified in the project completion report [PCR] reviews). Management appreciates the ARRI's recognition that IFAD projects are "client-driven" and often located in remote areas, which makes achieving high efficiency more difficult. Efficiency is also reduced by the tendency of recipient governments to add activities/components to a given investment project. However, as pointed out in the ARRI, Management expects that the Consolidated Action Plan to Enhance Operational and Institutional Efficiency, endorsed by the Executive Board in September 2013, will help improve efficiency performance.
6. Management is also concerned about the relatively weak performance of government, but is pleased to note the recent upward trend. Through direct supervision and its country presence, IFAD is in a better position to support governments on a more regular basis. IFAD has implemented a number of capacity-building initiatives in recent years to help improve government performance. Management notes that the IOE indicator includes an assessment of "policies, institutions, services and inputs," while PCR data provide a separate rating on institutions and policies, which are generally rated less well than government performance. Given their importance, particularly in fragile states, IOE may wish to consider "unbundling" policies and institutions from its government rating in future.

⁵⁹ The number of projects included in each of the three-year rolling averages differs between figures 1 and 2, and includes projects reaching completion in 2014. IOE may wish to include an explanation of the greater number of evaluations appearing in figure 2.

7. With respect to the environment and natural resources, a historically weak impact domain, Management draws attention to IFAD's efforts to strengthen performance in this area. Since the 2009 ARRI, the Environment and Climate Division and the Adaptation for Smallholder Agriculture Programme (ASAP) Trust Fund have been established to address issues related to natural resource management and climate change (footnote 38).
8. Management agrees with IOE that presenting the data in cohorts related to Replenishment periods provides a more meaningful trend analysis. The number of projects in each cohort using the three-year rolling average based on completion year is highly variable. Strong or weak evaluation data in any given year may unduly influence the data over a three-year period. Providing the data by Replenishment period would also require less time for calculation, allowing IOE to undertake more sophisticated statistical analyses.
11. Management agrees with IOE's assessment that a constraining factor is the "limited administrative resources allocated for the preparation and implementation of COSOPs" but notes that this is not fully under Management's control in a time of zero budget growth. The revision to the guidelines will reduce the number of COSOPs prepared (based on the number of projects in the current portfolio and/or the performance-based allocation system allocation), thus allowing for limited resources to be spread over fewer countries. While acknowledging that a completion report is not prepared for all completed COSOPs, annual COSOP assessments are carried out in almost all countries.

C. Country programme evaluation

9. Management is taking steps to better integrate non-investment project activities into its country programmes. The country strategic opportunities programme (COSOP) guidelines (currently under revision) emphasize the importance of policy dialogue, knowledge management and partnership-building. Realistic objectives related to policy dialogue specific to the objectives of the country programme are to be included. The revised guidelines are intended to sharpen the focus of all aspects of the country programme, including some of the issues raised in this ARRI.
10. Cofinancing depends to a large extent on the strategic priorities of other donors and government policies. In the case of China for instance (para. 72), and for a number of other countries, the relatively limited international cofinancing is the result of a clear strategic choice by government to avoid projects cofinanced by more than one international financial institution.
12. With respect to counterpart funding in middle-income countries (MICs), the ARRI suggests that IFAD should adopt a "more consistent approach to mobilizing counterpart funding from MICs." Management notes that it has a consistent approach but that an identical approach cannot be used for each MIC, given their well-known diversity.⁶⁰ Countries considered as MICs (based on GNI/capita) are heterogeneous: of the 91 countries identified by the World Bank as either upper- or lower-middle-income countries, 22 per cent are also considered as fragile states. An analysis of cofinancing (projects approved from 2004-2013) shows that domestic contributions (including government, beneficiaries, private sector and financing institutions) are lowest for low-income countries (22 per cent), rising to 27 per cent for fragile states (low-income and middle-income countries), 36 per cent for lower middle-income countries and highest for upper middle-income countries (47 per cent). It is important to note that almost 30 per cent of lower middle-income countries receive some form of Debt Sustainability Framework financing, indicating that those countries have tight fiscal constraints.
13. According to evaluation data, IFAD is below the Results Management Framework (RMF) target for both national policy dialogue (para. 70) and

60. Paragraph 82 contains contradictory statements, first suggesting that GNI/capita should be used to determine a country's share [of counterpart financing] and in the next sentence noting "an approach to mobilizing counterpart funding will also need to take account of the heterogeneity of the countries (e.g. in terms of their size, GNI/capita, etc.)."

partnership-building (para. 73). Management notes, however, that as agreed with the Executive Board, both indicators are measured through the client survey. Targets for both these indicators were surpassed in the 2014 client survey, which rated 97 per cent and 95 per cent of countries as being moderately satisfactory or better, respectively.

D. Benchmarking

14. Management notes with satisfaction that IFAD projects perform as well or better than those evaluated at other multilateral development banks. Management appreciates IOE's recognition that "IFAD operations are normally being implemented in more challenging contexts" (para. 9).

E. Cross-cutting issues raised by the 2013 evaluations

15. Most of the cross-cutting issues raised have been addressed in earlier comments. Management, however, cautions against the use of findings from a small sample of country programme evaluations to extrapolate issues across the portfolio. With respect to delays in entry into force, Management has been working to address this issue for a number of years. For projects that entered into force from 2011 to 2013, the period between approval and effectiveness stands at less than eight months as compared to the historical average of close to 12 months. The East and Southern Africa region is developing a start-up toolkit that will provide project teams with basic guidance to identify priority activities over the first 15 months and develop a project plan for the life of the project and quantifiable objectives with accompanying timelines.

F. Learning theme

16. Management agrees with IOE on the importance of good project management to achieve results. However, there are fundamental disagreements on some of the findings presented.

17. As the starting point, the ARRI looks at whether project coordination units/project management units (PCUs/PMUs) are fully consistent with the Paris Declaration on Aid Effectiveness, yet it does so in a superficial manner, and seems to imply that IFAD has ignored the Paris Declaration by supporting parallel PCUs/PMUs. IFAD project-related coordination/management units are established by ministerial decree, which provides them with the legal status needed to handle government funds; therefore, they cannot be considered as acting in parallel to government. The ARRI is somewhat contradictory in this regard. Paragraph 120 states that "There has been little change in the pattern of project management arrangements at IFAD over the period 1999-2011", yet paragraph 130 states that "There has been a positive trend away from the use of PMUs to implement project components, and an increasing reliance on service providers. In effect, PIUs have been replaced by PMUs."

18. A study by the Policy and Technical Advisory Division (PTA) examined IFAD's compliance with the Paris Declaration and found that IFAD does very well in using government processes. In cases where IFAD was less compliant with the spirit of the Paris Declaration, it was typically due to a government request that the IFAD project not use standard public-sector processes for greater effectiveness and faster implementation.

19. Another project management issue is the role of IFAD in providing strategic guidance, for example through steering committees. Unfortunately, the ARRI provides only two paragraphs on this important issue, drawing largely from the PTA study. The ARRI seems to imply that IFAD staff sit on project steering committees, but this is not the case. While IFAD staff may attend meetings as resource people, the committees as constituted in legal agreements do not include IFAD staff. Better strategic guidance would impact positively on overall project implementation.⁶¹

⁶¹ The performance of steering committees has been included as part of the criteria for rating project management in project status reports since 2011, which along with the introduction of direct supervision may more realistically explain the "drop" in performance of projects approved since 2009, described in para. 116.

