



2023 ARIE

IOE



Investing in rural people

Independent Office of Evaluation

2023 ANNUAL REPORT ON THE INDEPENDENT EVALUATION OF IFAD

2023 ARIE



2023 ANNUAL REPORT ON THE INDEPENDENT EVALUATION OF IFAD

© 2023 by the International Fund for Agricultural Development (IFAD)

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

Due to rounding, some totals in the figures, graphs and tables presented in this report may not correspond with the sum of the separate numbers.

All rights reserved.

ISBN 978-92-9266-349-0

November 2023

Graphic design: WOERDESIGN

CONTENTS

Contents	3	3 Thematic perspectives from recent IOE project performance evaluations and country strategy and programme evaluations	43
Acknowledgements	4	Rural enterprise development	44
Abbreviations and acronyms	5	Rural extension and advisory services	49
Foreword	6	4 Institutional efficiency	55
Overview	9	Trends in efficiency ratios at the corporate level	55
Introduction	9	5 Key findings	61
Findings on project portfolio performance (2019-2021)	10	Project performance and non-lending activities	61
Project performance trend analysis (2012-2021)	11	Thematic perspectives: rural enterprise development and extension services	62
Performance of non-lending activities (2013-2022)	14	Institutional efficiency	62
Rural enterprise development and rural extension and advisory services – perspectives from recent evaluations	15		
Institutional efficiency	17		
Key insights emerging from this ARIE	18		
1 Background	21	Annexes	
Introduction	21	I Definition of the evaluation criteria used by IOE	65
Coverage and approach	22	II Trend analysis – ARIE approach	67
2 Analysis of performance of projects and non-lending activities	25	III Evaluations completed by IOE in 2022	69
Scope and methodology	25	IV List of country strategy and programme evaluations completed by IOE (1992-2022)	74
Recent project performance (completed during 2019-2021)	25	V List of all projects covered in the quantitative analysis on performance ratings. Projects completed in 2012-2021 (N=288)	76
Comparison of performance across regions	26	VI Analysis of project performance	89
Trend analysis of project performance (2012-2021)	28	VII Evaluations for chapter 3	97
Comparison of the performance ratings of IOE and PCRs and PCR quality assessment	36	VIII Rural enterprise development – definitions and concepts	102
Analysis of performance ratings of non-lending activities (2013-2022)	39	IX Relevant project and country evaluation findings – synopses	103
		X IOE activities and products	114
		XI Theory of change: Rural enterprises – impact pathways and key interventions	121
		XII Response of IFAD Management to the 2023 Annual Report on the Independent Evaluation of IFAD	123

ACKNOWLEDGEMENTS

The 2023 Annual Report on the Independent Evaluation of IFAD (ARIE) was prepared by the Independent Office of Evaluation of IFAD (IOE) under the overall guidance of Indran Naidoo, Director, and close supervision of Fabrizio Felloni, Deputy Director. Suppiramaniam Nanthikesan, Lead Evaluation Officer, led content coordination and the preparation of the overview, as well as chapters I and IV. Fumiko Nakai led the development of chapter II in collaboration with Rati Shubladze, consultant. Fundamental contributions to chapter III were made by: Max Kodjo, Johanna Pennarz, Lead Evaluation Officers; Raymond Mubayiwa, Evaluation Officer; and Detlev Puetz, Senior Consultant. Alexander Voccia, Evaluation

Communication Officer, contributed to the annexes. Laure Vidaud, Associate to the Deputy Director, led the preparation of document layout. Gresia Bernardini Marino, Norah De Falco, Sarah Pasetto, Shaun Ryan and Alexander Voccia of IOE's Evaluation Communication Unit provided oversight of the editorial and communication aspects of the evaluation.

IOE would like to thank IFAD Management and staff for their overall support and valuable comments on the draft report, which have been duly considered in the final report, in line with the Revised IFAD Evaluation Policy.

ABBREVIATIONS AND ACRONYMS

APR	Asia and the Pacific Division (IFAD)
ARRI	Annual Report on Results and Impact of IFAD Operations
ARIE	Annual Report on the Independent Evaluation of IFAD
CCA	climate change adaptation
CD	country director
CLE	corporate-level evaluation
COSOP	country strategic opportunities programme
CSPE	country strategy and programme evaluation
ECG	Evaluation Cooperation Group
ENRM	environment and natural resources management
ESA	East and Southern Africa Division (IFAD)
FO	farmers' organization
GEI	Global Evaluation Initiative
GEWE	gender equality and women's empowerment
IE	impact evaluation
IFI	international financial institution
IOE	Independent Office of Evaluation of IFAD
LAC	Latin America and the Caribbean Division (IFAD)
M&E	monitoring and evaluation
NEN	Near East, North Africa and Europe Division (IFAD)
NLA	non-lending activities
PCE	project cluster evaluation
PCR	project completion report
PCRV	project completion report validation
PMD	Programme Management Department (IFAD)
PoLG	programme of loans and grants
PoW	programme of work
PPE	project performance evaluation
SME	small and medium-sized enterprises
UNEG	United Nations Evaluation Group
WCA	West and Central Africa Division (IFAD)

FOREWORD

The ARIE aims to present to the IFAD governing bodies and to IFAD Management a more comprehensive account of the evaluation activities undertaken by IOE, including evaluations that are not discussed with the Evaluation Committee. In addition, it also aims to further contribute to learning by extracting findings and lessons from the evaluations on selected themes.

The ARIE 2023 analysed the performance ratings from 288 project level evaluations and 45 country strategy and programme evaluations. This ARIE continues and expands work of ARIE 2022 that compared the project performance under conditions of fragility and conflict with those without. It also draws from the findings of corporate level and thematic evaluations as well as the new IOE product, project cluster evaluations.

Many of the past observations continue to hold true. For instance, the recent performance varies across the evaluation criteria, with relevance and ENRM/CCA continuing to be the areas of higher performing, while efficiency the worst performing area. The trends in performance showed a few observations that merit management scrutiny. For example, the effectiveness and rural poverty impact performance declined considerably since 2018. The performance declines were much sharper in projects under conditions of fragility in selected areas, such as effectiveness and efficiency.

The report analyses the evaluative evidence pertaining to the three thematic areas: rural enterprise development, rural extension and advisory services, and institutional efficiency of IFAD. These themes were selected based on their relevance to strengthening the organizational and development performance of IFAD. For instance, the rural enterprise development is one of the three strategic objectives of IFAD's Strategic Framework 2016-2025.

The report summarizes the useful lessons emerging from these analyses. For instance, the report notes that a number of institutional efficiency measures show improving performance. However, these efficiency gains were accompanied by under-investment in country programme delivery at a time when project sizes and complexity were increasing. The report points out to the need for IFAD to track any longer-term impact of these past under-investment practices and manage the attending risks.

IOE hopes that the issues flagged in ARIE 2023 will stimulate further analysis and discussion and strengthen the culture of learning and accountability in IFAD.



Indran A. Naidoo, PhD

DIRECTOR
Independent Office of Evaluation of IFAD



Fishermen, members of Sri Thilainayaki Amman Thermicol Menavar Munnetra Sangam, go fishing at Thathanenthal village of Ramanathapuram District, Tamilnadu, India.

©IFAD/Dhiraj Singh

OVERVIEW

Introduction

1. The Annual Report on the Independent Evaluation of IFAD (ARIE)¹ is celebrating its 21st consecutive year of publication in 2023. As the Multi-Year Evaluation Strategy of the Independent Office of Evaluation of IFAD (2022–2027) states,² the purposes of the ARIE are to: (i) present a more comprehensive account of the evaluation activities undertaken by the Independent Office of Evaluation of IFAD (IOE) to IFAD’s governing bodies, including evaluations that are not discussed with the Evaluation Committee; and (ii) further contribute to learning by extracting findings and lessons from evaluations. In so doing, the ARIE aims to promote an evaluation culture within IFAD, in line with the 2021 Revised IFAD Evaluation Policy, and emphasize learning and collaboration.
2. The ARIE is based on the independent evaluations conducted by IOE. It presents and analyses time series of ratings to assess performance trends as part of its accountability function. It also synthesizes the findings of independent evaluations in selected thematic topics which are central to IFAD’s mandate to initiate learning and trigger follow-up discussions and further analysis.
3. This ARIE includes a trend analysis of performance ratings for projects completed between 2012 and 2021. Continuing the exploration of the 2022 ARIE, this also includes the performance of IFAD-supported operations under conditions of fragility. The disconnect between the ratings of IOE evaluations and project completion reports (PCRs) is also examined. The analysis also includes trends in the performance of non-lending activities, drawing from country strategy and programme evaluations (CSPEs).
4. The 2023 ARIE explores selected thematic perspectives that include the two thematic areas that have drawn IFAD’s most focused attention over the past two decades – namely, rural enterprise development and agricultural extension services. It provides a synthesis of key findings from selected projectlevel evaluations (including a project cluster evaluation) and CSPEs conducted since 2019. The third thematic perspective involves IFAD’s institutional efficiency, which draws on the corporate-level evaluation of IFAD’s decentralization experience in 2023. The report concludes by presenting a summary of the key findings.

¹ Until the 2021 edition, the title of the report was “Annual Report on Results and Impact of IFAD Operations (ARRI)”. On the 20th anniversary in 2022, the title was changed to “Annual Report on the Independent Evaluation of IFAD (ARIE)”, reflecting upgraded contents and a broader scope.

² <https://webapps.ifad.org/members/eb/134/docs/EB-2021-134-R-36.pdf>.

5. Details such as the definition of evaluation criteria, list of evaluations analysed, IOE products and additional details about the performance analysis are presented in the annexes to the report.
6. The findings of this ARIE are based on all 288 project-level evaluations conducted on projects completed during the period 2012-2021, all 45 CSPEs conducted during 2013-2022 and the 2023 corporate-level evaluation of IFAD's decentralization experience. Given the lengthy project life cycle in IFAD, which could span 10 years, present performance is unlikely to capture the full impact of ongoing major reforms such as Decentralization 2.0 or of external shocks such as the COVID-19 pandemic. That will be feasible once the projects most exposed to the change are fully completed and evaluated.

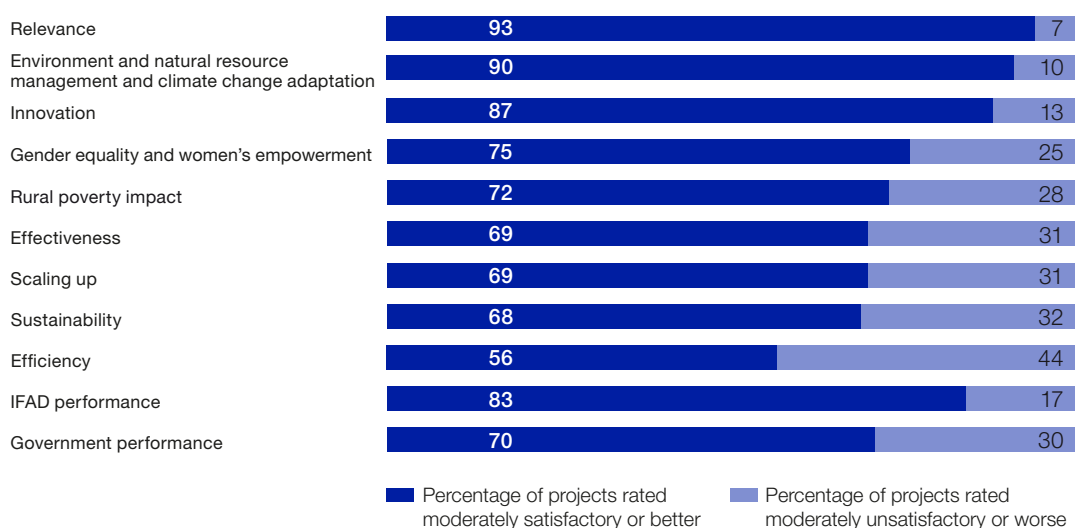
³ Based on the average rating of all criteria except partners' performance (nine criteria).

Findings on project portfolio performance (2019-2021)

7. This analysis is based on the evaluation findings of 71 projects completed during this three-year period.
8. **The majority of the projects were performing well (rated moderately satisfactory and above) for all criteria (chart 1).** The efficiency criterion had the smallest share of projects performing well (56 per cent), while relevance (93 per cent), environment and natural resource management and climate change adaptation (ENRM and CCA) (90 per cent) and innovation (87 per cent) had a much larger share. The average of the overall project achievement ratings³ for the 71 evaluated projects completed during 2019-2021 was moderately satisfactory (4).

Chart 1 **Ranking of all criteria by share of projects with moderately satisfactory or better ratings (N=71)**

Percentage of well-performing projects (completed during 2019-2021)



Source: IOE evaluation database (project completion report validations [PCRVs]/project performance evaluations [PPEs]/impact evaluations [IEs]), March 2023.

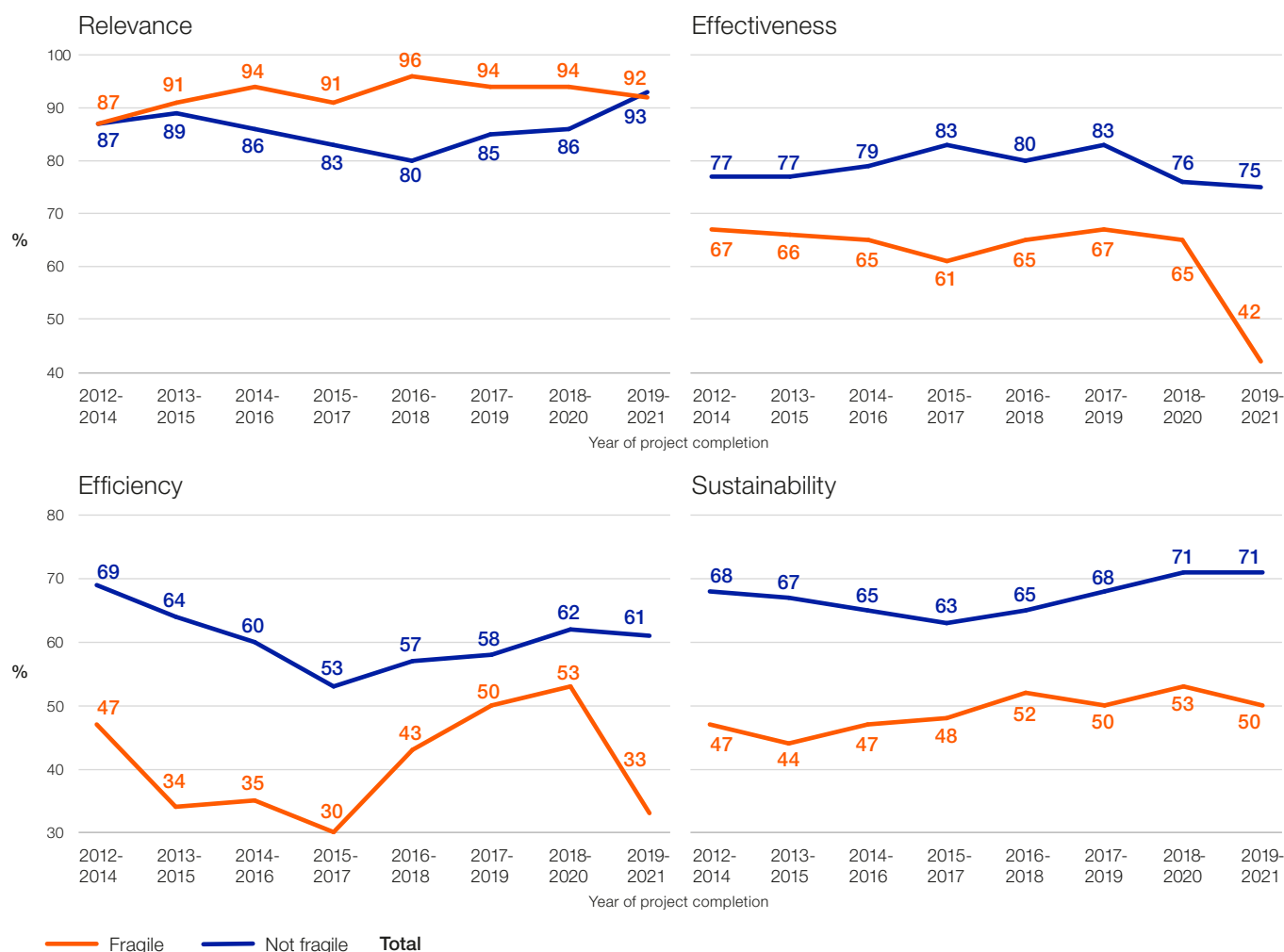
Project performance trend analysis (2012-2021)

9. **The majority of projects were performing at moderately satisfactory or better ratings across all evaluation criteria.** However, the share of projects receiving a highly satisfactory rating was very small. For instance, none of the 288 projects completed during 2012-2021 was rated highly satisfactory in rural poverty impact, effectiveness and sustainability and 13 projects received this highest rating for relevance.
10. **Project effectiveness and rural poverty impact experienced a decline in recent periods.** The share of effective projects fell from 83 per cent during 2017-2019 to 75 per cent during 2019-2021, the lowest level in the past 10 years. For rural poverty impact, the share of well-performing projects fell from 89 per cent during 2012-2014 to 79 per cent during 2015-2017, plateaued and again fell, beginning in 2017-2019, ending at 72 per cent during 2019-2021.
11. The corporate-level evaluation of IFAD's decentralization experience 2023 identified some of the possible factors contributing to this decline. The shrinking budget for country programme delivery (supporting the design and implementation/supervision of IFAD operations) both in absolute terms and as a share of IFAD's total administrative budget since 2017 was one of them. This was compounded by concurrent reforms such as the reassignment exercise that disrupted country operation cycles and the introduction of the new human resources policy to support decentralization, which effectively lowered the grade-mix of country directors. These factors affected the quality of IFAD support for design and implementation. The pandemic-related challenges to the implementation of projects since 2020 compounded the complications of achieving the expected outcomes. However,
12. **Performance in ENRM and CCA provides the only clear instance of continued improvement over the past 10 years.** The share of well-performing projects in this area improved from 71 per cent during 2011-2013 to 90 per cent during 2019-2021. This performance may be attributed to IFAD'S sustained efforts over the course of a decade to make responding to climate change a corporate priority and to commit both financial and human resources and provide the necessary guidance to strengthen the integration of climate and environmental considerations in all its interventions.
13. **In general, projects in non-fragile contexts unambiguously outperformed those in fragile contexts in effectiveness, efficiency and sustainability of benefits.** This analysis compared the performance of the 73 projects that operated under conditions of fragility and the 215 completed projects during the period that did not. The projects were categorized as fragile if they operated in countries on the World Bank's annual list of countries with fragile and conflict-affected situations for more than half of the project life cycle (from approval to completion stages). As chart 2 shows, projects in non-fragile contexts outperformed those in fragile contexts in effectiveness, efficiency and sustainability of benefits. However, performance in relevance was more mixed, with projects in fragile situations appearing to be matching or outperforming non-fragile contexts in all but the most recent period (2019-2021), where the non-fragile context group gained a slight advantage (93 per cent versus 92 per cent of the fragility group). The share of well-performing projects in effectiveness, efficiency and sustainability was considerably larger for projects in the non-fragile group throughout the period 2012-2021.

since the analysis was restricted to projects completed in 2020 and 2021, the impact is more likely to be discernable in future ARIEs.

Chart 2 **Comparison of project performance in countries with and without conditions of fragility**

Percentage of well-performing projects (completed during 2012-2021)



Source: IOE analysis based on evaluation database (PCR/PPE/IE), March 2023.

14. In terms of trend variations across regions, **the 10-year average of project performance ratings shows the Asia and the Pacific Region has the largest share of projects performing well and West and Central Africa has the smallest share in all criteria.** Table 1 presents regional comparisons of performance in rural poverty impact, IFAD performance, government performance and overall project achievement. In reviewing this table, care should be taken not to interpret the mean performance ratings of all projects in a region

as indicative of the performance of IFAD's regional division. Factors beyond the control of any IFAD country presence – for instance, the political, institutional and development context in which projects operate and the implementation capacity and ownership of projects by government counterparts – heavily influence project performance.

Table 1 **Regional performance in selected criteria**

Projects completed during 2012-2021, N=288

	Asia and the Pacific	Latin America and the Caribbean	East and Southern Africa	Near East, North Africa and Europe	West and Central Africa	Total
Number of projects	70	45	54	54	65	288
Rural poverty impact						
Percentage of projects rated moderately satisfactory or better	87	77	85	81	69	80
Percentage of projects rated satisfactory or better	29	34	19	26	20	25
Overall project achievement						
Average	4.16	4.03	3.98	4.05	3.82	4.01
IFAD performance						
Percentage of projects rated moderately satisfactory or better	90	93	83	87	75	85
Percentage of projects rated satisfactory or better	36	56	39	37	28	38
Government performance						
Percentage of projects rated moderately satisfactory or better	83	78	61	72	51	69
Percentage of projects rated satisfactory or better	40	31	20	20	11	25

Source: IOE evaluation database (PCRVs/PPEs/IEs), March 2023.

15. **The disconnect between the ratings of PCRs and IOE evaluations were found to be statistically significant** across all criteria and reveal varying trends. **In two criteria (effectiveness and rural poverty impact) the disconnect is growing.** Table 2 summarizes the trends in the ratings disconnect.

Table 2 Summary information on the disconnect between IOE and PCR ratings

Characteristic	Criteria
Largest disconnect	Relevance (-0.51) and scaling up (-0.45)
Smallest disconnect	ENRM/CCA (-0.18) and innovation (-0.18)
Disconnect narrowing	Relevance, scaling up
Disconnect narrowed and remained steady	ENRM/CCA, innovation
Disconnect narrowed initially but continues to expand	Effectiveness, rural poverty impact

Source: IOE analysis.

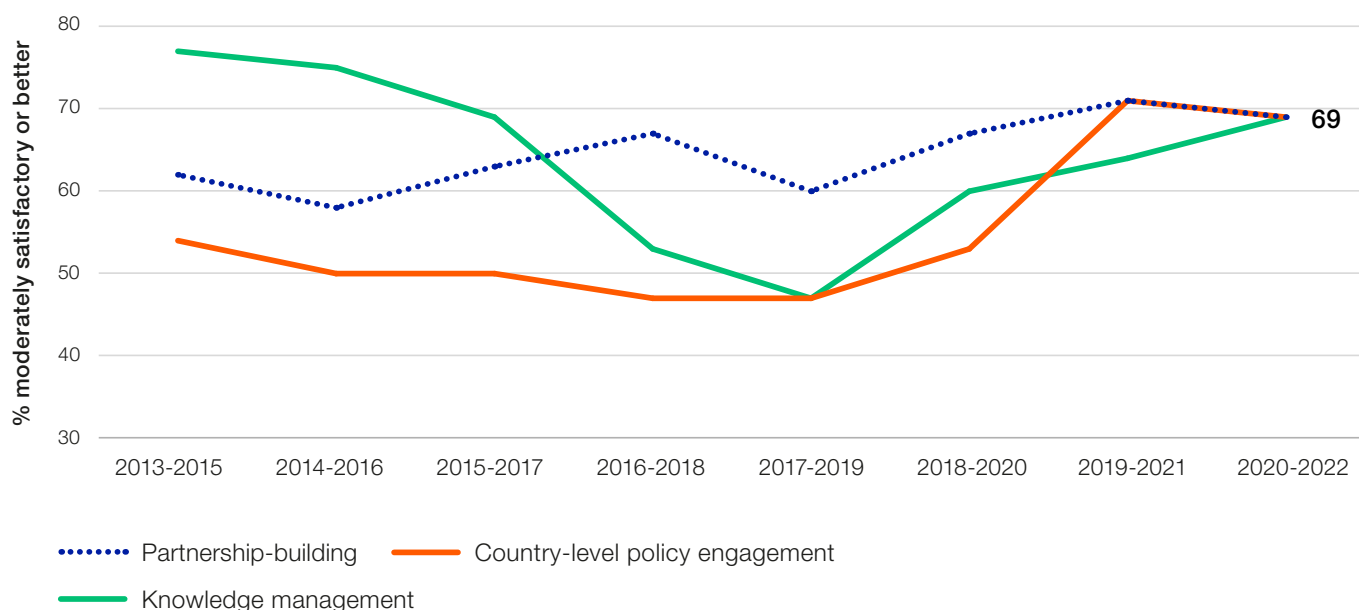
Performance of non-lending activities (2013-2022)

16. **Non-lending activities have improved since 2018.** This assessment of the performance of non-lending activities (partnership-building, knowledge management, country-level policy engagement) drew from all 45 CSPEs conducted during the period. Chart 3 presents the percentage of CSPEs that were given moderately satisfactory or better ratings (4, 5, 6) for non-lending activities. It shows substantial improvement in country-level policy engagement and knowledge management since 2017-2019. A more modest improvement was observed for partnership-building, which improved from 60 per cent in 2018. Despite

these strides, there is considerable room for improvement. A recent IOE thematic evaluation of IFAD support to smallholder farmers' adaptation to climate change and the 2023 corporate-level evaluation (CLE) on decentralization have called for more corporate prioritization of non-lending activities. This could be achieved by ensuring that project and country strategic opportunities programme designs include concrete, results-based strategies to strengthen non-lending activities, operationalizing this strategy from the outset and finding the resources and means to invest more financial and human resources to strengthen them.

Chart 3 Performance of non-lending activities

Percentage of country evaluations rating non-lending activities moderately satisfactory or better (2013-2022)



Source: IOE CSPE database as of March 2023 (45 evaluations conducted between 2013 and 2022).

Rural enterprise development and rural extension and advisory services – perspectives from recent evaluations

- 17. The IFAD Strategic Framework 2016-2025 focused explicitly on diversified rural enterprise and employment opportunities to increase rural people’s benefits from market participation (strategic objective 2).
- 18. While extension and advisory services were only briefly mentioned in the 2016-2025 framework, they were implicitly covered under the focus areas of access to agricultural technologies and production services, environmental sustainability and rural producer organizations. Several PPEs conducted by IOE show the importance of extension and advisory services to reduce rural poverty and improve food security. Hence, ARIE chose these thematic areas to identify lessons emerging from recent evaluations.

19. Evaluative evidence for the two analyses was drawn from 24 recent IOE PPEs and CSPEs (completed between 2019 and 2022) and the 2023 IOE project cluster evaluation on enterprise development.

Rural enterprise development

- 20. The evaluations reported positive overall achievements in enterprise development in 11 countries while results were mixed in 12 countries. Closer scrutiny led to the following findings.
- 21. **Rural enterprises were successful when they had well-defined target groups, intervention strategies and financial and non-financial instruments that were aligned with beneficiary enterprise needs and capacities.** There was considerable progress in addressing the unmet needs of target groups in education, managerial capacities, financial liquidity and securing

collateral. However, areas for improvement remain. For instance, gender assessments and complementary support activities were not adequately integrated into project design in seven countries. In terms of intervention strategies, effective enterprise development in rural areas was often linked to improved agricultural value chains, market opportunities and a clear analysis of opportunities and risks for enterprises. This in turn pointed to the vital need for value chain analyses to identify the entry points to support profitable enterprise opportunities that focused on pro-poor, gender and youth-sensitive analysis. For the most part, rural financial institutions offered lending products with low appetite for risk. Partner financial institutions were not always geared to developing financial products tailored to the needs of target groups and enterprises.

22. **Focusing on a specific theme, such as finance or a single value chain, contributed to effective enterprise support.** This focus also facilitated testing the enterprise development strategy to adaptively improve it.

23. The review of the evaluations identified the following as key factors to consider in future:

- **Ensure that a focused, integrated and differentiated approach for enterprise development is in place.** Such an approach would include all critical financial, non-financial and enabling instruments for enterprise development that depend on context and needs. It would require clear formulation of enterprise development objectives (e.g. higher incomes and diversification, job creation and wage employment, entrepreneurial capacity and business development) to determine the priority entry points for support. It would also differentiate support by enterprise type and existing capacities.

- **Leverage the long-standing institutional knowledge of the range of rural enterprises during project design and implementation to maximize the impact of interventions.** Ensure that this effort informs the planning, targeting and coordination of the assistance provided to rural enterprises to address their specific needs.
- **Take steps to alleviate institutional and regulatory constraints.** Provide more proactive and innovative support to rural financial institutions to enable them to finance the enterprises of IFAD's target group. Give close focus to the sustainable business advisory services of public, semi-public and other service providers. Improve regulatory frameworks to better benefit producer organizations.

Extension and advisory services

24. IFAD supported rural extension and other advisory services through a range of public, social and commercial actors. These include natural resource management advice, provided through the National Agricultural Research Organization, and project-based extension providers (Uganda); agricultural inputs and services (seeds, mechanization, spraying and finance) provided through multidisciplinary extension service providers (Sudan); decentralized extension and advisory services provided to local governments (Nepal); and advice to farmers and grassroots organizations to develop agricultural technology through Food and Agriculture Organization of the United Nations-initiated farmer field schools (Burkina Faso, Madagascar and Niger). Synthesis of the evaluations studied led to the following findings.

25. **Extension services would have benefited from government reforms to facilitate a more pluralistic outreach and advisory**

- system**, in line with IFAD's current extension vision and objectives. Such an approach would have contributed to the well-coordinated and sustainable delivery of extension services by governments while allowing for the inclusion of other actors (e.g. research, producer organizations, NGOs, paid service providers, agro-input dealers, market aggregators and rural finance institutions).
26. Several countries have introduced innovative approaches and different extension service models, including farmer field schools, community-based teams and social media information, thus demonstrating a commitment to exploring new methods and technologies to improve the effectiveness and inclusiveness of extension. However, these activities were not sufficiently monitored and researched to assess their relative performance and effectiveness in changing farmers' behaviours and understanding their impact on inclusiveness.
 27. **IFAD-supported public extension systems often remained poorly resourced, understaffed for delivery and institutionally weak for sustainable services and scaling up.** In general, extension services did not adequately address the challenges of reaching the most marginalized groups.
 28. Community-driven approaches, complemented with support to strengthen the capacities of farmer and producer organizations, as well as facilitators, and training of trainers have led to demand-driven, inclusive extension services.
 29. Integrated approaches to extension advisory services proved effective when they included the integration of agricultural production and natural resource management, the resolution of conflicts among resource-poor farmers and nonagricultural marketing and also promoted strong linkages between extension and research.
 30. Going forward, extension and advisory services should:
 - **Empower IFAD target groups with more demand-driven, communitybased, integrated approaches to extension and advisory services.** To achieve this, IFAD should focus more on community-based facilitation and participatory farmer involvement, including women extension agents, and ensure better linkages between natural resource management, agriculture, marketing and research in extension and advisory services.
 - **Strengthen the capacities of public actors to facilitate more pluralistic, sustainable extension and advisory systems.** This would include coordinated delivery of services to support value chains and manage the system as a public good; research on alternative extension models, such as farmer field schools, lead farmer systems and last-mile delivery support; the identification and testing of different cost-recovery models; and the adoption of supportive policies and regulations. Such efforts should consider the political and economic implications for effective extension reforms.
 31. **The three standard efficiency ratios that IFAD presents to the Board in its annual budget documents (total administrative budget/programme of loans and grants (PoLG), total administrative budget/programme of work (PoW), value of portfolio/total administrative budget) offer limited insights into how resources are managed corporately.** The two indicators using PoLG and PoW do not offer relevant insights into efficiency due to their wide variations, and the third indicator did not show statistically significant variation over the

Institutional efficiency

past 10 years, thus failing to capture the impact of the fundamental organizational changes that took place over this period. To address these limitations, IOE developed additional institutional efficiency indicators in line with the practices of other international financial institutions.

32. **Most of these additional indicators showed recent gains in IFAD's institutional efficiency.** It is important to recognize that institutional efficiency gains may adversely impact IFAD's development effectiveness if adequate resources are not allocated to support operational delivery. In fact, the resources allocated to country programme delivery as a share of total administrative budget steadily declined during 2017-2022. This decline in resources was accompanied by organizational reforms that pushed for larger projects to enhance efficiency and mandated the mainstreaming of priority cross-cutting themes in all projects, which also rendered them more complex.
33. As noted, **the recent decline in performance in the effectiveness and rural poverty impact of IFAD operations warrants closer scrutiny of the longterm implications of this steady reduction in the resources allocated to IFAD's core client services** during 2017-2022. This reduction was accompanied by far-reaching organizational reforms that may have adversely affected the fit-for-purpose nature of IFAD's presence in client countries.
34. The majority of the projects completed recently (during 2019-2021) were moderately satisfactory or better. Efficiency continued to be the lowest-performing area, while relevance, ENRM and CCA, and innovation were once again the top performers (as in the 2022 ARIE). The projects analysed for this report have had an exposure of 22 months or less to recent global shocks, such as the COVID-19 pandemic, and no exposure to the war in Ukraine. Thus, it is unlikely that these were major explanatory factors for the findings of this report.
35. The performance in rural poverty impact and effectiveness has continued to decline since 2018 (periods 2017-2019, 2018-2020, 2019-2021). The decline in effectiveness performance was more noticeable, particularly under conditions of fragility and conflict, where the share of well-performing projects fell from 67 per cent to 42 per cent during this period. This calls for further analysis of the longerterm consequences of the steady decline in the share of administrative budget allocated to country programme delivery during 2017-2022. Moreover, the assessment of how fit-for-purpose IFAD Country Offices were to deliver on their mandate following the accelerated decentralization efforts and reassignment exercises undertaken since 2017 needs closer scrutiny.
36. The performance of non-lending activities has improved since 2018, particularly in knowledge management and policy engagement, yet there is considerable room for improvement.

Key insights emerging from this ARIE

37. Enterprise development was highly relevant to rural poverty alleviation. Rural enterprises were successful when they were well-planned and implemented to reach target groups, their intervention strategies and financial and nonfinancial instruments were aligned with beneficiary enterprise needs and capabilities, they were linked with agricultural value chains and market opportunities, and they were equipped with clear analysis of opportunities and risks for enterprises.
38. Common challenges to performance included: treating enterprise development as an ancillary object of rural finance, value chain or social development projects; insufficiently accounting for the contextual and other constraints facing enterprise development; financial services characterized by low risk appetite and lending products ill-suited to target groups; and inadequate leveraging of the expertise of relevant ministries linked to enterprise development, agricultural commercialization and trade promotion.
39. Overall, instances of the institutional impact of enterprise development efforts were observed in terms of the business or incubation centres and financial institutions supported. However, their sustainability proved a challenge. More proactive and innovative support is needed to provide sustainable business advisory services that target IFAD's beneficiary groups.
40. Effective extension advisory services were found to integrate agricultural production, natural resource management, the resolution of conflicts among the competing interests of resource-poor farmers, the promotion of non-agricultural marketing and the development of strong linkages between extension and research. Innovative approaches to extension services delivery demonstrated both commitment and the potential for increasing the effectiveness and inclusiveness of these services.
41. Extension systems in many countries were often inadequately financed and resourced. This has resulted in few successful examples of lasting, alternative and innovative extension and advisory services models. Support to extension services would have benefited from components to strengthen government reforms to facilitate a more pluralistic extension and advisory system, in line with IFAD's current extension vision and objectives.



Members of the Inter-Village Development Association walk through an area where they have carried out mangrove reforestation activities in Dassilamé Sérère, Senegal.

©IFAD/Ibrahima Kebe Diallo

1

BACKGROUND

Introduction

42. In presenting an overview of the performance of IFAD-supported operations, based on independent evaluations, the Annual Report on the Independent Evaluation of IFAD (ARIE) remains key to ensuring accountability for results. In addition, the ARIE seeks to promote self-reflection, learning and course adjustment within IFAD by offering an analysis of the diverse evaluative evidence.