20. Management agrees that greater use of competitive processes to recruit project management staff is desirable, and encourages staff selection on that basis. Whether or not to use competitive processes, however, remains a government decision. IFAD does seek to influence the selection process through the use of “no objections” and through the use of performance-based contracts for project staff.
21. Management agrees that “project management arrangements need to be ‘tailored’ to the country and project context.” Such arrangements are largely dictated by the government, based on national processes and procedures. Management appreciates the ARRI’s observation about the lack of fully documented good practice on project management.

G. Methodological improvements⁶²

22. IFAD Management welcomes the revision of the IFAD Evaluation Manual, and looks forward to providing input into its further development. IFAD’s new guidelines for project completion reports will be harmonized with the new Evaluation Manual so as to promote comparability.
23. Last year’s Management response queried the inclusion of project evaluations that are part of country programme evaluations (CPEs). Management reiterates its concern that inclusion of these less rigorous evaluations makes the dataset less comparable and reliable. Management also notes IOE’s recognition that the data series yielded by project performance assessments/project completion report validations is limited in number and thus may not provide reliable data on trends.
24. Management is concerned that some very young projects⁶⁴ were rated as part of a CPE, and while these ratings may be useful to help steer projects towards better results, the value of these ratings compared to evaluations of completed or near-complete projects is limited.

For example, the Sahelian Areas Development Fund Programme (FODESA) in Mali was part of a CPE reported in 2006 and again in 2012. The average rating for this project in 2012 was 4.13 whereas in 2006, it was rated 3.18. Conversely for the Microfinance and Technical Support Project in Bangladesh, the CPE findings published in 2005 rated this project an average of 5.25 compared to the 2011 PPA of 4.67. The CPE rating was based only on ratings for relevance and IFAD performance. Moreover, inclusion of projects still under implementation in the ARRI dataset skews the results unpredictably.

25. Management recommends that projects still under implementation be included as part of the country programme evaluation, but that this data not be included in the ARRI dataset. These findings do not support IOE’s view (para. 52) that if included as part of a CPE, projects would not undergo either a PCRV or a PPA; this contradicts the ARRI assertion that “the same project, once completed, would eventually be separately evaluated through a dedicated PCRV or PPA (or an impact evaluation)...” (para. 14). Management feels that there would be value in undertaking one of these evaluations at completion.

H. Conclusions and recommendations

26. Management appreciates the recommendations made in this year’s ARRI. Budget neutrality needs to be demonstrated before any recommendations are considered by Management.
27. Management notes the IOE recommendation to undertake COSOP completion reviews. However, without an increase in administrative budget, a COSOP completion review can only be done at the expense of another activity. IFAD is formulating new COSOP guidelines where Management will stipulate that material to be covered in the proposed COSOP completion reviews will be treated in the CPEs and in the project evaluations.

62. The ARRI dataset used in this response was downloaded on 1 October 2014.

63. Twenty projects under implementation for three years or less are included in the dataset. This represents slightly more than 20 per cent of all projects evaluated by CPEs. The ARRI dataset does not include the year of evaluation; this figure assumed an evaluation date of one year prior to the ARRI date and thus may undercount the number under implementation for three years or less.

28. Management agrees with IOE about the importance of project management. However, no specific project recommendations were made in chapter 3 of the ARRI.
29. Budgeting for project and country activities is the job of the regional divisions. Their limited budgets are allocated according to the requirements of the country programmes. Additional budget is routinely allocated to problem projects or to work in fragile states. The establishment of thematic and dedicated trust funds has been initiated in the context of the efforts to mobilize resources. The Partnership and Resource Mobilization Office has already been exploring opportunities – not to complement IFAD's own administrative budget but rather to enhance/mainstream areas of mutual relevance to increase the impact of IFAD-supported programmes. However, trust funds imply bureaucracy – to mobilize and manage resources, and to monitor their use.
30. IFAD has made remarkable progress in decentralizing staff. Some 50 country offices have been approved by the Executive Board. Some 85 staff are working in IFAD country offices, equivalent to about 15 per cent of all staff and to about one third of Programme Management Department (PMD) staff. Decisions with respect to regional/subregional offices will be informed by the audit of the IFAD regional office in Nairobi and by the budget situation.
31. Management disagrees with the recommendation to use evaluation ratings in the Report on IFAD's Development Effectiveness (RIDE) or other reports. IFAD has a robust self-evaluation system, the objectivity and reliability of which are demonstrated by the narrow disconnect between self-assessment and evaluation findings.
32. Management underlines the complexity of measuring sustainability. It is an extremely broad topic, particularly taking into account the realities in which IFAD projects are implemented, and requires a better evidence base than past evaluations or literature review. Before sustainability is selected as a learning theme, agreement should be reached on the scope and methodology of the review. A more meaningful review of sustainability could be made if IOE undertakes ex post evaluations several years after project completion.
33. Management appreciates the efforts of IOE to make public the ARRI dataset (in Excel), in line with commitments made to the Evaluation Committee. Management welcomes IOE's intention to verify the ARRI dataset. IOE is urged to update the data more frequently, both with more recent evaluations and with information on project completion and financial closure. IOE should also work with the Information and Communications Technology Division and PMD to include evaluation data (ratings) in the corporate system on projects and programmes – the Grants and Investment Projects System (GRIPS) – along with PCR data.

Annex 12 Réponse de la direction du FIDA au Rapport annuel sur les résultats et l'impact des opérations du FIDA évaluées en 2013

A. Introduction

1. Ce document présente la réponse de la direction au Rapport annuel sur les résultats et l'impact des opérations du FIDA (RARI) évaluées en 2013, conformément à la décision prise par le Conseil d'administration en septembre 2004 et réitérée dans la Politique révisée de l'évaluation au FIDA (document EB 2011/102/R.7/Rev.1, paragraphe 54).
2. La direction du FIDA remercie le Bureau indépendant de l'évaluation du FIDA (IOE) de lui avoir, comme par le passé, communiqué le projet de RARI afin qu'elle puisse formuler ses observations sur ce texte, et d'avoir pris en compte la plupart de ses observations dans l'établissement de la version finale du RARI.

B. Évolution de la performance

3. La direction du FIDA note avec plaisir qu'IOE reconnaît les nettes améliorations observées, depuis le RARI 2002, dans la performance du FIDA en matière de partenariat, de durabilité et d'impact sur la pauvreté rurale. L'impact sur la pauvreté rurale est, dans l'évaluation, l'indicateur qui évalue la mesure dans laquelle les projets du FIDA ont eu une influence positive sur la vie des populations rurales pauvres. Ces résultats reflètent clairement les efforts déployés par le FIDA pour se focaliser sur les résultats.⁶⁴ La direction convient avec IOE que l'introduction de la supervision directe et l'ouverture de bureaux de pays se sont en effet traduites par de très sensibles améliorations de la performance des projets.
4. Pour ce qui concerne les indicateurs n'ayant pas connu de changements sur le fond depuis 2002 (pertinence, innovation et reproduction à plus grande échelle, et égalité entre les sexes),

la direction souhaite faire remarquer que, selon le RARI, la performance a été "constamment élevée: 92%" (pertinence) et "constamment bonne [...] proche de 90%" (égalité entre les sexes). S'agissant de l'innovation et de la reproduction à plus grande échelle, la direction note que la conception et l'exécution des programmes et des projets de pays mettent depuis peu l'accent sur la reproduction à plus grande échelle.