43. **Evolving structure of the report.** The ARIE,⁴ the annual report of the Independent Office of Evaluation of IFAD (IOE), celebrates its 21st consecutive year of publication in 2023. The ARIE has codified the available evaluative evidence, lessons and challenges by using robust and credible methodology, and has established indicators to provide a clear and consistent lens for tracking IFAD's performance. As stated in the IOE Multi-Year Evaluation Strategy 2022-2027,⁵ the purposes of the ARIE are to: (i) present to the IFAD governing bodies a more comprehensive account of the evaluation activities undertaken by IOE, including evaluations that are not discussed with the Evaluation Committee; (ii) further contribute to learning by extracting findings and lessons from evaluations. In doing so, ARIE aims to promote an evaluation culture within IFAD in line with the 2021 Evaluation Policy and emphasize learning and collaboration.

44. The ARIE draws on the traditional approach of IOE's ARRI (Annual Report on Results and Impact of IFAD Operations) of comparing findings across evaluations and presenting and analysing time series of ratings to identify performance trends. The ARIE also draws from the practices of evaluation offices of other international financial institutions in preparing an annual report that highlights major evaluations undertaken and their findings. The ARIE synthesizes and expands on existing evaluations as part of creating a performance narrative of IFAD, which emphasizes the organization's mandate and assesses how it conducts this work globally.

45. Accordingly, the ARIE will: (i) consolidate findings on IFAD-supported operations based on the evaluations conducted by IOE; (ii) highlight evaluation findings on key themes and issues around agriculture and the rural development topics central to IFAD's mandate. The structure and content of the ARIE may vary annually, except for a section on the analysis of the ratings, which will be a constant feature.

46. This ARIE report comprises five chapters, each offering an analysis and findings of different IOE evaluation products. Chapter 1 provides background information on the objectives, scope, approach and the structure of the report. Chapter 2 presents an appraisal of project performance, as well as non-

⁴ Until the 2021 edition, the report was titled "Annual Report on Results and Impact of IFAD Operations (ARRI)". On the occasion of the 20th anniversary in 2022, the title was renamed as the "Annual Report on the Independent Evaluation of IFAD (ARIE)", reflecting its upgraded contents and a broader scope.

⁵ <https://webapps.ifad.org/members/eb/134/docs/EB-2021-134-R-36.pdf>

lending activities including a trend analysis of performance ratings for the projects completed between 2012 and 2021. This chapter also offers an analysis of the performance of IFAD-supported operations under conditions of fragility which continues the exploration of 2022 ARIE. The disconnect between the ratings of IOE evaluations and the project completion reports (PCRs) is also assessed. Finally, this chapter examines the trend analysis of the performance of non-lending activities, based on country strategy and programme evaluations (CSPEs).

47. The 2023 ARIE explores selected thematic perspectives in chapter 3 and 4. Chapter 3 addresses the two thematic areas on which IFAD has focused attention over the past two decades, namely, rural enterprise development and agricultural extension services. It provides a synthesis of key findings from selected project-level evaluations (including a project cluster evaluation) and country strategy and programme evaluations (CSPEs) conducted since 2019. Chapter 4 discusses IFAD's institutional efficiency, developed from the corporate-level evaluation of IFAD's decentralization experience 2023. The evaluations used for this report are presented in annex 7. Chapter 5 summarizes the key findings of the report. The annexes provide details such as the definitions of evaluation criteria, list of evaluations analyzed, IOE products and additional details on the performance analysis.

48. **The role of ARIE is to flag issues linked to the trends in the aggregate performance of the portfolio of projects completed and evaluated.** As a meta-evaluation/analysis, ARIE may also provide a plausible initial analysis of contributing factors, where feasible. An in-

depth analysis of such factors is beyond the scope of a meta-evaluation (which does not collect primary evidence). IOE may undertake selected follow-up of in-depth analyses but its resources will not permit a full coverage of all issues flagged. It should be emphasized that the primary responsibility for further analysis rests with the Management as part of its learning framework.

Coverage and approach

49. The main sources of data are presented in table 1. Quantitative analysis of chapter 2 is based on: (i) project performance ratings from project-level evaluations, project performance evaluations (PPEs) and project completion report validations (PCRVs); (ii) IFAD's classification of countries under conflict and/or conditions of fragility and the sources for project performance data; (iii) the disconnect between performance ratings in the self-evaluations in the project completion reports (PCRs) and in the independent evaluation ratings by IOE; (iv) IOE's assessment of PCR quality; and, (v) the CSPEs completed during 2013-2022 for the analysis of non-lending activities. As with all ARIE reports, the entire universe of evaluations completed during the period of interest was used for the analysis.

50. Criteria for which ratings are provided are defined in annex 1 and described in the next chapter. The ARIE approach to trend analysis is described in annex 2. The performance ratings were provided on a scale of 1 to 6, although ratings of 1 and 6 are exceedingly rare.⁶ Throughout this analysis, well-performing will be identified as those receiving a rating of moderately satisfactory (4), satisfactory (5) or highly satisfactory (6).

⁶ For instance, of the 288 projects only one received a rating of 6 for efficiency, and six received this rating for relevance.

Table 1 Summary of data sources

Chapter	Types of analysis, key topics	Evaluations used as inputs
Chapter 2	<ul style="list-style-type: none"> • Time series analysis of performance ratings on projects and non-lending activities in country programmes • Recent project performance (quantitative analysis of performance ratings of projects completed between 2019 and 2021) 	<ul style="list-style-type: none"> • 71 project-level evaluations (62 PCRVs, 9 PPEs)
	<ul style="list-style-type: none"> • Long-term performance trends (performance ratings of projects completed between 2012 and 2021) • Performance of non-lending activities in CSPEs conducted between 2013 and 2022 	<ul style="list-style-type: none"> • 288 project-level evaluations (218 PCRVs, 64 PPEs, 6 IEs) • 45 CSPEs
Chapter 3	<ul style="list-style-type: none"> • Rural enterprise development, agricultural extension services 	<ul style="list-style-type: none"> • Country strategy and programme evaluations, and project-level evaluations (including a project cluster evaluation) • (17 CSPEs, 10 PPEs, 1 PCE)
Chapter 4	<ul style="list-style-type: none"> • Narrative of key findings on institutional efficiency 	<ul style="list-style-type: none"> • Corporate-level evaluation on IFAD's decentralization experience 2023

CSPE: country strategy and programme evaluation; IE: impact evaluation; PCRV: project completion report validation; PPE: project performance evaluation; PCE: project cluster evaluation.

Source: IOE database.

51. **Limitations.** Project performance is shaped by a number of factors that may be influenced during a project's full life cycle of nearly 10 years, spanning the concept note stage to completion. As such, the present performance measures may not necessarily be indicative of future performance. This needs to be factored into assessing the consequences of ongoing major reforms, such as Decentralization 2.0. The findings related to projects that were completed by 2021. Of the 288 projects

analysed, 40 had an exposure of 22 months or less to recent external shocks such as the COVID-19 pandemic (and no exposure to the consequences of the war in Ukraine that began in early 2022). While it is unlikely that the impact of pandemic is a major explanatory factor for the ratings trends observed in this report, the effects of this limited exposure on project performance were not evaluable at this point.



Woman feeding a goat in the province of Neuquén, Portezuelo region, Argentina

2

ANALYSIS OF PERFORMANCE OF PROJECTS AND NON-LENDING ACTIVITIES

Scope and methodology

52. As in the past editions of the ARRI/ARIE, this chapter presents an analysis of recent project performance ratings and trends in performance ratings as well as the performance of non-lending activities during the past 10 years.
53. **Project performance.** The performance along the nine evaluation criteria,⁷ the overall project performance (the arithmetic average of these nine criteria), as well as performance of IFAD and performance of government are presented in this chapter. The evaluation ratings provided for the **288 projects** completed during the period 2012-2021 were analysed.⁸ Inferential statistics were used to determine statistically significant differences when comparisons were made, such as the performance comparisons of projects operating in conditions of fragility and those that do not face such conditions, and the disconnect between PCR and IOE performance ratings. A three-year moving average of ratings was used to smoothen out spurious year-on-year changes in performance ratings.
54. **Non-lending activities in country programmes.** This chapter also presents the historical IOE ratings of the non-lending activities (namely, knowledge management, partnership-building and country-level policy engagement) provided by the **45 CSPEs** conducted between 2013 and 2022. As with

the analysis of project performance, a three-year moving average was used (by the year of evaluation) to determine the performance of each rating each year. Typically, each three-year period involves between 12 and 16 CSPEs.

Recent project performance (completed during 2019-2021)

55. **Projects were performing well (rated moderately satisfactory and above) for most criteria. The lowest share of projects performing well is in efficiency (56 per cent).** Chart 1 presents an overview of the project performance by evaluation criteria for projects completed during 2019-2021. Project performance ratings of relevance, environment, natural resource management and climate change adaptation (ENRM and CCA) and innovation criteria are relatively higher than those of other criteria. Efficiency ratings continue to lag other criteria with 56 per cent of the projects performing well. IFAD performance (83 per cent projects performing well) is notably higher than for government performance (70 per cent). The average of the overall project achievement rating⁹ of the 71 evaluated projects completed during 2019-2021 was moderately satisfactory (4).

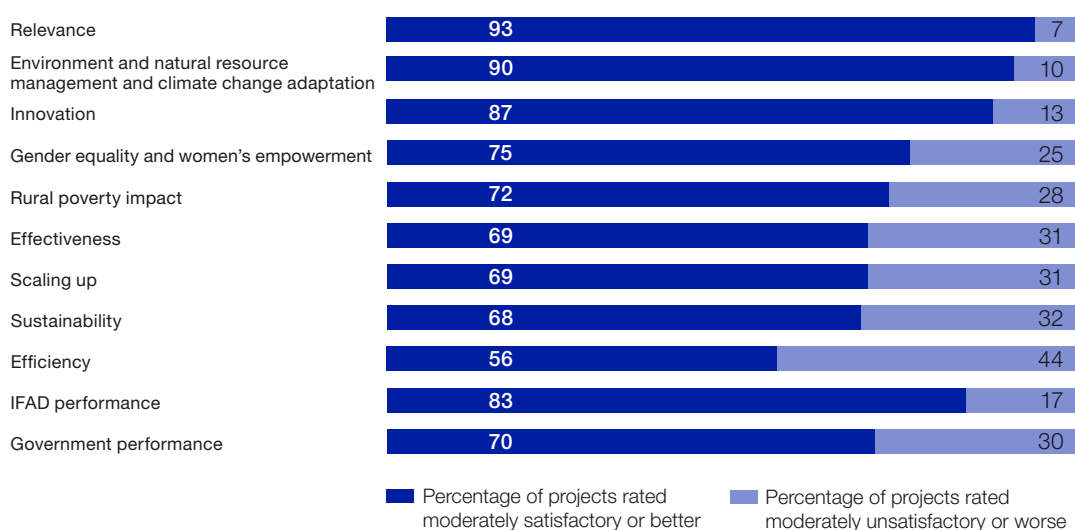
⁷ The nine criteria are: relevance, effectiveness, efficiency, sustainability, rural poverty impact, innovation, scaling up, gender equality and women's empowerment, environment and natural resources management and climate change adaptation (see annex 1).

⁸ In analysing the projects evaluated during 2012-2021, 28 new evaluations were added and 24 evaluations were removed as they fell outside the period considered. The newly-added evaluations covered one project completed in 2016, two in 2019, eight in 2020 and seventeen in 2021. See annex V for the distribution of projects covered by year of completion and the first time they were added to ARRI/ARIE analysis.

⁹ Based on the average rating of all criteria except for partners' performance (nine criteria).

Chart 1 **Ranking of all criteria by share of projects with moderately satisfactory or better ratings (N=71)**

Percentage of well-performing projects (completed during 2019-2021)



Source: IOE evaluation database (PCR/PPE/IE), March 2023.

Comparison of performance across regions

56. The averages of project performance ratings in a region should not be interpreted as indicative of the performance of the regional division of IFAD. Factors that are beyond the control of any IFAD country presence could influence project performance. These include the political, institutional and development context in which projects operate,¹⁰ and the implementation capacity and ownership of projects by government counterparts. Of the five regions, West and Central Africa (WCA) has the lowest Human Development Index score (regional average) and was disproportionately burdened with conditions of fragility and conflicts.¹¹
57. **The Asia and the Pacific Region (APR) reported the highest share of projects performing well¹² and the WCA had the lowest share in all criteria.** The ten-year average of project performance (2012-2021) of regions along the following four evaluation

criteria are presented in table 2: rural poverty impact, IFAD performance, government performance and overall project achievement.

58. **Overall project achievement.** Projects in the APR had the highest average rating for overall project achievement (4.16). This was followed by the regions Near East, North Africa, and Europe (NEN) (4.05), Latin America and the Caribbean (LAC) (4.03) and East and Southern Africa (ESA) (3.98). Projects in WCA had the lowest average rating for overall project achievement (3.82) and other performance measures. Their development context, mentioned above, is very likely to affect the government performance in WCA projects. In fact, WCA had the lowest share of well-performing projects in government performance among all regions (51 per cent) and appears an outlier. Conversely, projects in APR had the highest corresponding share (83 per cent) followed by LAC (78 per cent). Moreover, differences in country context could have implications for the implementation capacities of project implementation units and

¹⁰ For instance, the regional averages of the Human Development Index vary: APR: 0.658; ESA: 0.560; LAC: 0.731; NEN: 0.711; WCA: 0.522 (source: IOE estimation from the data provided by United Nations Development Programme Human Development Report, 2022).

¹¹ Ten of the 24 WCA countries face conditions of conflict or fragility (2022 Report on IFAD's Development Effectiveness, annex II) and WCA accounts for 10 of the 39 countries across the globe facing conditions of fragility. Ten of 26 NEN countries have conditions of fragility and conflict, 6 of 21 in ESA; and 6 of 26 in APR.

¹² As noted in chapter 1, well-performing is defined as rated moderately satisfactory or better (projects with rating 4, 5, 6).

the ability of national staff in IFAD country offices (where present) to provide programme support – these factors are critical to project performance.

59. **Project performance in rural poverty impact, government performance and IFAD performance.** APR had the largest share of well-performing projects in rural poverty impact (87 per cent), followed by ESA (85 per cent) and NEN (81 per cent), while WCA had the lowest (69 per cent). These rankings closely follow the performance of overall project achievement discussed above. It is worthy of note that APR

also has the highest share of well-performing projects in government performance, while WCA has the lowest. The LAC had the second highest share of well-performing projects in government performance, and the highest share of projects with satisfactory or better rating (rating of 5 and 6) for rural poverty impact at 34 per cent. These observations point to the role of government performance as an important factor supporting the development contribution of IFAD operations, while recognizing that performance cannot be explained solely in terms of government performance.

Table 2 **Regional performance in selected criteria**

Projects completed during 2012-2021, N=288

	Asia and the Pacific	Latin America and the Caribbean	East and Southern Africa	Near East, North Africa and Europe	West and Central Africa	Total
Number of projects	70	45	54	54	65	288
Rural poverty impact						
Percentage of projects rated moderately satisfactory or better	87	77	85	81	69	80
Percentage of projects rated satisfactory or better	29	34	19	26	20	25
Overall project achievement						
Average	4.16	4.03	3.98	4.05	3.82	4.01
IFAD performance						
Percentage of projects rated moderately satisfactory or better	90	93	83	87	75	85
Percentage of projects rated satisfactory or better	36	56	39	37	28	38
Government performance						
Percentage of projects rated moderately satisfactory or better	83	78	61	72	51	69
Percentage of projects rated satisfactory or better	40	31	20	20	11	25

Source: IOE evaluation database (PCRVs/PPEs/IEs), March 2023.

Trend analysis of project performance (2012-2021)

60. This subsection analyses the project performance ratings presented in the independent evaluations of projects completed during the period 2012-2021.

61. **Overall, the share of projects receiving a highly satisfactory rating was very low, but the majority of projects was performing at moderately satisfactory or better rating across all evaluation criteria.** None of the 288 projects completed during 2012-2021 was rated highly satisfactory in rural poverty impact, effectiveness and sustainability, while 13 projects received this highest rating for relevance, 12 for gender equality and women's empowerment (GEWE) and 2 for efficiency.

Relevance, effectiveness, efficiency and sustainability

62. Chart 2 presents performance across the evaluation criteria of relevance, effectiveness, efficiency and sustainability.

63. **Relevance and sustainability of evaluated IFAD projects completed and evaluated during the past five years have shown steady improvement.** IFAD projects have consistently performed well in being relevant to the priorities of the country and beneficiaries, as well as IFAD's mandate. The share of well-performing projects for relevance gradually increased from 84 per cent during 2016-2018 to 93 per cent during 2019-2021. The share of well-performing projects in sustainability

was higher than for efficiency and has shown a long-term increase from 59 per cent during 2014-2016 to 68 per cent during 2019-2021. The improvements in the durability of results achieved since 2016-2018 mirrored a similar trend of increasing relevance and government performance.

64. **Project effectiveness showed a decline in recent periods.** The steady gains in effectiveness achieved during 2012-2018 have been eroded since then. The share of effective projects declined from 83 per cent during 2017-2019 to 75 per cent in 2019-2021, the lowest in the past 10 years.¹³ Several plausible contributing factors exist. As shown subsequently (chart 7), the drop has been more pronounced under conditions of fragility, with a corresponding decline from 67 per cent to 42 per cent. As noted by the corporate-level evaluation of IFAD's decentralization experience 2023 (referred to henceforth as CLE decentralization), the budget for country programme delivery (including the budget for supporting the design and implementation/supervision of IFAD operations) showed a decline in absolute terms and as a share of IFAD's total administrative budget starting in 2017 (table 3).

¹³ It should be noted that not all projects completed in 2021 have been subject to IOE evaluation or validation, and therefore, with additional data, the figure for the latest periods may change in future editions of the ARIE.

Table 3 **Budget for country programme delivery as a share of IFAD's total administrative budget**

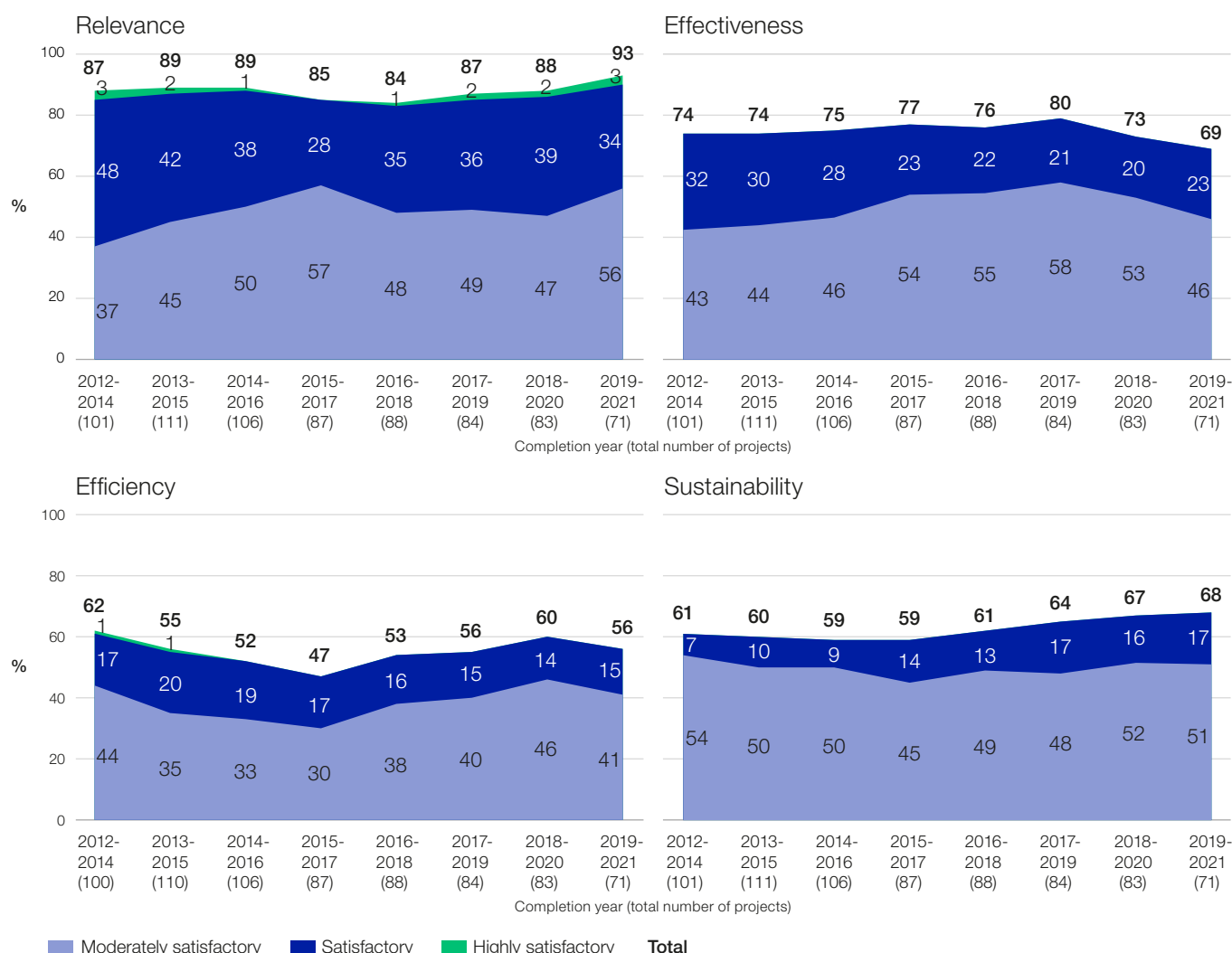
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
IFAD total administrative budget (US\$ millions)	144	150	152	147	149	156	158	158	159	167
Country programme development and implementation budget (US\$ millions)	85	88	89	86	79	81	82	80	78	78
Country programme development budget as a share of total administrative budget	59%	59%	59%	59%	53%	52%	52%	51%	49%	47%

Source: Corporate-level evaluation of IFAD's decentralization experience, 2023.

65. In addition, the same evaluation found that the transition challenges associated with implementing the OpEX and Decentralization 2.0 (2017-2024) initiatives and the associated reassignment processes resulted in disruptions to the operations cycles in IFAD country offices. In particular, the prolonged vacancy rates, changes to the grade-mix of country directors (CDs) (the share of CDs at P-5 grade declined from 66 per cent in 2016 to 41.5 per cent in 2022), ad interim measures of appointing P-3 level CDs (10 of the 48 in 2019), to name a few examples, might have adversely impacted the supervision and implementation support to the projects completed since 2017. In addition, the consequences of the disbursement caps introduced in 2020 and 2021 to ensure the necessary liquidity to maintain IFAD's credit ratings are yet to be assessed. The pandemic-related challenges to implementation of projects since 2020 would have compounded the challenges to achieving the intended results. However, given that the analysis was restricted to projects completed in 2020 and 2021, the impact would be more likely to be discerned in future ARIEs.
66. **After increasing during four successive periods, the efficiency performance has slightly declined to reach the 2017-2019 level.** Efficiency performance showed steady increase from 2015-2017 until 2018-2020. During this period, the share of well-performing projects increased from the lowest value in 10 years, 49 per cent to 60 per cent but then fell to 56 per cent in 2020. The CLE decentralization showed that the ongoing decentralization efforts contributed to improving time-based project efficiency measures, such as a reduction in the number of days from Board approval to entry into force by 82 days, and from Board approval to first disbursement by at least 140 days. However, these improvements could be countered by the disbursement delays due to weaker support to the design and implementation of IFAD operations mentioned above. Also, projects completed in 2020 and 2021 would have faced pandemic-related delays in disbursements in their final phase, which would have impacted their efficiency.

Chart 2 **Overview of the core performance criteria using IOE ratings**

Percentage of well-performing projects (completed during 2012-2021)



Source: IOE evaluation database (PCR/V/PPE/IE), March 2022.

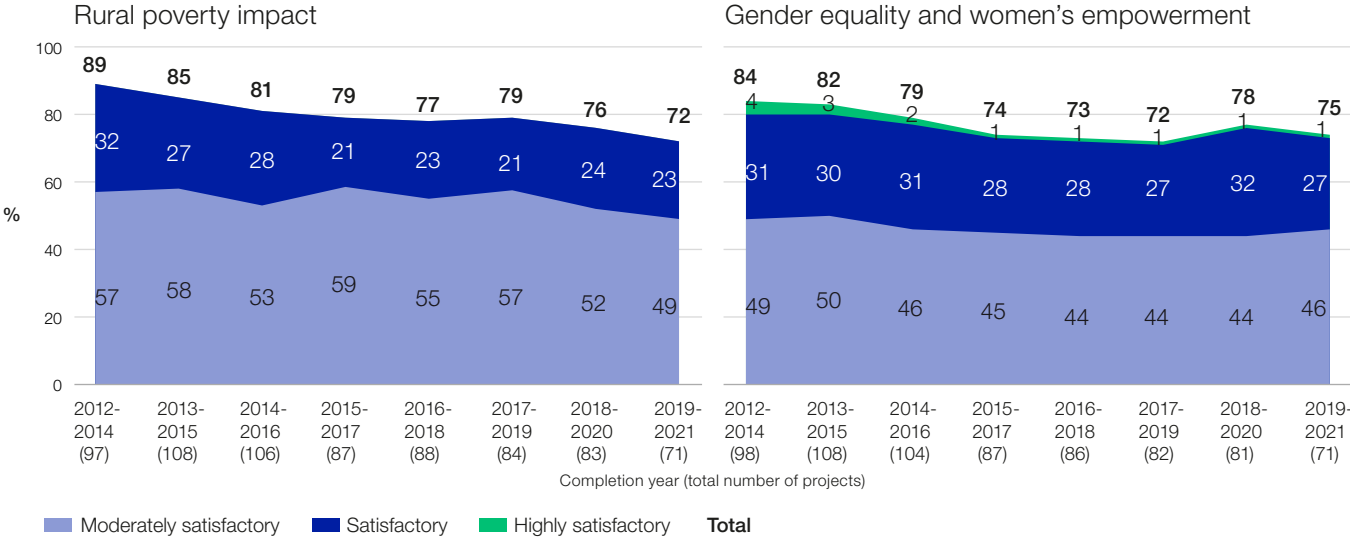
Rural poverty impact and gender equality and women's empowerment

67. The majority of projects were well performing in terms of rural poverty impact and promoting GEWE. However, a declining trend was observed, especially for rural poverty impact where the share of well-performing projects declined from 89 per cent during 2012-2014 to 79 per cent in 2015-2017, plateaued and again declined starting 2017-2019 and ending at 72 per cent during 2019-2021. The factors that contributed

to the recent decline in effectiveness outlined in paragraphs 64 and 65 were likely to be also at play in the recent fall in rural poverty impact. Effects of the COVID-19 pandemic would have a bearing on projects completed in 2020 and 2021 but not earlier ones. The share of well-performing projects in GEWE also declined from its peak of 84 per cent in 2013 which stabilized during 2016-2018 around 73 per cent, and picked up since then, albeit with fluctuations (78 per cent in 2019 and 75 per cent in 2020).

Chart 3 Performance in rural poverty impact and GEWE criteria using IOE ratings

Percentage of well-performing projects (completed during 2012-2021)



Source: IOE evaluation database (PCR/V/PPE/IE), March 2022.

Innovation and scaling up

68. Performance in innovation and scaling up declined during 2013-2016 and was followed by a partial recuperation in the case of scaling up and full recuperation in innovation. IFAD-supported projects were continuing to perform well in innovation (the share of well-performing projects remained around 87 per cent during 2019-2021). However, this has not adequately translated into enhancing the performance in scaling up. After a decline from 84 per cent during 2012-2014 to 66 per cent during 2015-2017, the share of well-performing projects in scaling up remained far below the performance in innovation (at 69 per cent during 2019-2021).

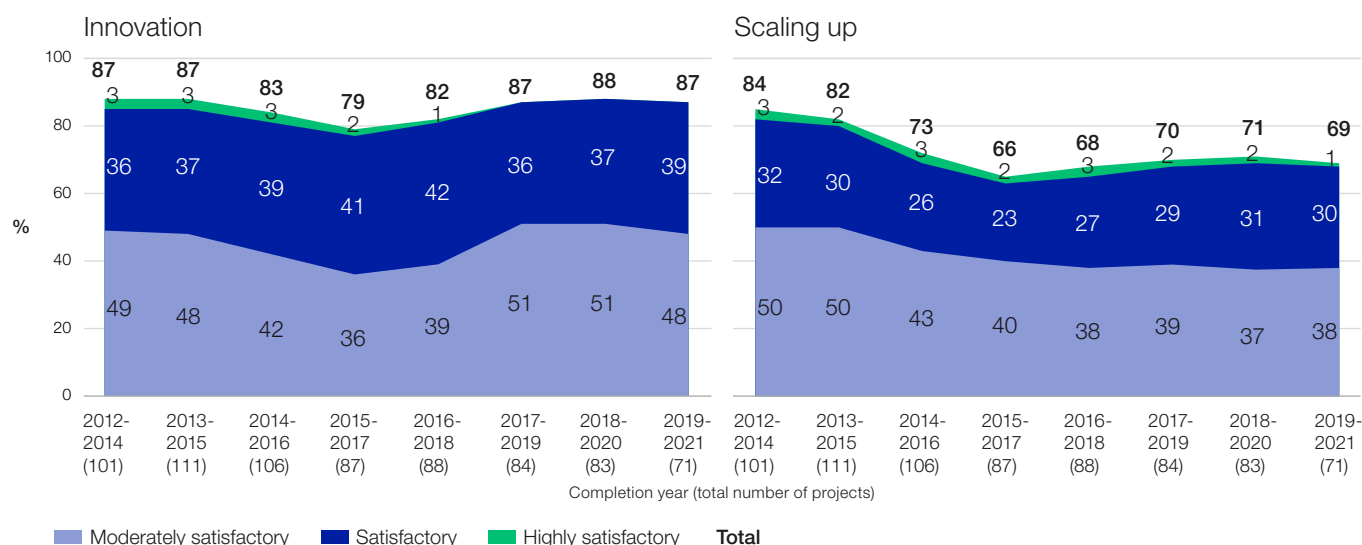
69. Evaluations noted instances where innovative interventions were not scaled up (PPE Botswana [2020], PCR/V Bolivia (Plurinational State of) [2022]). In Botswana, conservation agriculture was introduced by IFAD, but scaling up proved unviable at larger scale. Successful innovations were also not scaled up in the Plurinational State of Bolivia, Pakistan and Senegal as pathways to find ways to expand

and maximize innovations were not identified and operationalized.

70. The sources of weaknesses in scaling up were noted in a number of project-level evaluations. Key contributing factors were identified as weaknesses in project design and implementation, as well as inadequate government capacities and ownership. Design issues included projects having minimal relevance to country needs (PCR/V Maldives [2020]), inadequate or absent strategy to promote scaling up (PPEs Liberia [2020], Malawi [2020], PCR/V Côte d'Ivoire [2021]) or failing to emulate successful prior experience in the country (PCR/V Senegal [2021]). Implementation challenges such as inadequate knowledge management, insufficient resources, poor partnership-building and lack of policy engagement also contributed to weak scaling up (PCR/V Democratic Republic of the Congo [2022]). Weak national capacities (PCR/V Lebanon [2020]), inadequate or absent ownership by the government units responsible for scaling up (PPE Malawi [2020]) were also found to impair expanding interventions at scale.

Chart 4 Performance in innovation and scaling up criteria using IOE ratings

Percentage of well-performing projects (completed during 2012-2021)



Source: IOE evaluation database (PCR/PPE/IE), March 2022.

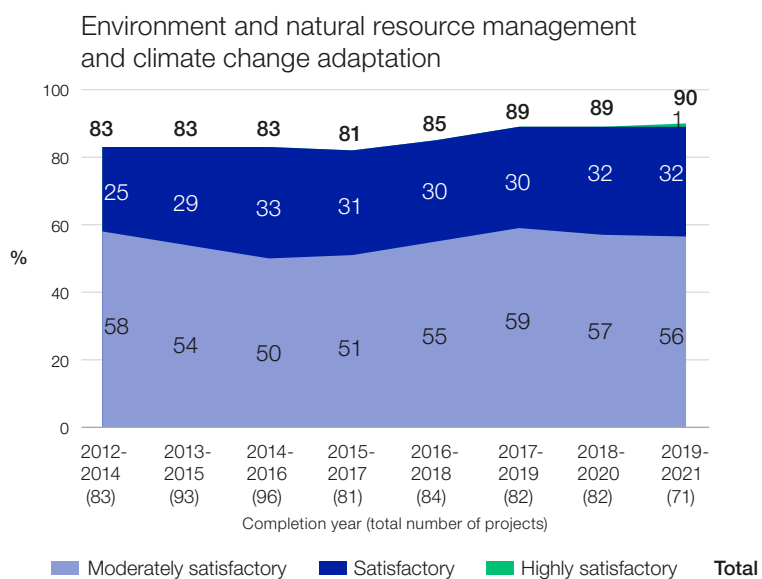
71. These limitations notwithstanding, 21 of the 71 evaluated projects completed during 2019-2021 were rated satisfactory and one was rated highly satisfactory in scaling up. Lessons from these successful projects, as well as those 22 projects that did not perform well, would provide a strong evidence base to strengthen the design of future projects to improve their performance in scaling up.

Environment and natural resource management and climate change adaptation

72. **Performance in ENRM and CCA provides the only clear instance of continued improvement during the past 10 years.** The share of well-performing projects in this area improved from 71 per cent during 2011-2013 to 90 per cent during 2019-2021 (chart 5). Of the 71 projects completed during 2019-2021, one project received a highly satisfactory rating (rating of 6), and 25 received satisfactory ratings (rating of 5). This performance could be attributed to the sustained efforts by IFAD for over a decade, making responsiveness to climate change its corporate priority, committing

financial and human resources to strengthen the integration of climate and environmental considerations in all its interventions, and providing necessary guidance. For instance, it declared environment and climate change adaptation as a corporate priority in 2010 (IFAD8); committed an increasing share of its programme of loans and grants to finance climate interventions (40 per cent under IFAD12); launched the Adaptation for Smallholder Agricultural Programme in 2012 to learn lessons and help mainstream climate change adaptation across all IFAD's operations and country strategic opportunities programmes (COSOPs); mandated the Social, Environment, and Climate Assessment Procedures in all projects since 2015 (updated in 2017 and in 2020); instituted a dedicated unit with capacities to support mainstreaming themes including climate change and environment (2018); developed the new IFAD Strategy and Action Plan on Environment and Climate Change (2019-2025) and continued to develop mechanisms and tools to guide climate responses, such as the Adaptation Framework (2020).

Chart 5 Performance in ENRM and CCA using IOE ratings
 Percentage of well-performing projects (completed during 2012-2021)



Source: IOE evaluation database (PCR/PPE/IE), March 2022.