5. La direction partage les préoccupations d'IOE à propos de la faiblesse des notes concernant l'efficacité (point également relevé dans les examens des rapports d'achèvement de projet [RAP]). La direction se félicite de la reconnaissance par le RARI de ce que les projets du FIDA sont "impulsés par les clients" et souvent exécutés dans des zones éloignées, d'où la difficulté accrue de parvenir à une efficacité élevée. L'efficacité est également réduite par la tendance des gouvernements bénéficiaires à ajouter des activités/composantes à un projet d'investissement donné. Toutefois, comme le souligne le RARI, la direction attend du Plan d'action consolidé du FIDA pour l'amélioration de son efficacité opérationnelle et institutionnelle, entériné par le Conseil d'administration en septembre 2013, qu'il contribue à améliorer la performance en matière d'efficacité.
6. La direction est également préoccupée par la faiblesse relative de la performance du gouvernement, mais note avec plaisir la tendance récente à l'amélioration. Par le biais de la supervision directe et de sa présence dans les pays, le FIDA est mieux à même d'apporter un appui plus régulier aux gouvernements. Le FIDA a mis en œuvre,

64. Le nombre de projets inclus dans chacune des moyennes triennales mobiles n'est pas le même dans les figures 1 et 2, et inclut des projets parvenant à leur achèvement en 2014. IOE pourrait souhaiter inclure une explication du nombre plus élevé d'évaluations apparaissant dans la figure 2.

au cours des dernières années, un certain nombre d'initiatives de renforcement des capacités pour contribuer à améliorer la performance du gouvernement. La direction note que l'indicateur d'IOE inclut une évaluation des "politiques, institutions, services et intrants", alors que les données des RAP notent séparément les institutions et politiques, dont la note est généralement inférieure à celle de la performance du gouvernement. Compte tenu de leur importance, en particulier dans les États fragiles, IOE pourrait souhaiter envisager de "dissocier", à l'avenir, les politiques et institutions de la note attribuée à la performance du gouvernement.

7. À propos de l'environnement et des ressources naturelles, domaine où l'impact est traditionnellement faible, la direction attire l'attention sur les efforts menés par le FIDA pour y améliorer sa performance. Depuis le RARI 2009, la Division environnement et climat et le Fonds fiduciaire du Programme d'adaptation de l'agriculture paysanne (ASAP) ont été créés pour aborder les problèmes en rapport avec la gestion des ressources naturelles et le changement climatique (note de bas de page 38).
8. La direction convient avec IOE que la présentation des données par cohortes se rapportant aux périodes couvertes par les reconstitutions permet une analyse plus significative des évolutions. Lorsque l'on utilise la moyenne triennale mobile sur la base de l'année d'achèvement, le nombre de projets de chaque cohorte varie considérablement. La solidité ou la faiblesse des données d'évaluation, au cours d'une seule année, peuvent influencer de manière indue les données sur une période triennale. La présentation des données par période de reconstitution réduirait également le temps de calcul, permettant à IOE d'entreprendre des analyses statistiques plus sophistiquées.

C. Évaluation des programmes de pays

9. La direction prend actuellement des mesures visant à mieux intégrer, dans ses programmes de pays, les activités hors investissements des projets. Les directives relatives aux programmes d'options stratégiques pour le pays (COSOP), actuellement en cours de révision, mettent l'accent sur l'importance de la concertation sur les politiques, de la gestion des savoirs et de l'établissement de partenariats. Des objectifs réalistes en rapport avec la concertation sur les politiques portant spécifiquement sur les objectifs du programme de pays y seront inclus. Les directives révisées doivent assurer une meilleure focalisation sur tous les aspects du programme de pays, y compris certains des problèmes soulevés dans le présent RARI.
10. Le cofinancement dépend dans une large mesure des priorités stratégiques d'autres donateurs et des politiques gouvernementales. Ainsi, dans le cas de la Chine (paragraphe 72) et d'un certain nombre d'autres pays, le volume relativement limité du cofinancement international résulte clairement d'un choix stratégique du gouvernement, qui veut éviter des projets cofinancés par plus d'une institution financière internationale.
11. La direction est d'accord avec l'évaluation d'IOE selon laquelle "le volume limité des ressources administratives allouées à la préparation et à l'exécution des COSOP" constitue un facteur limitant, mais note que, dans un contexte de croissance zéro du budget, la direction ne maîtrise pas entièrement ce facteur. La révision des directives aura pour effet de réduire le nombre de COSOP préparés (sur la base du nombre de projets contenus dans le portefeuille en cours et/ou du système d'allocation fondé sur la performance), permettant ainsi de répartir sur un plus petit nombre de pays les ressources limitées disponibles. Tout en reconnaissant que tous les COSOP parvenus à leur terme ne font pas l'objet d'un rapport d'achèvement,

des évaluations annuelles du COSOP sont conduites dans la quasitotalité des pays.

12. S'agissant du financement de contrepartie dans les pays à revenu intermédiaire (PRI), le RARI suggère que le FIDA adopte une "approche plus cohérente de la mobilisation des fonds de contrepartie dans les PRI". La direction note que son approche est cohérente, mais qu'il n'est pas possible d'adopter une approche identique pour chaque PRI, compte tenu de leur diversité bien établie.⁶⁵ Les pays considérés comme des PRI (sur la base du PIB par habitant) constituent un groupe hétérogène: sur les 91 pays définis par la Banque mondiale comme pays à revenu intermédiaire de la tranche supérieure ou pays à revenu intermédiaire de la tranche inférieure, 22% sont également considérés comme des États fragiles. Une analyse du cofinancement (portant sur les projets approuvés au cours de la période 2004-2013) montre que les contributions nationales (gouvernement, bénéficiaires, secteur privé et institutions de financement) sont les moins élevées dans les pays à faible revenu (22%); elles atteignent 27% dans les États fragiles (tant dans les pays à faible revenu que dans les pays à revenu intermédiaire), 36% dans les pays à revenu intermédiaire de la tranche inférieure, et sont les plus élevées (47%) dans les pays à revenu intermédiaire de la tranche supérieure. Il est important de noter que près de 30% des pays à revenu intermédiaire de la tranche inférieure bénéficient d'une forme de financement au titre du Cadre pour la soutenabilité de la dette, preuve que ces pays sont confrontés à de sévères contraintes budgétaires.
13. Selon les données de l'évaluation, le FIDA n'atteint pas la cible définie dans le cadre de mesure des résultats, tant pour la concertation sur les politiques nationales (paragraphe 70) que pour l'établissement de partenariats (paragraphe 73). La direction note toutefois que les deux indicateurs sont, en accord avec le Conseil d'administration, mesurés par le biais d'une enquête auprès des clients. Les cibles relatives à ces deux indicateurs ont été

dépassées dans l'enquête 2014 auprès des clients montrant, pour 97% et 95% des pays respectivement, des résultats plutôt satisfaisants ou mieux.