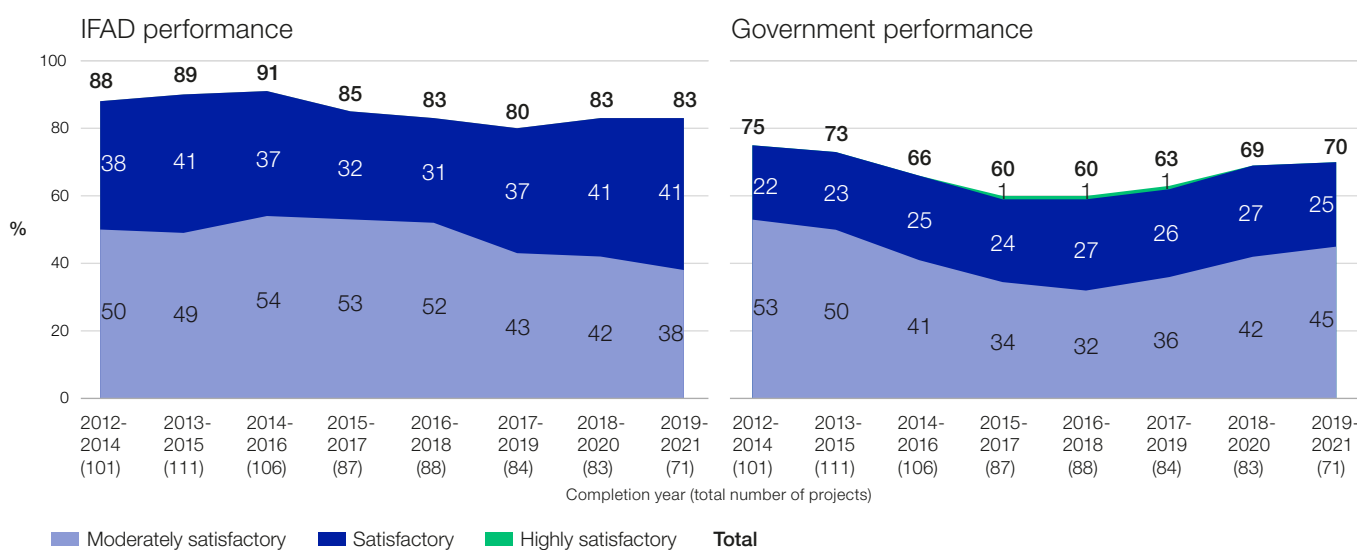
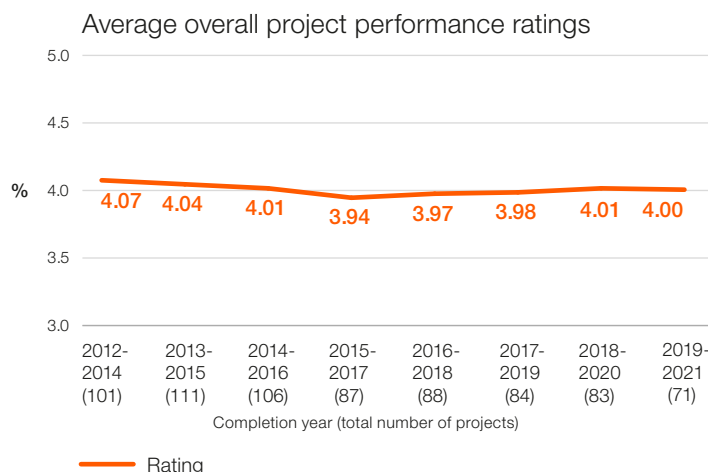
Overall project achievement and performance of partners

73. **Overall project achievement rating varied between 3.94 and 4.07, indicating a near flat trend during 2012-2020** (chart 6). While variations were noted in the performance for relevance, effectiveness, efficiency and sustainability of benefits, the average of these ratings converged towards a moderately satisfactory rating.
74. During the period considered, the performance of partners declined initially, followed by partial recuperation. The share of well-performing projects in terms of IFAD performance declined from 91 per cent in 2015 to 80 per cent in 2018 and reached 83 per cent in 2020. Government

performance declined more steeply with 75 per cent of the projects performing well in 2012, falling to 60 per cent in 2016-2017 and recovering steadily since then to 70 per cent in 2020. IFAD operations did not demonstrate systematic, consistent efforts to strengthen relevant institutional capacities of governments, particularly those in conditions of fragility and conflict (CSPEs of Chad, Democratic Republic of the Congo and Guinea-Bissau). **The lower performance in government performance and scaling up signals the importance of strengthening the government ownership and implementing capacities of IFAD-supported projects.**

Chart 6 Overview of overall project achievement rating and partner performance (IOE)

Projects completed during 2012-2021



Source: IOE evaluation database (PCR/PPE/IE), March 2022.

¹⁴ The World Bank has been publishing a list annually since 2006 of countries operating in fragile and conflict-affected situations. The list has undergone a series of changes, reflected in its titles: the Low-Income Countries Under Stress List (2006-2009); the Fragile States List (2010); the Harmonized List of Fragile Situations (2011-2019); and the List of Fragile and Conflict-Affected Situations (2020). In fiscal years between 2020 and 2022 the list presents the countries by the following groups: high-intensity conflict; medium-intensity conflict; high institutional and social fragility (with a breakdown between non-small states and small states).

Conditions of fragility and project performance ratings – a comparative analysis

75. This analysis compared the performance of projects that operated under conditions of fragility and those that did not for projects completed during 2012-2021. IFAD deemed projects to be under conditions of fragility if they operated in countries listed by the World Bank to be afflicted by fragile and conflict-affected situations¹⁴ for more than half of the project lifecycle (approval to completion stages). The analysis identified 73 such projects, and the performance of this group was compared with that of the remaining 215 projects (operating

in non-fragile conditions). Trend comparisons (chart 7) present the share of well-performing projects year-on-year using a three-year moving average.

76. **Comparative analysis for core criteria.** The trend comparisons of project performance in fragile and non-fragile situations are presented in chart 7. Projects in non-fragile contexts unambiguously outperformed those in fragile contexts in effectiveness, efficiency and sustainability of benefits. However, performance in relevance was mixed, with projects in fragile situations appearing to be matching or outperforming non-fragile contexts in all but the most recent period

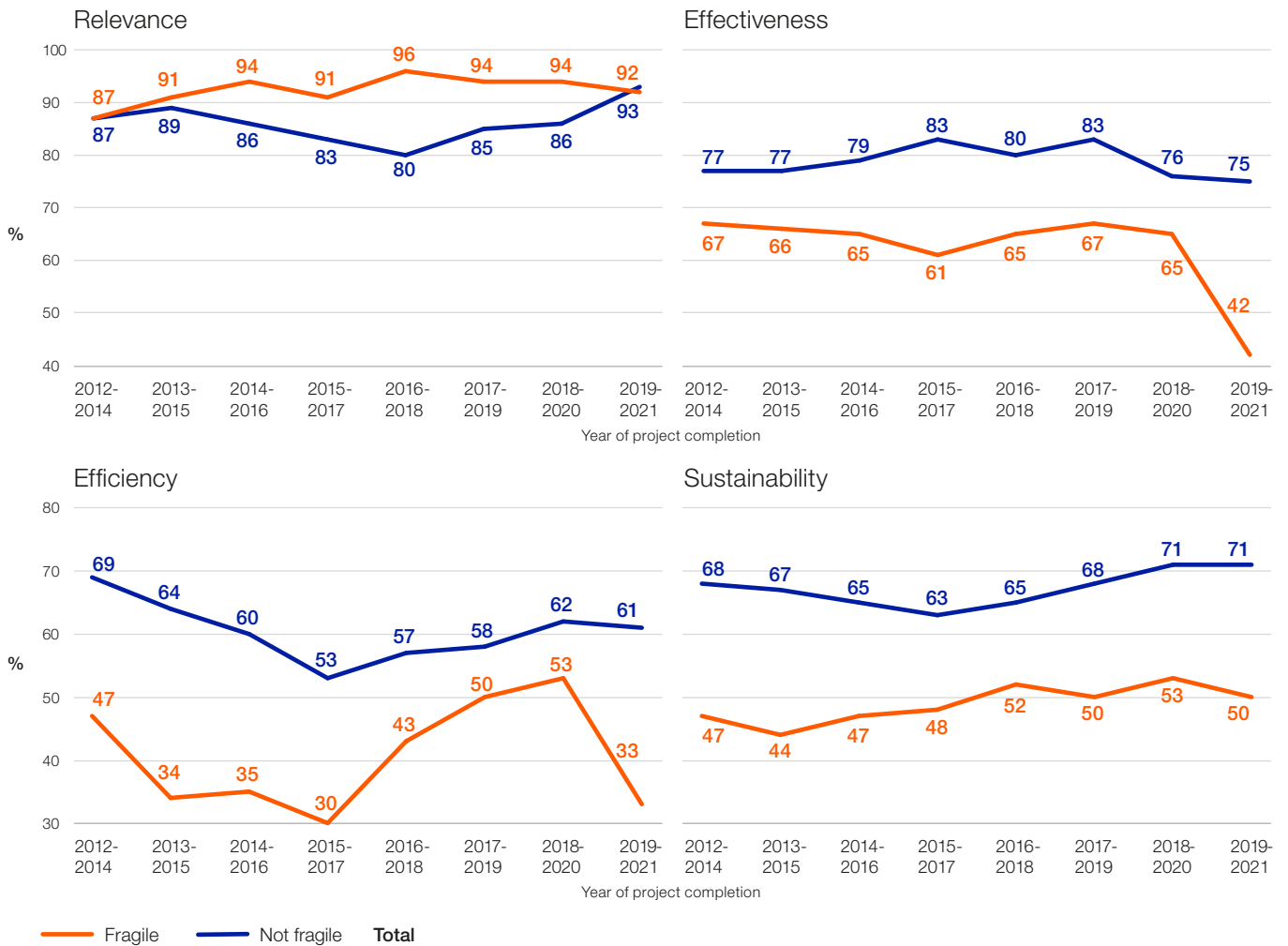
(2019-2021), where the non-fragile context group gained a slight advantage (93 per cent versus 92 per cent of the fragility group).

77. The share of well-performing projects in effectiveness, efficiency and sustainability was considerably higher for projects in the non-fragile group throughout the period 2012-

2021. For instance, the 2019-2021 values for effectiveness were 75 per cent for the non-fragility group and 42 per cent for the fragility group. The differences in performance varied but 2019-2021 saw the highest difference (with effectiveness at 33 per cent, efficiency 28 per cent and sustainability 21 per cent).

Chart 7 Comparison of performance of projects in countries with and without conditions of fragility

Percentage of well-performing projects (completed during 2012-2021)



Source: IOE analysis based on evaluation database (PPE/PCR/IE), March 2023.

Comparison of the performance ratings of IOE and PCRs and PCR quality assessment

IOE and PCR ratings

78. Table 4 presents the comparison between the average ratings of IOE and PCRs for projects completed in 2012-2021. The analysis includes the disconnect between the two ratings, results of non-parametric tests on the difference between IOE and PCR ratings, and correlation analysis between IOE and PCR ratings.
79. **The highest rating disconnect was observed for relevance and scaling up.** Relevance received the highest rating from IOE and PCRs. It also has the largest difference in the two ratings (-0.51), followed by scaling up with a disconnect of -0.45. However, the average disconnects for the criteria of relevance and scaling up have been narrowing (annex 6b), with the disconnect for scaling up not narrowing as much as for relevance. The main reason for the disconnect in scaling up stems from the different interpretations of scaling up by Management and IOE. Management focused on the potential for scaling up, while IOE ascertains whether concrete steps were taken to ensure further support from the government and other actors to broaden and amplify the project results. This aspect has been clarified in the 2022 IFAD Evaluation Manual.
80. **The smallest disconnect was observed for ENRM and CCA and innovation** (-0.18). The analysis (annex 6b) showed that the disconnect narrowed during the first few years (2012-2015) and remained small thereafter.
81. **The disconnects in the effectiveness and rural poverty impact criteria narrowed until 2015 but have continued to widen since then.** The disconnect in the most recent period was -0.29 and -0.27, respectively, which are relatively smaller disconnects among the 11 criteria analysed (annex 6b).
82. **Regional disaggregation of disconnects of ratings showed substantial variations across criteria.** Overall, the rating disconnects tend to be lower in the APR, which has the lowest disconnect in 7 of the 12 criteria, while ESA has the highest disconnect in 7 of the 12 criteria (table 4). There are variations in disconnect among the different criteria. For instance, the highest regional disconnect was observed in scaling up, with the least of -0.35 in NEN to a largest of -0.57 in WCA. The lowest disconnect was observed for innovation which ranged from -0.04 in APR to -0.34 in WCA.
83. **The differences between the IOE and PCR ratings of all criteria were found to be statistically significant** (table 4). The Wilcoxon signed-rank test was conducted to understand whether there is a statistically significant difference between the distribution of IOE and PCR ratings. This non-parametric test is used when the data is ordinal and has more than two categories. For overall project achievement, a continuous variable, a t-test was conducted. All tests were two-sided.
84. Table 4 also presents the correlation coefficients of IOE and PCR ratings. All criteria report Spearman's rank-order correlation coefficients, except for overall project performance criterion (Pearson's correlation coefficient). Correlation analysis showed a statistically significant correlation for all criteria, with a particularly high correlation for efficiency and overall project performance. Relevance had the weakest attested correlation among investigated variables, though it was still moderately strong (0.56). All correlations were positive and statistically significant, indicating that IOE and PCR ratings followed a similar pattern.

Table 4 Comparison of IOE and PCR ratings, 2012-2021

Criteria	Mean ratings			Highest disconnect [region]	Lowest disconnect [region]	Comparison of * p-values of Wilcoxon tests	Correlation (IOE and PCR)	Sample	
	IOE	PCR	Disconnect						
Relevance	4.30	4.81	-0.51	-0.57 [ESA]	-0.43 [WCA]	0.00*	0.56*	288	287
Scaling up	4.02	4.47	-0.45	-0.57 [WCA]	-0.35 [NEN]	0.00*	0.66*	288	286
Gender equality and women's empowerment	4.08	4.46	-0.38	-0.52 [ESA]	-0.37 [NEN]	0.00*	0.71*	283	287
Efficiency	3.62	3.96	-0.34	-0.47 [LAC]	-0.18 [APR]	0.00*	0.77*	287	288
Sustainability	3.70	4.04	-0.34	-0.43 [ESA]	-0.24 [LAC]	0.00*	0.68*	288	288
Government performance	3.90	4.24	-0.34	-0.48 [NEN]	-0.12 [APR]	0.00*	0.73*	288	288
IFAD performance	4.23	4.54	-0.31	-0.42 [ESA]	-0.10 [APR]	0.00*	0.73*	288	286
Effectiveness	3.96	4.25	-0.29	-0.36 [LAC]	-0.25 [APR]	0.00*	0.73*	288	288
Rural poverty impact	4.03	4.29	-0.27	-0.43 [ESA]	-0.21 [APR]	0.00*	0.65*	284	285
Innovation	4.24	4.42	-0.18	-0.34 [WCA]	-0.04 [APR]	0.00*	0.67*	288	288
ENRM and CCA	4.14	4.31	-0.18	-0.39 [ESA]	-0.02 [LAC]	0.00*	0.62*	263	266
Overall project achievement (arithmetic average)	4.01	4.34	-0.33	-0.37 [ESA]	-0.29 [APR]	0.00*	0.86*	288	288

* Statistically significant at 5 per cent.

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

Note: The table is sorted by criteria from the highest to the lowest value of disconnect. Positive correlation coefficient indicates the ratings of IOE, and PCRs move in the same direction across all criteria. All correlation coefficients show positive correlation, classification of the correlation strength is based on the rule of thumb commonly used in interpreting the size of correlation coefficient: very strong ($r=0.9-1$), strong ($r=0.70-0.89$), moderate ($r=0.5-0.69$), low ($0.3-0.49$), and weak ($r<0.3$).

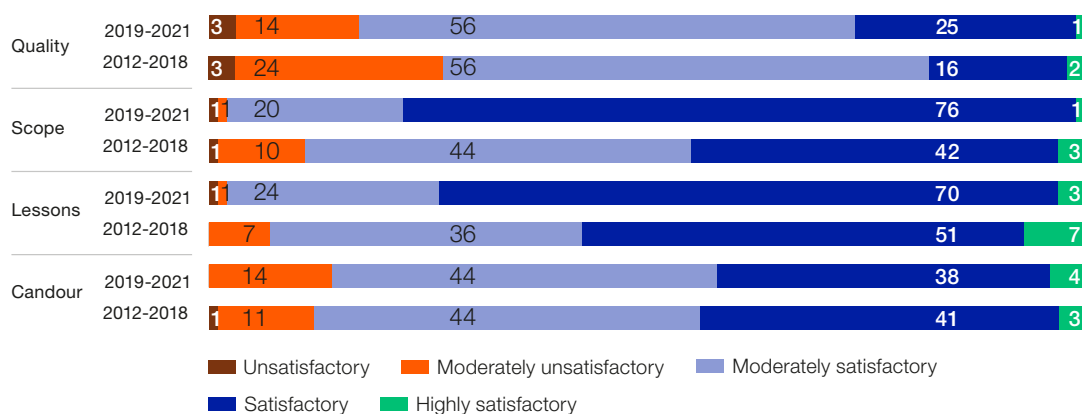
Source: IOE/PCR ratings, March 2023.

Assessment of project completion reports

85. **Overall, PCR quality has improved over time.** Chart 8 presents the IOE assessment of the four dimensions of PCR quality: scope of the report (i.e. compliance with required standards), quality (robustness of methodology and data), lessons (usefulness of lessons from a developmental perspective) and candour (a balanced presentation of project achievements and weaknesses). The PCR quality improved, with the share of PCRs rated moderately

satisfactory or better increasing from 73 per cent during 2012-2018 to 83 per cent during 2019-2021 (chart 8). IOE ratings of the dimensions of PCR quality, scope and lessons were higher for the latest three-year period (projects completed in 2019-2021), compared to the earlier period (2012-2018). However, candour of PCRs had a marginal decrease with the share of moderately unsatisfactory or unsatisfactory projects increasing from 12 per cent during 2012-2018 to 14 per cent in 2019-2021.

Chart 8 IOE assessment of PCRs (2012-2021)



Source: IOE evaluation database (PCR/V/PPE/IE), March 2023.

86. Table 5 presents the regional averages of PCR ratings for projects completed during 2012-2021. There were significant regional variations in the ratings for the dimensions of quality, scope and candour.

87. Overall, **PCRs from NEN and APR received the highest share of positive ratings.** ESA and WCA had the lowest shares of PCRs with positive ratings for the dimension of PCR quality (67 per cent and 68 per cent, respectively).

Table 5 **Regional averages of IOE ratings of PCRs (2012-2021)**

Percentage of well-performing PCRs (with moderately satisfactory or better rating)

	Asia and the Pacific	Latin America and the Caribbean	East and Southern Africa	Near East, North Africa and Europe	West and Central Africa	Global
Number of projects	70	45	54	54	65	288
Quality	83	75	67	87	68	76
Scope	96	91	79	98	91	91
Lessons	100	91	91	94	94	94
Candour	94	86	78	93	86	88

Source: IOE evaluation database (PCRVs/PPEs/IEs), March 2023.

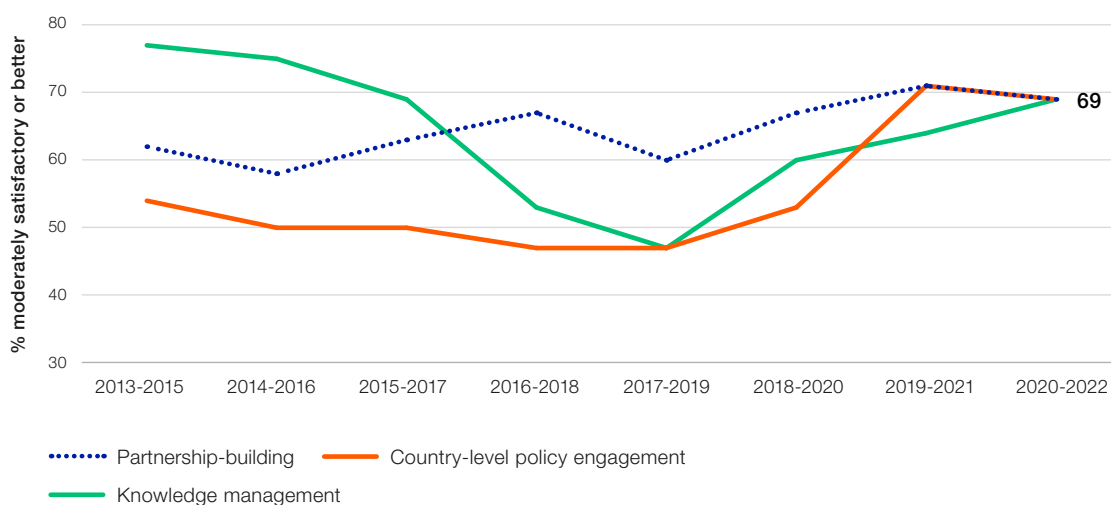
Analysis of performance ratings of non-lending activities (2013-2022)

88. **Non-lending activities have improved since 2018.** IOE assesses the performance of non-lending activities (NLA) (partnership-building, knowledge management, country-level policy engagement) in its country strategy and programme evaluations (CSPEs). Chart 9 presents the percentage of CSPEs that provided moderately satisfactory or better ratings (4, 5, 6) for non-lending activities. As in the case of project performance ratings, three-year moving averages were calculated for the ratings. It should be noted that the time series of ratings for the non-lending activities were based on a smaller number of observations (45) compared to the project-level ratings (288).
89. In the CSPEs conducted during 2020-2022, the share of evaluations with moderately satisfactory or better ratings was 69 per cent

for all three non-lending activities. While there is considerable room for further progress, this also showed substantial improvement for country-level policy engagement and knowledge management, which had a corresponding rating of 47 per cent in 2018. A more modest improvement was observed for partnership-building, which improved from 60 per cent in 2018. A recent IOE thematic evaluation of IFAD support to smallholder farmers' adaptation to climate change and the 2023 CLE on decentralization have called for more corporate prioritization of non-lending activities. This could be achieved by ensuring project and COSOP designs include concrete, results-based strategies to strengthen NLAs, operationalizing this strategy from the very beginning of their implementation, and finding the resources and means to invest more financial and human resources to strengthen NLAs.

Chart 9 Performance of non-lending activities

Percentage of country evaluations rating non-lending activities as moderately satisfactory or better (2013-2022)



Source: IOE CSPE database as of March 2023 (45 evaluations conducted between 2013 and 2022).

Key points

- Overall, the majority of projects was well-performing (rated moderately satisfactory [4] or better) across all evaluation criteria. The share of well-performing projects varies significantly across criteria. Relevance, ENRM and CCA and innovation perform well in over 87 per cent of projects, while efficiency lags with 56 per cent.
- The trend analysis showed that rural poverty impact and effectiveness have seen a decline since 2017-2019. Only ENRM and CCA showed improvement over the last 10 years, while relevance, sustainability, innovation and government performance have improved in recent years, since 2016-2018.
- This decline in performance in rural poverty impact and effectiveness needs attention and further analysis, given the substantial organizational reforms undertaken since 2017, such as Decentralization 2.0, new HR policies, and the headquarters reorganization.

-
- The 10-year average performance of projects in non-fragile contexts was unambiguously better than projects operating under conditions of fragility for the criteria of efficiency, sustainability of benefits, government performance and overall project performance. The most significant differences in performance were for efficiency (0.38) and government performance (0.35), followed by sustainability (0.22). The differences in all other criteria were not statistically significant (relevance, effectiveness, rural poverty impact, innovation, scaling up, environmental and natural resource management as well as climate change adaptation, gender equality and women's empowerment and IFAD performance).
 - Trend analysis of performance during the past 10 years showed that the Asia and the Pacific region continued to have the highest average rating for overall project performance (the average rating of all nine evaluation criteria), while the lowest average rating was observed in the West and Central Africa region. This is not an assessment of the performance of individual IFAD divisions as factors beyond the control of IFAD affect project performance. For instance, among the five regions, WCA has the lowest Human Development Index score and 10 of its 39 countries are identified as operating under long-term conditions of fragility and conflict.
 - CSPEs point to improving performance in non-lending activities, with knowledge management and country-level policy engagement making significant gains since 2018. However, there is room for further improvement, particularly in knowledge management. Recent CLE and thematic evaluations reiterate the need for results-oriented concerted action to prioritize NLAs in the design and implementation of all IFAD interventions.
 - There is a statistically significant level of disconnect between PCR and IOE ratings. This difference varies across evaluation criteria and regions. The disconnect in rural poverty impact and effectiveness has widened recently. The Asia and the Pacific region showed the least disconnect in 6 of the 11 criteria, while ESA showed the highest disconnect in 6 of the 11 criteria.
-



Farmer growing maize on his land in the village of Kiatineni, in Machakos County, Kenya

©IFAD/Isaiah Muthui

3

THEMATIC PERSPECTIVES FROM RECENT IOE PROJECT PERFORMANCE EVALUATIONS AND COUNTRY STRATEGY AND PROGRAMME EVALUATIONS

90. This chapter explores two thematic areas that have drawn IFAD's focused attention over the past two decades: rural enterprise development and rural extension and advisory services. IFAD interventions have supported many rural farm and non-farm businesses.¹⁵ IFAD viewed enterprise development as promoting (pre-entrepreneurial) income-generating activities for micro, small and medium-sized enterprises of different agricultural producer organizations. As such, it involved a broad understanding of enterprise and entrepreneurial activities (annex table 6, annex boxes 1 and 2). The second theme of this chapter focuses on IFAD's support to diversify rural extension services and promote reforms to create a more pluralistic extension system (annex table 7, annex box 3). IFAD reached out to individual farmers, groups and communities with rural extension and advisory services with help from a range of actors (e.g. civil society organizations and commercial actors).

91. The IFAD Strategic Framework 2016-2025 focused explicitly on diversified rural enterprise and employment opportunities as a thematic

focus to increase rural people's benefits from market participation (strategic objective 2). In contrast, extension and advisory services were only briefly mentioned in the 2016-2025 Framework but were implicitly covered under the focus areas of access to agricultural technologies and production services, environmental sustainability and rural producer organizations. Several PPEs conducted by IOE pointed to the important role played by the extension and advisory services in strengthening rural poverty reduction and food security.

92. The analysis presented in this chapter builds on the findings and lessons from 24 recent IOE PPEs and CSPEs (completed between 2019 and 2022) and the 2023 IOE project cluster evaluation (PCE) on enterprise development (annex tables 6 and 7). Specifically, the enterprise theme drew from 22 evaluations (CSPEs, PPEs and PCE) and the extension theme from 12.

¹⁵ The first IFAD Rural Enterprise Policy in 2004.

Rural enterprise development

93. **The majority of country programmes reviewed provided broad-based support to enterprise development.** Eight of the fifteen CSPEs during 2019-2022 reported programmes with a strong enterprise focus and the remaining seven reported indirect support to many enterprises as part of value chain and rural finance projects. PPEs and the PCE observed dedicated enterprise projects in eight countries.¹⁶ Most IFAD projects supported microenterprises (16), income-generating activities (12) and farmer/producer organizations (12), and seven projects assisted small and medium-sized enterprises (SMEs) (annex table 6).

94. **The evaluations reported positive overall achievements in enterprise development in 11 countries¹⁷** finding that there was effective outreach to smallholder farmers, women and youth in many countries, supporting their non-farm income-generating activities and microenterprises. For instance, in Morocco proximity to rural financial services and inclusive finance were pivotal in generating value chain activities and emerging entrepreneurial dynamics in marginal rural areas. In Burkina Faso, IFAD helped farmers with microproject enterprises through business resource centres and local report writers. IFAD projects also successfully reached many SMEs, mostly through providing financial services to existing businesses (Ghana, Moldova, Sierra Leone, Sri Lanka). Over time, most IFAD country programmes shifted towards specific commodity value chain and commercialization support, often combined with integrated financial services. This helped establish dedicated marketing enterprises, agroprocessors and agricultural service providers and facilitated contractual relationships between producer organizations and market operators (Kenya, Madagascar, Sudan, Uganda).

¹⁶ CSPE countries with a strong enterprise focus were Burkina Faso, Ecuador, Madagascar, Morocco, Nepal, Pakistan and Sri Lanka. CSPE countries with ancillary enterprise activities were Burundi, Kenya, Pakistan, Sierra Leone, Sudan, Tunisia and Uganda. PPEs and the PCE covered Bangladesh, Cameroon, the Dominican Republic, Ghana, Eswatini, Moldova, Senegal, Sri Lanka and Togo (annex table 6).

¹⁷ Bangladesh, Burkina Faso, Burundi, Cameroon, Ghana, Kenya, Madagascar, Morocco, Sierra Leone, Sudan, Uganda.

¹⁸ Dominican Republic, Ecuador, Eswatini, Moldova, Mexico, Nepal, Niger, Pakistan, Senegal, Sri Lanka, Togo and Tunisia.

¹⁹ Thirteen evaluations: PPEs in Dominican Republic, Eswatini, Moldova, and Sri Lanka; and CSPEs in Burkina Faso, Burundi, Ecuador, Madagascar, Morocco, Niger, Sierra Leone, Sri Lanka and Tunisia.

95. **The evaluations reported mixed results in 12 countries.¹⁸** The mixed or less than satisfactory achievements in rural enterprise were often linked to weak intervention strategies, targeting or implementation, which are discussed below.

Strategy and enterprise focus

96. **Enterprise support, although important, was often a subordinate and ancillary objective of rural finance, value chain or social development projects and components.** This resulted in the low prioritization of enterprises, weak understanding of enterprise needs and an inadequate range of support activities. For instance, the projects analyzed by the IOE cluster evaluation lacked clear pathways to reach IFAD target groups and achieve income and employment growth. Projects usually had stronger strategies for very small enterprises and pre-entrepreneurial activities than for enterprises with greater growth and employment potential. Many projects could have benefited from a more integrated approach combining the three key instruments and intervention areas for enterprise support: financial services, non-financial services (capacity development, technology/innovation and market facilitation) and enabling a supportive legal and regulatory environment.

Inclusiveness and beneficiary targeting

97. **Women and youth benefited from enterprise development even when explicit targeting strategies and mechanisms were absent.¹⁹** Evidence indicated that women were more likely to benefit from income-generating activities and microenterprises than other enterprises (Eswatini, Burkina Faso, Mexico, Morocco, Nepal, Sri Lanka). Positive examples of enterprise development benefiting youth were found when IFAD adopted social mobilization strategies, promoted youth as project service

providers, and deployed special pilot projects (Moldova, Togo, Burundi, Mexico, Morocco, Sierra Leone, Sri Lanka). Specific trade-offs between target group orientation and broader enterprise and value chain development were discussed in Madagascar, Tunisia, Sri Lanka and Uganda.

98. There was considerable progress in addressing the unmet needs of target groups in education, building managerial capacities, financial

liquidity and securing collateral. However, certain important aspects were lacking. Seven evaluations found that gender diagnoses and complementary support activities were not adequately incorporated into project design. The adequacy of support was further constrained by contextual factors such as continuing unfavourable established practices and adherence to traditional gender roles that inhibited the participation of marginalized groups in emerging markets.

Box 1 Microenterprise development in Burkina Faso

Microenterprise promotion was one of four COSOP intervention priorities in Burkina Faso. Support focused on microenterprises and income-generating activities generated better capacities, increased revenues and strengthened microenterprises, especially in post-harvest activities (CSPE 2019, based on a household survey conducted by the evaluation). Projects helped farmers develop microprojects through innovative support, such as using local report writers and rural business resource centres. But many rural households and enterprises remained largely excluded from financial markets and microcredit was poorly managed. Support for enterprise development in IFAD target groups did not sufficiently consider and mitigate for these groups' low access to education, managerial capacities, financial liquidity and collateral.

Source: IOE 2019, CSPE Burkina Faso.

Complementarities and enabling environment

99. **Many interventions did not account for the contextual and complementary constraints facing enterprise development.** These inhibiting factors included limited access to finance, lack of access to market opportunities, poor infrastructure and lack of enabling regulations preventing satisfactory enterprise performance. Contextual factors were either inadequately analyzed or insufficiently addressed in design and implementation (eight evaluations).²⁰ Several countries did not have the necessary policies and regulations in place to legally and institutionally guide and support certain types of small enterprises, producer organizations and public support entities, nor

did they facilitate their institutional and financial viability. For instance in Pakistan, systematic and structural approaches to value chain governance, the regulatory environment and the finance sector were absent.

100. **Greater attention to value chains and market opportunities was the most critical factor that would have strengthened the business potential of farmers and promote enterprise development.** Value chain analyses were essential to identify the entry points to support profitable enterprise opportunities that focused on pro-poor, gender and youth-sensitive analysis (10 evaluations).²¹ The need for projects to play a stronger brokering role among market actors was frequently mentioned (nine evaluations). Synergies

²⁰ Eswatini, Moldova, Senegal, Sri Lanka, Burkina Faso, Burundi, Ecuador, Morocco.

²¹ Senegal PPE, Burkina Faso, Burundi, Kenya, Madagascar, Nepal, Pakistan, Sierra Leone, Tunisia, Uganda.

between value chain and finance components were not always realized in projects to effectively support enterprise development. Execution timelines for these components were not sufficiently synchronized. Institutional and policy influence and dialogue were rarely used to promote inclusive finance and clarify a long-term vision with agricultural banks and financial institutions to form a more strategic partnership.

Financial institutions

101. **Rural financial institutions faced considerable challenges in providing financial services to a wider range of targeted enterprises, including having weak lending products and low appetite for risk.** Partner financial institutions were not always geared towards developing financial

products adapted to the needs of the target groups and enterprises (eight evaluations).²² Several evaluations observed that financial institutions did not receive adequate leadership and guidance from financial apex institutions to help them overcome these challenges.

102. The Kenya Programme for the Rural Outreach of Financial Innovations and Technologies was an exception. As a dedicated finance project, it achieved considerable innovative credit delivery for value chain financing and agroprocessing for target groups. In Moldova, rural partner financial institutions gained experience over time in agricultural lending risks, which allowed them to expand their rural portfolios, reduce interest rates and offer longer-term maturities for rural clients. However the benefits of this experience did not adequately reach the primary target groups of IFAD.

Box 2 SME development in Moldova

The Rural Financial Services and Agribusiness Development Project in Moldova effectively supported medium-scale enterprises, farms and some non-farm enterprises, providing better access to finance. The project beneficiaries were mostly better-off farmers whereas the targets included young entrepreneurs (aged below 40). Planned support for value chain development and agricultural exports was weak, with different timelines and poor integration for finance and value chain components, inadequate linkages among value chain partners and low relevance for exports. The project had limited resources and technical expertise to promote value chains among IFAD target groups.

Source: IOE 2019, Project Performance Evaluation, Rural Financial Services and Agribusiness Development Project.

Enterprise capacities

103. **Enterprises made progress despite often facing the challenges of limited management capacities and inadequate financial, business and market expertise.** For group enterprises (producer organizations) their legal incorporation status was often a problem. The PCE reported enterprise capacities varied significantly depending on whether the beneficiaries were newly-founded or existing enterprises. Projects working with existing businesses and farmer/producer

groups tended to be more effective than those supporting new ones (Morocco, Sri Lanka, Tunisia). Building trust and shared commitment among group members often took time. Some projects made a start to provide enterprises with technical, management and financial literacy support but there was limited monitored data available to gauge the extent and quality of business advisory services provided. Some countries and projects were apparently more effective (Madagascar, Niger) than others (Burkina Faso, Ecuador).

²² Moldova PPE, Togo PPE, Madagascar, Niger, Sierra Leone, Sri Lanka, Sudan, Tunisia.

104. The quality of enterprise training and the ability to build sustainable capacity were uneven and baseline capacity needs assessments were missing. There was a need for better quality of training and more continuous mentoring and coaching of enterprises.

Implementation arrangements

105. There were positive examples of progress driven by implementation arrangements. In the Dominican Republic, the involvement of the Ministries of Economic and Business Development, Enterprise and Trade significantly contributed to enterprise development, agricultural commercialization and trade promotion. However, in general, these experiences were inadequately leveraged to better utilize the comparative advantage of relevant ministries with the capacity for enterprise development, agriculture commercialization and trade promotion. The potential of regional chambers of agriculture or business development services could not be fully leveraged as they also proved incapable of providing business development services in the field (Burkina Faso, Madagascar, Niger). Six evaluations found that the implementation arrangements for enterprise support provided by government and financial institutions were inadequate owing to the absence of support services to strengthen their service delivery capacity.²³ Mostly they were too overburdened and underresourced to be able to adequately guide project operations. The issue was further compounded in countries that were decentralizing their public functions and services, where support from local and regional governments was often lacking.