D. Analyse comparative

14. La direction note avec satisfaction que la performance des projets du FIDA est équivalente ou supérieure à celle des projets évalués dans d'autres banques multilatérales de développement. La direction apprécie la reconnaissance, par IOE, de ce que "les opérations du FIDA sont généralement exécutées dans des contextes plus difficiles" (paragraphe 9).

E. Problèmes transversaux soulevés par les évaluations de 2013

15. Les problèmes transversaux ont été, pour la plupart, abordés dans les observations précédentes. La direction veut toutefois mettre en garde contre l'utilisation d'un petit échantillon d'évaluations de programme de pays pour une extrapolation de problèmes sur l'ensemble du portefeuille. S'agissant des retards dans l'entrée en vigueur, la direction s'est attachée depuis plusieurs années à résoudre ce problème. Dans les projets entrés en vigueur entre 2011 et 2013, le délai entre la date d'approbation et celle d'entrée en vigueur a été inférieur à huit mois, alors que la moyenne historique est proche de 12 mois. Pour la région Afrique orientale et australe, la boîte à outils de démarrage en cours d'élaboration fournira aux équipes de projet des orientations de base pour déterminer les activités prioritaires au cours des 15 premiers mois et élaborer un plan de projet pour la durée de vie du projet, ainsi que des objectifs mesurables, accompagnés d'un échéancier.

F. Thème d'apprentissage

16. La direction convient avec IOE qu'une bonne gestion de projet est importante pour l'obtention de résultats. Il existe toutefois

65. Le paragraphe 82 contient des formulations contradictoires, indiquant d'abord que le PIB/habitant devrait être utilisé pour déterminer la part [de financement de contrepartie] d'un pays, et notant dans la phrase suivante qu'une "approche de la mobilisation du financement de contrepartie sera également nécessaire pour tenir compte du caractère hétérogène des pays (par exemple en termes de taille, de PIB/habitant, etc.)".

des désaccords fondamentaux sur certaines des conclusions présentées.

17. Comme point de départ, le RARI cherche à déterminer si les unités de coordination du projet/unités de gestion du projet (UCP/UGP) sont pleinement conformes à la Déclaration de Paris sur l'efficacité de l'aide, mais il le fait de manière superficielle et semble sous-entendre que le FIDA a ignoré la Déclaration de Paris en appuyant des UCP/UGP parallèles. Les unités de coordination/gestion du FIDA en rapport avec les projets sont créées par décret ministériel, ce qui leur confère le statut juridique nécessaire à la gestion de fonds gouvernementaux; il n'est par conséquent pas possible de considérer qu'ils mènent une action parallèle à celles des pouvoirs publics. Le RARI est quelque peu contradictoire à cet égard. On peut lire au paragraphe 120 "[qu']il y a eu peu de changement dans la forme des modalités de gestion du projet au FIDA au cours de la période 1999-2011", tandis qu'il est affirmé, au paragraphe 130, "[qu']il y a eu une évolution positive dans le sens d'un renoncement à l'utilisation des UGP pour exécuter des composantes de projet, et d'un recours croissant à des prestataires de services. En effet, les unités d'exécution de projet (UEP) ont été remplacées par les UGP."
18. Une étude conduite par la Division des politiques et du conseil technique (PTA) a examiné le respect par le FIDA de la Déclaration de Paris et a constaté que le FIDA fait un très bon usage des processus gouvernementaux. Dans les cas où le FIDA est moins respectueux de l'esprit de la Déclaration de Paris, cette attitude est généralement due à une demande du gouvernement invitant le projet du FIDA à ne pas utiliser les processus standard du secteur public pour des raisons de plus grande efficacité et de plus grande rapidité dans l'exécution.
19. Il existe, en matière de gestion de projet, un autre problème concernant les orientations stratégiques que doit fournir le FIDA, par l'intermédiaire de comités de pilotage,

par exemple. Malheureusement, le RARI ne consacre que deux paragraphes à cette importante question, en s'inspirant largement de l'étude de PTA. Le RARI semble sous-entendre que du personnel du FIDA siège au sein des comités de pilotage des projets, alors que tel n'est pas le cas. Des fonctionnaires du FIDA peuvent, certes, participer à des réunions en qualité de personnes ressources, mais ils ne sont pas membres des comités tels que les définissent les accords juridiques. De meilleures orientations stratégiques auraient un impact positif sur l'exécution d'ensemble du projet.⁶⁶

20. La direction convient qu'il est souhaitable d'avoir davantage recours à des processus concurrentiels pour le recrutement du personnel de gestion du projet, et encourage le choix du personnel sur cette base. C'est toutefois au gouvernement qu'il appartient de décider si des processus concurrentiels doivent ou non être utilisés. Le FIDA cherche cependant à influencer le processus de sélection par le biais de l'avis de non-objection et par l'attribution de contrats fondés sur la performance au personnel du projet.
21. La direction convient que "les modalités de gestion du projet doivent être "adaptées" au contexte du pays et du projet". Ces modalités sont largement imposées par le gouvernement, sur la base des processus et des procédures nationaux. La direction apprécie la remarque du RARI quant à l'absence de bonnes pratiques pleinement documentées en matière de gestion de projet.

G. Améliorations méthodologiques⁶⁷

22. La direction du FIDA se félicite de la révision du Manuel de l'évaluation du FIDA, et attend avec intérêt de pouvoir apporter une contribution à la poursuite de son élaboration. Les nouvelles directives du FIDA relatives aux rapports d'achèvement des projets seront harmonisées avec le nouveau Manuel de l'évaluation afin de favoriser la comparabilité.

⁶⁶. La performance des comités de pilotage fait partie, depuis 2011, des critères de notation de la gestion du projet dans les rapports sur l'état d'avancement du projet, ce qui, parallèlement à l'introduction de la supervision directe, peut offrir une explication plus réaliste de la "baisse" de la performance des projets approuvés depuis 2009, décrite au paragraphe 116.

⁶⁷. L'ensemble de données du RARI utilisé dans cette réponse a été téléchargé le 1^{er} octobre 2014.

23. Dans sa réponse de l'an dernier, la direction avait formulé des doutes quant à l'inclusion d'évaluations de projets provenant d'évaluations de programmes de pays (EPP). La direction se dit toujours préoccupée par le fait que l'inclusion de ces évaluations, moins rigoureuses, puisse amoindrir la comparabilité et la fiabilité de l'ensemble de données. La direction note aussi la reconnaissance, par IOE, de ce que les séries de données issues des évaluations de la performance des projets (EvPP)/des validations des rapports d'achèvement des projets (VRAP) sont peu nombreuses et qu'elles pourraient de ce fait ne pas fournir de données fiables quant aux tendances.