106. **Free-standing and thematically-focused projects (such as specifically dedicated finance, enterprise or single value chain projects) were conducive for successful enterprise support.** They were able to apply and test strategies more comprehensively. However, this advantage is lost when dedicated projects were too complex and not oriented to the specific needs of IFAD target groups (e.g. the Nepal Samridhi Rural Enterprises and Remittances Programme and the Sri Lanka National Agribusiness Development Programme).

Knowledge, learning, and monitoring and evaluation (M&E)

107. **Many evaluations exposed the need for better diagnostics and in-depth studies of enterprise opportunities and constraints.** These evaluations called for clearly laying out the strengths, weaknesses and relevance to target groups of enterprises at their design and implementation stages (11 evaluations).²⁴ Effective enterprise models and differentiated approaches by enterprise category and target group were needed, based on solid market analyses. Supportive technologies, innovations and business processes adapted to IFAD target groups needed further attention.

108. **In general, the M&E and the quantitative and qualitative follow up of enterprise development was weak and often did not allow the tracking and assessment of outcomes.** Limited availability of data and information from M&E on enterprise development was explicitly highlighted in seven evaluations²⁵ and was a frequent observation in others.

²³ Dominican Republic, Eswatini, Senegal, Togo, Madagascar, Tunisia.

²⁴ Eswatini, Moldova, Sri Lanka, Togo, Ecuador, Mexico, Pakistan, Sierra Leone, Sri Lanka, Tunisia, Uganda.

²⁵ Senegal, Sri Lanka, Burkina Faso, Madagascar, Nepal, Niger, Tunisia.

Box 3 **Project cluster evaluation: relevance, success factors and impact of enterprise development**

The project cluster evaluation (PCE) is a new concept and fresh IOE approach to project evaluations. IOE's first PCE on enterprise development presented a comparative cross-project performance analysis along several evaluation criteria. It focused on the pre-entrepreneurial activities and microenterprises in four IFAD-supported projects that had a clear enterprise focus and covered finance, non-finance and enabling interventions.

The PCE found that enterprise development was highly relevant to rural poverty alleviation but lacked clarity on how to achieve income and employment growth and who to target. Important factors for successful enterprise development (through their creation, survival and growth) were the selection and screening of beneficiaries, their education and literacy levels, along with the sequencing and intensity of non-financial and financial services.

Impactful enterprise support was strongest for existing entrepreneurs and their short-term income perspectives. Impact was relatively low for a broad range of business perspectives, lasting employment generation and institutional impact. Job generation was mostly overestimated, and financial loans went mostly towards the working capital of existing clients. Income increases came mainly from improved technologies and to some extent, from expanded knowledge. Many beneficiaries of enterprise development were involuntary entrepreneurs, mostly trying to diversify their income.

Instances of institutional impact in terms of business or incubation centres and supported financial institutions were observed, however their sustainability was not ensured.

Source: IOE 2023, Project Cluster Evaluation - Enterprise Development.

Future directions for enterprise development

109. Future directions for enterprise development should emphasize:

- **A focused, integrated and differentiated approach for enterprise development.**

Such an approach would include all critical financial, non-financial and enabling instruments for enterprise development, depending on context and needs. It would require clear formulation of enterprise development objectives (e.g. higher incomes and diversification, generating jobs and wage employment, entrepreneurial capacity and business development) to determine priority entry points for support. It would also differentiate support by enterprise type and existing capacities.

- **Leverage the long-standing institutional knowledge of the range of rural enterprises during project design and implementation** to maximize the impact of interventions on employment, income generation and sustainable enterprise growth. This effort should inform the planning, targeting and coordination of the assistance provided to rural enterprises to address their specific needs.
- **Ensure more inclusion and empowerment of IFAD's target groups.** Analysis of pro-poor value chain and market opportunities with a focus on identifying market opportunities for women and youth is critical to identify profitable opportunities for these target group enterprises and to link them to other market actors. This analysis should consider the specific needs, capacities, and

resource constraints of each target group. Based on the findings of this analysis, the design should determine the areas of interventions and guide how to establish linkages between these enterprises and key market actors, such as processors or exporters and ensure access to markets and support services. The interventions should further empower the marginalized groups among producer and farmer organizations through mentoring, networking, providing training, access to information and technology and tailored financial products.

- **Alleviation of institutional and regulatory constraints.** More proactive and innovative support is required for rural financial institutions to finance IFAD's target group enterprises. Sustainable business advisory services of public, semi-public and other service providers deserve more focus. Producer organizations would often benefit from better regulatory frameworks.

Rural extension and advisory services

110. IFAD projects supported rural extension and other advisory services through various public, social and commercial actors. For instance, in Uganda, innovative natural resource management advice was provided through the National Agricultural Research Organization and project-based extension providers; in Sudan, high-quality agricultural inputs and services (seeds, mechanization, spraying and finance) were provided through multidisciplinary extension service providers; and in Nepal, decentralized extension and advisory services were provided to local governments. Farmers and grass-roots organizations were reached with innovative and participatory development of agricultural technologies and practices in

Burkina Faso, Madagascar, and Niger through Food and Agriculture Organization of the United Nations-initiated farmer field schools.

111. **Extension services would have benefited from government reforms to facilitate a more pluralistic outreach and advisory system in line with IFAD's current extension vision and objectives.**²⁶ Such an approach would have contributed to a well-coordinated and sustainable delivery of extension by governments while allowing for the inclusion of a number of other actors (such as research, producer organizations and NGOs as well as paid service providers, agro-input dealers, market aggregators and rural finance institutions).

Reforming extension and advisory systems

112. **IFAD-supported public extension systems often remained poorly resourced, understaffed for delivery, and institutionally weak for sustainable services and scaling up** (as reported by **seven evaluations**)²⁷, especially when transitioning to more decentralized delivery through states, local governments and communities. These projects helped with delivery and maintaining focus on target groups, but made limited positive contribution to the institutional sustainability of public extension services, farmer apex and community organizations. Realistic project exit strategies were often absent, and project experiences were not mainstreamed in government and partner services (Zambia, Burkina Faso, Madagascar, Pakistan, Sudan). An example illustrating these gaps is outlined in box 5.

²⁶ IFAD. *Lessons learned from supporting pluralistic extension services in Asia and Africa*. (Rome: IFAD, 2022).

²⁷ Seven of twelve retained evaluations for extension analysis emphasized this point: Botswana, Cambodia, Zambia, Kenya, Madagascar, Pakistan, Sudan.

 Box 4 **Extension development in Madagascar**

The Madagascar CSPE found that all projects integrated training and advisory services to improve access to production and market support services for farm producers and entrepreneurs. These projects developed technical, management, marketing and self-organization capacities and formulated and implemented activities for extension services and rural vocational training. The Vocational Training and Agricultural Productivity Improvement Programme 2013-23, was a project specifically dedicated to enhancing capacity development in extension and advisory services. Its main entry points for support were producer organizations, their apex organizations, chambers of agriculture, commerce and industry and regional agriculture ministries. Simplified farmer field schools were an innovative programme feature for Madagascar, but at project completion, many institutions were still lacking sufficient resources, status and legitimacy to operate autonomously as full government partners in providing rural extension services. The evaluation also concluded that advisory services were needed to consolidate support to family farms, producer organizations and rural enterprises.

Source: IOE 2020, Madagascar Country Strategy Programme Evaluation.

113. In Botswana and Uganda, extension systems were top-down and supply-driven. Efforts to make them more pluralistic and demand-driven did not deliver the expected results. Systems were overwhelmed and disrupted by government prioritization of subsidized input delivery and hampered by political interference. This resulted in elite capture and weak delivery of the core extension services of innovative technology. In Uganda, the Agricultural Technology and Agribusiness Advisory Services project did not adequately diversify and privatize extension services, establish better links between public extension and agricultural research and make services more demand-driven. The absence of risk analyses of the political context and enabling policy environments contributed to these failures.
114. IFAD made better progress in Zambia, where it raised the awareness for more attention in a pluralistic extension system to target, coordinate at national and local levels, and apply relevant research. However, the future sustainability of the approaches promoted was not sufficiently considered (box 5).
115. **Innovative approaches to extension services were introduced but more research on their effectiveness was needed.** Several countries have introduced innovative approaches and different models of extension services, including farmer field schools, community-based teams and social media promotion, thus demonstrating a commitment to explore new methods and technologies to improve extension's effectiveness and inclusiveness. However, these activities were insufficiently monitored and researched to assess their relative performance and effectiveness in changing farmers' behaviours and understand their impact on inclusiveness (Uganda, Zambia, Burkina Faso and Niger).

Box 5 Agricultural extension development in Zambia

The Smallholder Productivity Promotion Programme in Zambia effectively improved the Ministry of Agriculture's extension delivery and private sector extension services using farmer organizations. However, this delivery was unsustainable as extension outreach was driven by project financing. A more enabling policy environment for private extension services, clearer roles, improved harmonization and coordination between public and private service could have helped the adoption of new technologies, such as conservation agriculture; reach poorer smallholder farmers; and changed the mindset of farmer organizations towards farming as a market-driven business. Although different extension models were applied, such as farmer field schools and lead/follower farmers, little is known about their relative efficacy, especially for serving IFAD target groups. Extension outcomes were not sufficiently monitored and evaluated. Similarly, capacity development for extension workers through training of trainers was weakly evidenced and followed up.

Source: IOE 2023, Smallholder Productivity Promotion Programme Project Performance Evaluation.

Participation, driven by demand and inclusion

116. **Extension driven by community and farmer/producer organizations led to more inclusive and demand-driven service provision.** Several evaluations reported positive results achieved by IFAD-supported projects that integrated community-driven approaches to achieve more demand-driven extension services that reached poorer farmers. Community-driven approaches worked particularly well when they were linked with additional capacity support for farmer and producer organizations, community-based facilitators, and adopted the training of trainers (Burkina Faso, Kenya, Pakistan, Sudan, Uganda). In Sudan, the community-based approaches that integrated agricultural production, natural resources management and conflict resolution significantly contributed to reducing tensions between different farmer groups. Sudan successfully raised women's benefits and empowerment through their presence in extension teams and wider representation in project and community coordination units.
117. **In general, extension services did not adequately address the challenges of reaching the most marginalized** (Cambodia, Madagascar). In Cambodia, indigenous groups were not adequately reached as the design did not sufficiently consider the remoteness of the project areas or the specific needs of the target groups in natural resource management, land access and training delivery approaches. Host farmers did not pass on extension information to less resourced smallholders in Uganda as was their responsibility. Zambia showed that a participatory selection of host farmers would have worked better. Early participatory assessments of capacity, technology and market needs of farmers, farmer organizations and project target groups would have helped with extension performance in Cambodia and Pakistan.

Enabling environment

118. **The decentralization of extension services to commune and regional levels is generally seen as useful for improving performance.** This is necessary to harness the benefits of localized and community-driven approaches

in extension. Evidence shows that countries undergoing decentralization may experience temporary disruptions but have demonstrated longer-term potential for improved extension services (Burkina Faso, Nepal, Niger and Pakistan).

119. **The extension policies were often inadequate for expanded pluralistic systems.** Policies were inadequately supported by projects and were not formulated collaboratively with other development partners to facilitate a more diverse extension system (Botswana PPE, Uganda PPE, Zambia PPE and Madagascar). Critical linkages and coordination between extension and research were missing in Uganda and Zambia.

120. The evaluations in Cambodia and Burkina Faso reported low technology adoption due to the **limited availability of complementary inputs**, such as finance and irrigation. In contrast, extension and farmer adoption worked better in parts of Uganda that had growing market opportunities (exogenous to the project) and low political interference with input deliveries.

Future directions for extension and advisory services

121. Going forward, the extension and advisory services should emphasize:

- **Empowering IFAD target groups with more demand-driven, community-based,**

integrated approaches to extension and advisory services. This approach would also include increasing the use of community-based facilitation and participatory farmer involvement, including women extension agents, and involve better linkages between natural resource management, agriculture, marketing and research in extension and advisory services.

- **Strengthening the capacities of public actors to facilitate more pluralistic, sustainable extension and advisory systems.** This would include: (i) the coordinated delivery of services to support value chains and managing the system as a public good; (ii) research on alternative models of extension, such as farmer field schools, lead farmer systems and last mile delivery support; (iii) identifying and testing different cost-recovery models; and, (iv) putting in place supportive policies and regulations. Such efforts should consider the political and economic implications for effective extension reforms.

Key points

Enterprise rural development

- Rural enterprises were successful when they had well-defined target groups, intervention strategies and financial and non-financial instruments that were aligned with beneficiary enterprise needs and capacities.
- Effective enterprise development in rural areas was often linked to agricultural value chains, market opportunities and a clear analysis of opportunities and risks for enterprises.
- Focusing on a specific theme, such as finance, enterprise or single value chains contributed to effective enterprise support. Such focus also facilitated testing the enterprise development strategy to adaptively improve it.
- Implementation of IFAD operations could have better utilized the expertise of relevant ministries in enterprise development, agriculture commercialization and trade promotion.

Extension and advisory services

- Innovative approaches to extension services delivery demonstrated both commitment and the potential for enhancing the effectiveness and inclusiveness of these services.
 - Community-driven approaches, complemented by support to strengthen the capacities of farmer and producer organizations as well as facilitators, and the adoption of training-of-trainers have led to extension services that are demand-driven and inclusive.
 - Integrated approaches to extension advisory services proved effective, encompassing: the integration of agricultural production and natural resource management; conflict resolution among resource-poor farmers; non-agricultural marketing; and promoting strong linkages between extension and research.
 - Support to extension services would have benefited from strengthened government reforms to facilitate a more pluralistic extension and advisory system in line with IFAD's current extension vision and objectives.
 - Many countries continue to struggle with extension systems that are inadequately financed and resourced. These have resulted in very few successful examples of lasting, alternative and innovative extension and advisory services models.
-



Angora goat farmer and his family, Northern Tajikistan.

4

INSTITUTIONAL EFFICIENCY

122. To complement the project-level efficiency analysis of chapter II, this chapter offers an analysis of institutional efficiency and its trend considering different efficiency indicators. This chapter draws from the analysis and findings of the corporate-level evaluation of IFAD's decentralization experience in 2023 – referred to henceforth as CLE decentralization.

Trends in efficiency ratios at the corporate level

123. IFAD traditionally reports on three efficiency ratios in annual budget documents submitted to the Board: (i) ratio 1: total administrative budget/programme of loans and grants (PoLG); (ii) ratio 2: total administrative budget/programme of work (PoW); and (iii) ratio 3: value of portfolio/total administrative budget (the first three ratios in table 6a). The first two ratios relate to the amount of PoLG and PoW delivered per dollar of administrative expenditure. IFAD found these ratios were not optimal indicators of resources managed, given the large year-to-year variations of PoLG and PoW.

124. It preferred the third ratio: the total amount of portfolio managed per dollar of administrative cost. This ratio also offered the benefit of capturing activities that IFAD delivers prior to and following the disbursement of loans and grants. However, this ratio made no distinction between programme delivery costs and other expenditures.

125. However, these three standard efficiency ratios used by IFAD showed no statistically significant changes during the period 2013-2021,²⁸ despite the major organizational changes that took place during this period (reorganization of the headquarters, and a new approach to decentralization efforts since 2017 that accelerated the deployment of staff in the field [Decentralization 2.0]).

²⁸ For all three ratios the averages for the periods 2013-2016 and 2017-2021 were not statistically different (table 8b).

126. To address the limitations of these standard ratios, the CLE 2023 constructed the following three ratios as part of the recent corporate-level evaluation of IFAD's decentralization experience. Ratio 4: total administrative budget-total disbursements; ratio 5: average project size; ratio 6: total full-time equivalent (FTE)-unit of output.²⁹ These are in line with the practices of other international finance institutions (IFIs) and presented as the last three ratios in table 6a. The following analysis is based on the trends in these three ratios.
127. **Performance trends of these three new efficiency ratios showed statistically significant changes to institutional efficiency** during this period, particularly after the introduction of the new approach to decentralization and other concurrent organizational and operational reforms.
128. Ratio 4 showed a statistically significant improvement to disbursement per unit administrative cost during 2017-2022, compared to 2013-2016. Since 2017, IFAD disbursed more with every dollar of administrative budget compared to the earlier period and increased the average size of the resulting projects. Increasing the average size of projects (ratio 5) contributed to cost-efficiency because the costs of designing and supervising large projects were not linearly related to increases in project size. IFAD increased its total full-time employee base by 19 per cent from 2016 to 2021 (an increase from 595 to 709). This net increase was not accompanied by a corresponding increase in the number of units of output. Consequently, ratio 6 increased from 7.9 to 9.0 FTE during 2016-2021.³⁰ This trend may be a reflection of IFAD projects becoming larger (see ratio 5) and more complex (e.g. integrating cross-cutting issues).
129. It is important to recognize that the institutional efficiency gains may adversely impact IFAD's development effectiveness if adequate resources are not allocated in the administrative budget to support operational delivery. IFAD's support for designing and implementing operations and pursuing non-lending activities (such as policy engagement, partnership-building, and knowledge management) are considered core client services that are critical for IFAD-supported interventions to be development effective. IFIs aim to ensure that adequate resources are allocated from the administrative budget to cater for these core client services. In fact, the ratio of budget allocated to core client services to total administrative budgets is tracked in a number of IFIs to ensure that such core services are sufficiently prioritized by the organization. A ratio less than 50 per cent is taken as a cause for concern in many IFIs.

²⁹ Output is defined as the number of projects approved in a year plus 25 per cent of the projects in the active portfolio, a factor that represents the ratio of budgets assumed to be allocated for project supervision compared with project design.

³⁰ See previous footnote.

³¹ Some increases in non-operational expenditures were required to support other IFAD reforms. For example, to support the reform of IFAD's financial architecture and get a credit rating, IFAD needed to create a risk management office and strengthen its treasury and financial services.