24. La direction est préoccupée par le fait que certains projets très jeunes⁶⁸ aient été notés dans le cadre d'une EPP car, bien que ces notations puissent contribuer utilement à conduire les projets vers de meilleurs résultats, ces notations n'ont qu'une valeur restreinte par rapport aux évaluations de projets achevés ou près de l'être. Ainsi, le Programme fonds de développement en zone sahélienne (FODESA), au Mali, a été inclus dans le rapport d'une EPP en 2006 et de nouveau en 2012. La note moyenne obtenue par ce projet en 2012 était de 4,13, alors qu'elle avait été de 3,18 en 2006. En revanche, concernant le Projet d'appui à la microfinance et de soutien technique, au Bangladesh, les résultats de l'EPP publiée en 2005 donnaient à ce projet une note moyenne de 5,25, alors qu'il n'obtenait que 4,67 dans l'évaluation de la performance du projet de 2011. La note de l'EPP était fondée uniquement sur les notations de la pertinence et de la performance du FIDA. De plus, l'inclusion de projets toujours en cours d'exécution dans l'ensemble de données du RARI introduit une déviation imprévisible dans les résultats.

25. La direction recommande que les projets toujours en cours d'exécution soient inclus dans les évaluations de programmes de pays, mais que ces données ne fassent pas partie de l'ensemble de données du RARI.

Ces conclusions ne confortent pas le point de vue d'IOE (paragraphe 52) selon lequel les projets, s'ils étaient inclus dans une EPP, ne seraient pas soumis à une VRAP ou à une EvPP; ceci contredit une autre assertion du RARI selon laquelle "le même projet, une fois achevé, serait ensuite évalué séparément par le biais d'une VRAP ou d'une EvPP spécifique (ou d'une évaluation d'impact)" (paragraphe 14). La direction estime qu'il serait utile d'entreprendre l'une de ces évaluations au point d'achèvement.

H. Conclusions et recommandations

26. La direction apprécie les recommandations contenues dans le RARI de cette année. L'absence d'incidence budgétaire doit être démontrée avant qu'une quelconque recommandation soit prise en considération par la direction.

27. La direction prend note de la recommandation d'IOE relative à l'établissement de rapports d'achèvement des COSOP. Toutefois, faute d'une augmentation du budget administratif, un rapport d'achèvement d'un COSOP ne pourra être entrepris qu'aux dépens d'une autre activité. Le FIDA élabore actuellement de nouvelles directives concernant les COSOP dans lesquelles la direction stipulera que les questions à aborder dans les rapports proposés d'achèvement des COSOP seront traitées dans les EPP et les évaluations de projets.

28. La direction convient avec IOE de l'importance de la gestion des projets. Aucune recommandation spécifique n'a été toutefois formulée dans le chapitre 3 du RARI.

29. La tâche de budgétisation des activités des projets et du pays appartient aux divisions régionales. Leurs budgets, limités, sont alloués en fonction des besoins des programmes de pays. Un budget supplémentaire est systématiquement alloué aux projets faisant problème ou aux interventions dans les États fragiles. La création de fonds fiduciaires

68. Vingt projets en cours d'exécution depuis trois ans ou moins sont inclus dans l'ensemble de données. Cela représente un peu moins de 20% du total des projets évalués par les EPP. L'ensemble de données du RARI n'inclut pas l'année de l'évaluation; ce chiffre repose sur l'hypothèse d'une date d'évaluation antérieure d'un an à celle du RARI et pourrait donc sous-estimer le nombre de projets en cours d'exécution depuis trois ans ou moins.

- thématiques et spécialisés a été entreprise dans le contexte des efforts de mobilisation de ressources. Le Bureau des partenariats et de la mobilisation des ressources a déjà commencé à explorer des possibilités, non pas à titre de complément du propre budget administratif du FIDA, mais plutôt pour renforcer/intégrer des domaines mutuellement pertinents pour accroître l'impact des programmes appuyés par le FIDA. Toutefois, les fonds fiduciaires supposent des procédures bureaucratiques, pour la mobilisation et la gestion des ressources, et pour en surveiller l'utilisation.
30. Le FIDA a accompli des progrès remarquables dans la décentralisation de son personnel. L'ouverture de quelque 50 bureaux de pays a été approuvée par le Conseil d'administration. Quelque 85 membres du personnel travaillent dans les bureaux de pays du FIDA, équivalent à environ 15% du total du personnel et à environ un tiers du personnel du Département gestion des programmes (PMD). Les décisions relatives aux bureaux régionaux/sous-régionaux seront prises en connaissance de cause sur la base de l'audit du bureau régional du FIDA à Nairobi et de la situation budgétaire.
31. La direction n'est pas d'accord avec la recommandation visant à utiliser les notes d'évaluations dans le Rapport sur l'efficacité du FIDA en matière de développement (RIDE) ou dans d'autres rapports. Le FIDA dispose d'un solide système d'autoévaluation, dont l'objectivité et la fiabilité sont démontrées par le très léger décalage entre les conclusions de l'autoévaluation et celles des évaluations.
32. La direction souligne la complexité de la mesure de la durabilité. Il s'agit d'un thème extrêmement vaste, en particulier lorsque l'on prend en compte les réalités dans lesquelles sont exécutés les projets du FIDA; la base de données de fait nécessaire pour ce thème doit être meilleure que les évaluations antérieures ou les analyses des publications. Avant de choisir la durabilité comme thème d'apprentissage, il conviendra de parvenir à un accord sur la portée et la méthodologie de l'examen.
- Un examen plus significatif de la durabilité pourrait être réalisé si IOE procédait à des évaluations ex post plusieurs années après l'achèvement des projets.
33. La direction apprécie les efforts accomplis par IOE pour donner une diffusion publique à l'ensemble de données du RARI (sous Excel), conformément aux engagements pris auprès du Comité de l'évaluation. La direction se félicite de l'intention exprimée par IOE de vérifier l'ensemble de données du RARI. IOE est instamment invité à actualiser plus fréquemment ces données, à la fois avec des évaluations plus récentes et des informations sur l'achèvement des projets et leur clôture financière. IOE devrait également coopérer avec la Division des technologies de l'information et des communications et avec PMD en vue d'inclure les données d'évaluations (notations) dans le système institutionnel relatif aux projets et programmes – le Système de projets d'investissement et de dons (GRIPS) – parallèlement aux données des RAP.

Annex 13 Respuesta de la dirección del FIDA al Informe anual sobre los resultados y el impacto de las actividades del FIDA evaluadas en 2013

A. Introducción

1. En este documento se presenta la respuesta de la dirección al Informe anual sobre los resultados y el impacto de las actividades del FIDA (ARRI) evaluadas en 2013, con arreglo a la decisión adoptada por la Junta Ejecutiva en septiembre de 2004, que se reitera en la Política de Evaluación del FIDA revisada (documento EB/2011/102/R.7/Rev.1, párrafo 54).
2. La dirección del FIDA agradece a la Oficina de Evaluación Independiente del FIDA (IOE) por haber compartido una vez más el borrador del ARRI para recabar sus observaciones y por haber tenido en cuenta muchas de las opiniones enunciadas al ultimar el ARRI.

B. Tendencias en los resultados

3. La dirección del FIDA se complace de que la IOE reconozca las claras mejoras que se han producido en los resultados del FIDA con respecto a las asociaciones, la sostenibilidad y el impacto en la pobreza rural desde el ARRI de 2002. El impacto en la pobreza rural es el indicador de evaluación con el que se determina la medida en que los proyectos del FIDA han tenido una influencia positiva en la vida de la población rural pobre. Estas conclusiones reflejan claramente los esfuerzos realizados por el FIDA para centrarse en los resultados.⁶⁹ La dirección está de acuerdo con la IOE en que la introducción de la supervisión directa y el establecimiento de oficinas en los países sin duda ha producido mejoras sustanciales en los resultados de los proyectos.
4. Por lo que respecta a los indicadores que se han mantenido prácticamente sin cambios desde 2002 (pertinencia, innovación y ampliación de escala, y género), la dirección

desea manifestar que, según el ARRI, los resultados relativos a la pertinencia han sido siempre elevados (92%) y los relativos al género han sido siempre buenos (cerca del 90%) en todo momento. En cuanto a la innovación y la ampliación de escala, la dirección toma nota de que, recientemente, se ha dado más importancia a la ampliación de escala durante el diseño y la ejecución de los programas y proyectos en los países.

5. La dirección comparte la preocupación de la IOE acerca de las malas calificaciones de la eficiencia (aspecto que se señaló también en los exámenes de los informes finales de los proyectos [IFP]). La dirección aprecia que en el ARRI se reconozca que los proyectos del FIDA atienden a las necesidades de los clientes y que a menudo se ejecutan en zonas remotas, lo que dificulta el logro de altos niveles de eficiencia. La eficiencia también se ve afectada por la tendencia de los gobiernos receptores a agregar actividades o componentes a un determinado proyecto de inversión. Sin embargo, como se expone en el ARRI, la dirección confía en que el Plan de acción consolidado del FIDA para mejorar la eficiencia operacional e institucional, aprobado por la Junta Ejecutiva en septiembre de 2013, ayudará a mejorar los resultados relativos a la eficiencia.
6. La dirección también está preocupada por el desempeño relativamente deficiente de los gobiernos, pero toma nota con agrado de la reciente tendencia positiva registrada en esta esfera. Gracias a la supervisión directa y la presencia en los países, el FIDA está en mejores condiciones para prestar apoyo a los gobiernos con mayor regularidad. En los últimos años, el FIDA ha puesto en marcha

69. El número de proyectos incluidos en cada uno de los promedios móviles trienales en los gráficos 1 y 2 es diferente y abarca proyectos que finalizan en 2014. La IOE quizá desee incluir una explicación de por qué hay más evaluaciones en el gráfico 2.

una serie de iniciativas de fomento de la capacidad destinadas a mejorar el desempeño de los gobiernos. La dirección observa que el indicador de la IOE incluye una evaluación de las políticas, instituciones, servicios e insumos, mientras que los datos de los IFP facilitan una calificación por separado para las instituciones y políticas que, por lo general, obtienen una calificación inferior a la del desempeño de los gobiernos. Dada su importancia, especialmente en los Estados frágiles, la IOE tal vez desee considerar la posibilidad de “separar”, en el futuro, las políticas e instituciones de las calificaciones relativas a los gobiernos.

7. Con respecto al medio ambiente y los recursos naturales, una esfera de impacto que desde siempre ha sido deficiente, la dirección pone de relieve la labor del FIDA para fortalecer los resultados en esta esfera. Desde el ARRI de 2009, se han creado la División de Medio Ambiente y Clima y el Fondo Fiduciario del Programa de Adaptación para la Agricultura en Pequeña Escala (ASAP) a fin de abordar las cuestiones relacionadas con la gestión de los recursos naturales y el cambio climático (nota a pie de página 38).
8. La dirección está de acuerdo con la IOE en que la presentación de los datos en grupos relacionados con los períodos de reposición ofrece un análisis más significativo de las tendencias. El número de proyectos en cada grupo que utiliza el promedio móvil trienal en función del año de terminación es sumamente variable. Unos datos de evaluación consistentes o inconsistentes en un año determinado pueden influir indebidamente en los datos durante un período de tres años. Además, el suministro de datos por períodos de reposición requeriría menos tiempo para el cálculo, por lo que la IOE podría llevar a cabo análisis estadísticos más sofisticados.

C. Evaluación de los programas en los países

9. La dirección está adoptando medidas para integrar mejor las actividades no crediticias en

los programas en los países. En las directrices para los programas sobre oportunidades estratégicas nacionales (COSOP), actualmente en fase de revisión, se destaca la importancia del diálogo sobre políticas, la gestión de los conocimientos y la creación de asociaciones. Hay que incluir objetivos realistas en relación con el diálogo sobre políticas, que sean específicos para los objetivos del programa en el país. La revisión de las directrices tiene por objeto prestar mayor atención a todos los aspectos del programa en el país, en particular a algunas de las cuestiones planteadas en el presente ARRI.

10. La cofinanciación depende en gran medida de las prioridades estratégicas de otros donantes y las políticas gubernamentales. Por ejemplo, en el caso de China (párrafo 72), al igual que en otros países, la relativa escasez de cofinanciación internacional se debe a una clara decisión estratégica del Gobierno de evitar proyectos cofinanciados por más de una institución financiera internacional.
11. La dirección concuerda con la evaluación de la IOE en que los limitados recursos administrativos destinados a la elaboración y ejecución de los COSOP son un factor restrictivo, pero señala que esta cuestión no está completamente bajo su control en un período de crecimiento presupuestario nulo. Con la revisión de las directrices se prepararán menos COSOP (su elaboración se basará en la cantidad de proyectos que componen la cartera actual o en la asignación prevista en el marco del sistema de asignación de recursos basado en los resultados), por lo que los escasos recursos disponibles podrán distribuirse entre un menor número de países. Si bien se reconoce que no se produce un informe final para todos los COSOP completados, en casi todos los países se llevan a cabo evaluaciones anuales de los COSOP.
12. Por lo que se refiere a la financiación de contrapartida en los países de ingresos medios, el ARRI sugiere que el FIDA adopte un enfoque más coherente respecto de la

movilización de los fondos de contrapartida de estos países. La dirección aclara que el enfoque adoptado es coherente, pero que no es posible utilizar el mismo método para todos los países de ingresos medios debido a su consabida diversidad.⁷⁰ Los países considerados de ingresos medios (sobre la base de la renta nacional bruta [RNB] per cápita) son heterogéneos: de los 91 países identificados como de ingresos medios altos o medios bajos por el Banco Mundial, el 22% también se consideran Estados frágiles. Un análisis de la cofinanciación (de los proyectos aprobados entre 2004 y 2013) muestra que las contribuciones nacionales (que incluyen al gobierno, los beneficiarios, el sector privado y las instituciones financieras) son más bajas en los países de ingresos bajos (el 22%), aumentan al 27% en los Estados frágiles (países de ingresos bajos y de ingresos medios) y al 36% en los países de ingresos medios bajos, y son más altas en los países de ingresos medios altos (el 47%). Es importante destacar que casi el 30% de los países de ingresos medios bajos recibe algún tipo de financiación con arreglo al marco de sostenibilidad de la deuda, lo que evidencia que estos países tienen graves limitaciones fiscales.

13. Según los datos de evaluación, el desempeño del FIDA se sitúa por debajo del objetivo establecido en el marco de medición de los resultados tanto para el diálogo nacional sobre políticas (párrafo 70) como para la creación de asociaciones (párrafo 73). Sin embargo, la dirección señala que, de acuerdo con la Junta Ejecutiva, ambos indicadores se miden por medio de la encuesta de clientes. Los objetivos establecidos para estos dos indicadores se superaron en la encuesta de clientes de 2014, donde el 97% y el 95% de los países se calificó de moderadamente satisfactorios, como mínimo, respectivamente.

D. Establecimiento de bases de referencia

14. La dirección observa con satisfacción que los resultados de los proyectos del FIDA son tan

buenos, o incluso mejores, que los de los evaluados en otros bancos multilaterales de desarrollo. La dirección valora el hecho de que la IOE haya reconocido que “las actividades del FIDA se llevan a cabo generalmente en contextos más difíciles” (párrafo 9).

E. Cuestiones transversales planteadas por las evaluaciones de 2013

15. La mayoría de las cuestiones transversales se han abordado en las observaciones formuladas anteriormente. Sin embargo, la dirección advierte sobre los riesgos de utilizar las conclusiones derivadas de una pequeña muestra de evaluaciones de programas en los países (EPP) para extrapolar cuestiones relativas a toda la cartera. Con respecto a los retrasos en la entrada en vigor, la dirección lleva varios años trabajando para resolver este problema. Para los proyectos que entraron en vigor entre 2011 y 2013, el período transcurrido entre la aprobación y la efectividad fue inferior a ocho meses en comparación con la media histórica de casi 12 meses. La región de África Oriental y Meridional está elaborando un conjunto de instrumentos para la puesta en marcha que ofrecerá orientaciones básicas a los equipos de los proyectos para que definan las actividades prioritarias durante los primeros 15 meses, y elaboren un plan para todo el período de ejecución del proyecto con objetivos cuantificables y plazos conexos.

F. Tema de aprendizaje

16. La dirección coincide con la IOE en que la buena gestión de los proyectos es importante para el logro de los resultados. Sin embargo, hay desacuerdos fundamentales sobre algunas de las conclusiones presentadas.
17. Como punto de partida, el ARRI analiza si las unidades de coordinación de proyectos/unidades de gestión de proyectos (UCP/UGP) están en plena consonancia con la Declaración de París sobre la Eficacia de la Ayuda al Desarrollo, pero lo hace de manera

70. El párrafo 82 contiene declaraciones contradictorias: en primer lugar, se sugiere que debería utilizarse la RNB per cápita para determinar la cuota de un país [financiación de contrapartida], y en la frase siguiente se señala que un enfoque para la movilización de financiación de contrapartida también tendría que tener en cuenta la heterogeneidad de los países (por ejemplo, en cuanto a su tamaño, la RNB per cápita, etc.).

- superficial y parece implicar que el FIDA, al respaldar UCP/UGP paralelas, ha hecho caso omiso de la Declaración de París. Las unidades de coordinación/gestión relacionadas con los proyectos del FIDA se establecen por decreto ministerial, lo que les otorga la condición jurídica necesaria para administrar los fondos del gobierno; por tanto, no puede considerarse que actúan en paralelo al gobierno. El ARRI resulta un poco contradictorio al respecto. En el párrafo 120 se afirma que el modelo de las disposiciones de gestión de los proyectos en el FIDA ha cambiado muy poco durante el período 1999-2011. Sin embargo, en el párrafo 130 se señala que ha habido una tendencia positiva a dejar de utilizar las UGP para la ejecución de los componentes de los proyectos y se ha recurrido cada vez más a proveedores de servicios, y se indica que, en efecto, las unidades de ejecución de los proyectos han sido reemplazadas por las UGP.
18. En un estudio realizado por la División de Asesoramiento Técnico y Políticas (PTA) se examinó el cumplimiento por parte del FIDA de la Declaración de París y se constató que el FIDA hace muy bien en utilizar los procesos gubernamentales. En general, los casos en que el FIDA no respetó totalmente el espíritu de la Declaración de París se debieron a una solicitud del gobierno para que en el proyecto del FIDA no se utilizaran los procesos estándar del sector público a fin de aumentar la eficacia y la rapidez de la ejecución.
19. Otra cuestión relativa a la gestión de los proyectos es la función que desempeña el FIDA en el suministro de orientación estratégica, por ejemplo mediante los comités directivos. Lamentablemente, el ARRI dedica solo dos párrafos a esta importante cuestión, que se basan en gran parte en el estudio de la PTA. En el ARRI se da a entender que el personal del FIDA forma parte de los comités directivos de los proyectos, pero esto no es así. Si bien los funcionarios del FIDA pueden asistir a las reuniones en calidad de especialistas, no está previsto que el personal del FIDA forme parte de los comités, según se estipula en los acuerdos jurídicos. La ejecución general de los proyectos se beneficiaría de una mejor orientación estratégica.⁷¹
20. La dirección está de acuerdo en que aumentar la utilización de procesos competitivos para contratar al personal encargado de la gestión de los proyectos es una medida oportuna, y anima a que se seleccione al personal sobre esta base. Sin embargo, la decisión de utilizar o no los procesos competitivos sigue siendo responsabilidad del gobierno. El FIDA procura influir en el proceso de selección recurriendo al procedimiento de no objeción y a los contratos basados en el desempeño para el personal de los proyectos.
21. La dirección conviene en que las disposiciones de gestión de los proyectos deben adaptarse al contexto del país y el proyecto. Estas disposiciones están determinadas en gran medida por el gobierno, sobre la base de los procesos y procedimientos nacionales. La dirección valora la observación del ARRI acerca de la falta de documentación detallada sobre las buenas prácticas de gestión de los proyectos.
- ### G. Mejoras metodológicas⁷²
22. La dirección del FIDA acoge favorablemente la revisión del manual de evaluación del FIDA, y espera con interés contribuir a su futura elaboración. Las nuevas directrices del FIDA para los IFP se armonizarán con el nuevo manual de evaluación para promover las posibilidades de comparación.
23. En la respuesta de la dirección del año pasado se cuestionó la inclusión de las evaluaciones de los proyectos que forman parte de las EPP. La dirección reitera su preocupación de que la inclusión de estas evaluaciones menos rigurosas haga que el conjunto de datos sea menos comparable y fiable. Asimismo, toma nota de que la IOE reconoce que la serie de datos generados por las evaluaciones de los resultados de los proyectos y validaciones de los IFP es limitada en cuanto al número y que,

71. Desde 2011, el desempeño de los comités directivos se incluye en los informes sobre la situación de los proyectos como parte de los criterios para calificar la gestión de los proyectos, lo cual, junto con la introducción de la supervisión directa, puede proporcionar una explicación más realista del empeoramiento de los resultados de los proyectos aprobados desde 2009, que se describe en el párrafo 116.

72. El conjunto de datos del ARRI utilizado en el presente documento se descargó el 1 de octubre de 2014.

por tanto, puede proporcionar datos poco fiables sobre las tendencias.

24. A la dirección le preocupa que algunos proyectos recién iniciados⁷³ hayan sido calificados como parte de una EPP y, si bien estas calificaciones pueden ser útiles para ayudar a dirigir los proyectos hacia mejores resultados, su valor en comparación con las evaluaciones de los proyectos finalizados o a punto de terminar es limitado. Por ejemplo, el Programa del Fondo para el Desarrollo de las Zonas Sahelianas en Malí fue parte de una EPP sobre la que se informó en 2006 y nuevamente en 2012. La calificación media de ese programa en 2012 fue de 4,13, mientras que en 2006 fue de 3,18. En cambio, el Proyecto de Microfinanciación y Apoyo Técnico en Bangladesh obtuvo una calificación promedio de 5,25 según las conclusiones de la EPP publicadas en 2005, pero en la evaluación de los resultados de los proyectos de 2011 recibió una calificación de 4,67. La calificación de la EPP se basó exclusivamente en las calificaciones de la pertinencia y el desempeño del FIDA. Además, la inclusión en el conjunto de datos del ARRI de proyectos que aún están en ejecución distorsiona los resultados de manera imprevisible.
25. La dirección recomienda que los proyectos que aún estén en ejecución se incluyan como parte de la EPP, pero que no se incorporen en el conjunto de datos del ARRI. Estas conclusiones no respaldan la opinión de la IOE (párrafo 52) de que los proyectos que se incluyan en una EPP no se sometan a la validación del IFP o a la evaluación de los resultados del proyecto; lo que contradice la afirmación del ARRI de que, una vez finalizado, el mismo proyecto se evalúe por separado en un momento dado mediante una validación del IFP o una evaluación de los resultados del proyecto específicas (o una evaluación del impacto) (párrafo 14). La dirección considera que sería útil realizar una de estas evaluaciones al término de los proyectos.

73. En el conjunto de datos se incluyen 20 proyectos en ejecución desde hace tres años como máximo, lo que representa algo más del 20% de todos los proyectos que han sido objeto de una EPP. El conjunto de datos del ARRI no incluye el año de evaluación. En esta cifra se asume que la fecha de evaluación fue un año antes de la fecha de elaboración del ARRI y, por lo tanto, podría resultar en un recuento a la baja del número de proyectos en ejecución desde hace tres años como máximo.

H. Conclusiones y recomendaciones

26. La dirección aprecia las recomendaciones formuladas en el ARRI de este año. Es preciso demostrar la neutralidad presupuestaria antes de que cualquier recomendación sea examinada por la dirección.
27. La dirección toma nota de la recomendación de la IOE de que se lleven a cabo exámenes finales de los COSOP. Sin embargo, sin un aumento del presupuesto administrativo, estos exámenes pueden realizarse solamente a expensas de otra actividad. El FIDA está elaborando nuevas directrices para los COSOP en las que la dirección estipulará que el material que debe abarcarse en los exámenes finales de los COSOP sea examinado en las EPP y las evaluaciones de los proyectos.
28. La dirección está de acuerdo con la IOE en que la gestión de los proyectos es importante. Sin embargo, en el capítulo 3 del ARRI, no se formularon recomendaciones específicas en relación con los proyectos.
29. La preparación de los presupuestos para las actividades en los países y de los proyectos es responsabilidad de las divisiones regionales. Los presupuestos limitados de los que disponen se asignan en función de los requisitos de los programas en los países. Normalmente, se asigna un presupuesto adicional a los proyectos problemáticos o las operaciones en los Estados frágiles. En el marco de las actividades de movilización de recursos, se han comenzado a establecer fondos fiduciarios temáticos específicos. La Oficina de Asociaciones y Movilización de Recursos ya está estudiando cuáles son las oportunidades disponibles para mejorar o incorporar esferas de interés mutuo, y no para complementar el propio presupuesto administrativo del FIDA, con miras a aumentar el impacto de los programas apoyados por el FIDA. Sin embargo, los fondos fiduciarios entrañan ciertos trámites burocráticos a la hora de movilizar y gestionar los recursos, y supervisar su utilización.

30. El FIDA ha realizado progresos notables en cuanto a la descentralización del personal. La Junta Ejecutiva ha aprobado el establecimiento de unas 50 oficinas en los países. Unos 85 funcionarios están trabajando en las oficinas del FIDA en los países, lo que equivale al 15%, aproximadamente, de todo el personal y a casi un tercio del personal del Departamento de Administración de Programas (PMD). Las decisiones sobre las oficinas regionales o subregionales se basarán en la auditoría de la oficina regional del FIDA en Nairobi y la situación presupuestaria.
31. La dirección no está de acuerdo con la recomendación de utilizar las calificaciones de evaluación en el Informe sobre la eficacia del FIDA en términos de desarrollo (RIDE) u otros informes. El FIDA cuenta con un sistema de autoevaluación sólido, cuya objetividad y fiabilidad quedan demostradas por la escasa divergencia que existe entre los resultados de la autoevaluación y las conclusiones de las evaluaciones.
32. La dirección subraya la complejidad que conlleva la medición de la sostenibilidad. Se trata de un tema muy amplio, sobre todo si se tienen en cuenta las realidades en las que los proyectos del FIDA se llevan a cabo, y que requiere una mejora de la base de datos empíricos con respecto a las evaluaciones anteriores o un examen de la bibliografía disponible. Antes de elegir la sostenibilidad como tema de aprendizaje, debería llegarse a un acuerdo sobre el alcance y la metodología del examen. Se podría realizar un examen más significativo de la sostenibilidad si la IOE efectuara evaluaciones ex post varios años después de la terminación de los proyectos.
33. La dirección agradece el empeño de la IOE por hacer público el conjunto de datos del ARRI (en formato Excel), de conformidad con los compromisos contraídos con el Comité de Evaluación. También acoge con agrado la intención de la IOE de verificar el conjunto de datos del ARRI. Se insta a la IOE a que actualice los datos con mayor frecuencia, con evaluaciones más recientes y con información sobre la terminación y el cierre financiero de los proyectos. La IOE también debería trabajar con la División de Tecnología de la Información y las Comunicaciones y el PMD para incluir los datos de evaluación (calificaciones) en el sistema institucional sobre proyectos y programas, es decir, el sistema de proyectos de inversión y donaciones (GRIPS), junto con los datos de los IFP.

Abbreviations and acronyms

AfDB	African Development Bank
ARRI	Annual Report on Results and Impact of IFAD Operations
ADB	Asian Development Bank
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
IEE	Independent External Evaluation
IFI	international financial institution
ICO	IFAD country office
IOE	Independent Office of Evaluation of IFAD
LDCs	least developed countries
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 Management Framework

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International Fund for Agricultural Development


Via Paolo di Dono, 44 - 00142 Rome, Italy


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

E-mail: evaluation@ifad.org

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