Table 6a Efficiency ratios at the corporate level

	2013	2014	2015	2016	2017	2018	2019	2020	2021
Ratio 1: Total administrative budget/PoLG	14%	17%	10%	17%	11%	11%	8%	16%	12%
Ratio 2: Total administrative budget/PoW	7%	8%	4%	11%	7%	6%	3%	7%	5%
Ratio 3: Value of portfolio/total administrative budget (US\$ millions)	40	41	47	47	45	45	45	58	49
Ratio 4: Total administrative budget/total disbursements	30%	30%	30%	27%	24%	24%	25%	26%	25%
Ratio 5: Average size of projects approved (PoLG/number of approved projects) (US\$ millions)	41	34	38	36	41	43	49	50	50
Ratio 6: Total full-time equivalent employment/unit of output	6.7	6.9	6.1	7.9	7.1	7.9	7.4	9.5	9.0

Source: IOE 2023, Corporate-Level Evaluation of IFAD's Decentralization Experience.

130. **Despite the gains in institutional efficiency in IFAD observed in two of the efficiency ratios, resources allocated to core client services as a share of total administrative budget have declined** from a stable value of 59 per cent prior to 2017 to 47 per cent in 2022 (chapter II, table 3) since 2016. To put it differently, from 2016 to 2022, IFAD's non-operational expenditures grew faster than operational expenditures.³¹

131. In 2022, IFAD had the lowest value for core client services among the IFIs reviewed by IOE as part of CLE decentralization.³² Management took steps to address this problem in the 2023 budget, approved in December 2022, intending to reverse this situation.

³² The shares of operational units in the following four multinational development banks' total budget in 2022 were: African Development Bank: 49 per cent; Asian Development Bank: 54 per cent; Inter-American Development Bank: 56 per cent; World Bank: 59 per cent.

Table 6b Efficiency ratios at the corporate level

2013	2014	2015	2016	2017	2018	2019	2020	2021	Average 2013-2016	Average 2017-2021	T- test p value	T- test score	Difference
Ratio 1: Total administrative budget/PoLG													
14%	17%	10%	17%	11%	11%	8%	16%	12%	14.36%	12%	0.2277	1.3222	Not significant
Ratio 2: Total administrative budget/PoW													
7%	8%	4%	11%	7%	6%	3%	7%	5%	7.74%	6%	0.1903	1.4502	Not significant
Ratio 3: Value of portfolio/total administrative budget (US\$ millions)													
40	41	47	47	45	45	45	58	49	43	49	0.1632	-1.5579	Not significant
Ratio 4: Total administrative budget/total disbursements													
30%	30%	30%	27%	24%	24%	25%	26%	24%	29.34%	25%	0.0008	5.6710	at 99% level
Ratio 5: Average size of projects approved (PoLG/number of approved projects) (US\$ millions)													
41	34	38	40	45	49	54	50	50	38	50	0.0012	-5.2415	at 99% level
Ratio 6: Total full-time equivalent employment/unit of output													
6.6	6.9	6.1	7.9	7.1	7.9	7.4	9.5	9.0	6.9	8.2	0.0753	-2.0868	at 90% level

Source: IOE 2023, Corporate-Level Evaluation of IFAD's Decentralization Experience.

132. This decline in resources during 2017-2022 was a consequence of funding the one-time costs of increased field presence and higher non-operational costs within the near zero real growth administrative budget of IFAD. This resulted in a significant decline in the budgets allowed for design support as well as implementation and oversight support. The CLE e-survey showed that a majority of operational staff disagreed that there was sufficient budget and resources allocated for project processing and supervision (75 per cent) and mainstreaming efforts (79 per cent). The average budget for the design of projects declined by 19 per cent –

from US\$177,000 during IFAD9 (2013-2015) to US\$144,000 during IFAD11 (2019-2021). The average budget for supervision decreased by 28 per cent, from US\$29,000 to US\$21,000 during the same period.

133. **The declining budget allocation for IFAD's country programme delivery came at a time when IFAD projects were becoming larger and more complex to address the multiple mainstreaming needs.** Case studies of CLE decentralization noted the adverse impact of this reduction in financial and human resources on the quality of project design, supervision, mainstreaming and non-lending activities.³³

³³ Including travel from multi-country offices post-pandemic when the cost of air travel increased.

Key points

- IOE analysis showed statistically significant improvements in some measures of institutional efficiency resulting from the accelerated decentralization efforts since 2017.
 - Despite these gains, the resources allocated to country programme delivery as a share of total administrative budget has declined. More specifically, there was steady decline of budgets allocated to the design of new projects and to provide implementation support during 2017-2022. This decline occurred when organizational reforms pushed for larger and more complex projects that mainstreamed a number of cross-cutting issues simultaneously.
-



Woman sorting tomatoes from the harvest, Fiji.

©IFAD/Rob Rickman

5

KEY FINDINGS

Project performance and non-lending activities

134. In line with the past ARIE observations, the majority of the projects completed recently (during 2019-2021) were performing well, with a rating of moderately satisfactory or better. Efficiency continued to be the lowest performing area, while relevance, ENRM and CCA and innovation were the top performers again (as in the 2022 ARIE). The projects analysed for this report have had an exposure of 22 months or less to recent global shocks, such as the COVID-19 pandemic and none to the consequences of the war in Ukraine. As such, it is unlikely that these were major explanatory factors for the findings of this report.
135. A cause for concern was the decline in the performance of rural poverty impact and effectiveness since 2018 (periods 2017-2019,

2018-2020, 2019-2021). The decline in the performance of effectiveness was more noticeable, particularly in projects operating under conditions of fragility and conflict, where the share of well-performing projects dropped from 67 per cent to 42 per cent during this period. This deterioration calls for further analysis. In particular, the longer-term consequences of the sustained decline in the share of administrative budget allocated to country programme delivery during 2017-2022, and an assessment of the fit-for-purpose nature of IFAD Country Offices to deliver their mandate following the accelerated decentralization efforts and reassignment exercises undertaken since 2017 needs closer scrutiny.

136. The performance of non-lending activities has improved since 2018, particularly in knowledge management and policy engagement.

Thematic perspectives: rural enterprise development and extension services

137. Enterprise development was highly relevant to rural poverty alleviation. Rural enterprises were successful when they: (i) were planned and implemented with clarity to reach target groups; (ii) aligned their intervention strategies, financial and non-financial instruments with beneficiary enterprise needs and capacities; (iii) linked to agricultural value chains and market opportunities; and (iv) were equipped with clear analysis of opportunities and risks for enterprises.
138. Common challenges to performance included: (i) treating enterprise development as an ancillary object of rural finance, value chain or social development projects; (ii) insufficiently accounting for the contextual and other constraints facing enterprise development; (iii) financial services being characterized by low risk appetite and lending products being ill-suited for target groups; and (iv) inadequate leveraging of the expertise of relevant ministries linked to enterprise development, agriculture commercialization and trade promotion.
139. Overall, instances of the institutional impact of enterprise development efforts were observed in terms of business or incubation centres and supported financial institutions. However, their sustainability proved to be a challenge. More proactive and innovative support is needed to alleviate institutional and regulatory constraints and provide more sustainable business advisory services.
140. Effective extension advisory services were found to integrate agricultural production, natural resource management, resolve conflicts among the competing interests of resource-poor farmers, promote non-agricultural marketing and develop strong linkages between extension and research. Innovative approaches to extension services delivery demonstrated both commitment and the potential for enhancing the effectiveness and inclusiveness of these services.
141. Extension systems in many countries were often inadequately financed and resourced. These have resulted in few successful examples of lasting, alternative and innovative extension and advisory services models. Support to extension services would have benefited from components which would strengthen government reforms to facilitate a more pluralistic extension and advisory system in line with IFAD's current extension vision and objectives.

Institutional efficiency

142. The three standard efficiency ratios that IFAD presents to the Board in its annual budget documents (total administrative budget/PoLG, total administrative budget /PoW, value of portfolio/total administrative budget) offer limited insights on how resources are managed corporately. The two indicators using PoLG and PoW do not offer relevant insights into efficiency due to their large variations; the third indicator did not show statistically significant variation during the past 10 years, thus failing to capture the impacts of the fundamental organizational changes that took place over this period.

143. Two of the additional institutional efficiency indicators developed by IOE in line with other IFIs showed recent gains in IFAD's institutional efficiency. However, the resources allocated to country programme delivery as a share of total administrative budget steadily declined during 2017-2022. This decline in resources was accompanied by organizational reforms that pushed for larger projects to enhance efficiency and also mandated the mainstreaming of priority cross-cutting themes in all projects which rendered them more complex.
144. As noted, the recent decline in the performance in effectiveness and rural poverty impact of IFAD operations is a cause for concern. This warrants closer scrutiny of the long-term implications of this sustained reduction of the resources allocated to IFAD's core client services during 2017-2022, along with other organizational changes that may have adversely affected the fit-for-purpose nature of IFAD's presence in client countries.



Chairman of the
Kaatema Mem
Agricultural
Cooperative, Taraku,
Benue State,
Nigeria, by one of
his four fish ponds.

©IFAD/Bernard Kalu

ANNEXES

I Definition of the evaluation criteria used by IOE³⁴

Criteria	Definition ³⁵
Rural poverty impact	The changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.
	<p>Four impact domains</p> <ul style="list-style-type: none"> • Household income and net assets: household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value. The analysis must include an assessment of trends in equality over time. • Human and social capital and empowerment: human and social capital and development includes an assessment of the changes that have occurred in the empowerment of individuals, the quality of grass-roots organizations and institutions, the poor's individual and collective capacity, and in particular, the extent to which specific groups such as youth are included or excluded from the development process. • Food security and agricultural productivity: changes in food security relate to availability, stability, affordability and access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields; nutrition relates to the nutritional value of food and child malnutrition. • Institutions and policies: the criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor.
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, coherence in achieving its objectives, and relevance of targeting strategies adopted.
Effectiveness	The extent to which the development intervention's objectives were achieved or are expected to be achieved, taking into account their relative importance.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results
Sustainability of benefits	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.

³⁴ Based on the IFAD Evaluation Manual, 2022.

³⁵ These definitions build on the Organisation for Economic Co-operation and Development/ Development Assistance Committee (OECD/DAC) Glossary of Key Terms in Evaluation and Results-Based Management; the Methodological Framework for Project Evaluation agreed with the Evaluation Committee in September 2003; the first edition of the Evaluation Manual discussed with the Evaluation Committee in December 2008; and further discussions with the Evaluation Committee in November 2010 on IOE's evaluation criteria and key questions.

Criteria	Definition ⁹⁵
Gender equality and women's empowerment	The extent to which IFAD interventions have contributed to better gender equality and women's empowerment, for example, in terms of women's access to and ownership of assets, resources and services; participation in decision-making; workload balance and impact on women's incomes, nutrition and livelihoods.
Innovation	The extent to which IFAD development interventions have introduced innovative approaches to rural poverty reduction.
Scaling up	The extent to which IFAD development interventions have been (or are likely to be) scaled up by government authorities, donor organizations, the private sector and other agencies.
Environment and natural resources management	The extent to which the development interventions/strategy contribute to the enhancement of environmental sustainability and resilience to climate change in small-scale agriculture.
Overall project achievement	
	An arithmetic average of ratings for the following nine criteria: rural poverty impact, relevance, effectiveness, efficiency, sustainability of benefits, gender equality and women's empowerment, innovation, scaling up, environment and natural resource management and climate change adaptation.
Performance of partners	
IFAD	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support and evaluation. The performance of each partner will be assessed on an individual basis with a view to the partner's expected role and responsibility in the project life cycle.
Government	

Source: IFAD 2022, IFAD Evaluation Manual.

II Trend analysis – ARIE approach

1. The set of criteria analysed in this report includes internationally-recognized core criteria (relevance, effectiveness, efficiency, sustainability and impact),³⁶ as well as IFAD-specific criteria, such as gender equality and women's empowerment, innovation, scaling up, environment and natural resource management and climate change adaptation (ENRM and CCA), and the performance of partners (table 1).

Table 1 Evaluation criteria used in assessment of project performance

Evaluation criteria
Relevance
Effectiveness
Efficiency
Sustainability of benefits
Rural poverty impact
Innovation
Scaling up
Gender equality and women's empowerment
Environment and natural resource management and climate change adaptation
Adaptation to climate change
Overall project performance* – arithmetic average of above nine criteria
Performance of IFAD
Government performance

*All criteria are rated on a scale of 1-6 except for overall project performance.

Source: IFAD 2022, IFAD Evaluation Manual.

2. The 2023 ARIE analyses follow the evaluation criteria specified under the 2022 IFAD Evaluation Manual (annex 1), which differ from the criteria set out in the earlier 2015 edition. Consequently, adjustments were needed to ensure comparability with earlier years in order to conduct trend analyses.
 - In line with the new IFAD Evaluation Manual (2022), environment and natural resource management (ENRM) and climate change adaptation (CCA) are now combined into one criterion (previously they were treated as two separate criteria).³⁷ To ensure comparability, ratings of ENRM and CCA were combined by averaging and rounding to an integer value.³⁸
 - Overall project achievement – the arithmetic average of the ratings of the nine criteria used – is no longer rounded to an integer but treated as a rational number.
3. In line with the Good Practice Standard of the Evaluation Cooperation Group of the Multilateral Development Banks for Public Sector Evaluations, IFAD uses a six-point ratings scale to assess performance under each evaluation criterion,³⁹ except for the indicator of overall project achievement.

³⁶ Notably, the definition of the evaluation criteria set out by the Development Assistance Committee of the Organisation for Economic Co-operation and Development.

³⁷ They were under one criterion up to 2015 but were separated since 2016 based on the 2015 edition of the Evaluation Manual. The 2022 IFAD Evaluation Manual returns them to a single criterion.

³⁸ For example, if ENRM and CCA were rated 5 and 4 respectively, the combined rating of 5 for ENRM and CCA (rounding the average of 4.5) was used for this ARIE.

³⁹ 1=highly unsatisfactory; 2=unsatisfactory; 3=moderately unsatisfactory; 4=moderately satisfactory; 5=satisfactory; 6=highly satisfactory.

4. The analysis of project performance ratings is presented by year of project completion as in previous ARRI/ARIE editions. To establish the underlying trend of performance ratings over the 10-year period, three-year moving periods (by year of completion) are utilized to smoothen the data and to mitigate inter-annual variations. The observation on the performance in the latest period is based on the ratings on the projects completed between 2019 and 2021. Not all projects completed in this period (especially those completed in 2021) have been subjected to IOE evaluation and validation. Consequently, the figure for the latest three-year period may change with the addition of more projects to the 2019-2021 cohort in a future edition of ARIE.
5. The quantitative analysis is mainly derived from descriptive statistics, while inferential statistics were used where relevant: parametric and non-parametric tests were used to analyse rating disconnects between independent and self-evaluations.⁴⁰
6. Additional analyses were conducted by regions, as well as by fragility status. For the latter, the projects were mapped and categorized as having operated in countries with fragile situations if the country was on the World Bank's annual list of fragile and conflict-affected situations⁴¹ for more than half of the project lifecycle (approval to completion).

⁴⁰ The disconnect could be negative or positive: a negative disconnect signifies that the PCR ratings (in self-evaluations) are higher than the IOE ratings, while a positive disconnect means the opposite (i.e. IOE ratings are higher than the PCR).

⁴¹ Up to 2019, the list was for fragile situations, without "conflict-affected" situations. Historical lists can be found at the following site: <https://thedocs.worldbank.org/en/doc/9b8fadb62f7183cef819729cc9073671-0090082022/original/FCList-FY06toFY22.pdf>

III Evaluations completed by IOE in 2022

Country/ Region	Title	Project ID	Executive Board approval date	Effective- ness date	Project completion date	Project duration (years)	Total project financing (US\$)
Corporate-level evaluation							
All	Joint Evaluation on the Collaboration among the United Nations Rome-based Agencies						
Thematic evaluation							
All	Thematic Evaluation of IFAD's Support for Smallholder Farmers' Adaptation to Climate Change						
Country strategy and programme evaluations and projects covered in respective CSPEs							
Burundi	Rural Recovery and Development Programme	1100001105	28/04/1999	04/08/1999	31/12/2010	11	31 300 000
	Transitional Programme of Post-conflict Reconstruction	1100001291	09/09/2004	15/12/2005	21/12/2013	8	36 700 000
	Livestock Sector Rehabilitation Support Project	1100001358	18/04/2007	25/02/2008	30/06/2014	6	17 900 000
	Agricultural Intensification and Value-enhancing Support Project	1100001469	30/04/2009	21/07/2009	30/09/2020	11	39 800 000
	Value Chain Development Programme	1100001489	22/04/2010	07/05/2010	31/12/2020	10	90 500 000
	The Project to Accelerate the Achievement of Millennium Development Goal 1-c	N/A	31/05/2013	31/05/2013	22/06/2019	6	18 800 000
	National Programme for Food Security and Rural Development in Imbo and Moso	2000000738	17/09/2014	19/09/2014	31/03/2022	8	67 800 000
	Value Chain Development Programme Phase II	2000001009	15/09/2015	03/11/2015	31/12/2021	6	51 700 000
	Project to Support Agricultural and Rural Financial Inclusion in Burundi	2000001145	02/09/2017	29/01/2018	30/03/2025	7	38 600 000
	Agricultural Production Intensification and Vulnerability Reduction Project	2000001146	14/12/2018	13/05/2019	30/06/2025	6	129 050 000

Country/ Region	Title	Project ID	Executive Board approval date	Effective- ness date	Project completion date	Project duration (years)	Total project financing (US\$)
Eswatini	Lower Usuthu Smallholder Irrigation Project – Phase I	1100001159	06/12/2001	27/01/2004	30/09/2013	10	278 834 000
	Rural Finance and Enterprise Development Programme	1100001373	17/12/2008	15/09/2010	30/09/2016	6	8 468 000
	Smallholder Market-led Project	1100001665	22/04/2015	16/02/2016	31/03/2022	6	25 900 000
	Financial Inclusion and Cluster Development Project	2000001804	21/07/2018	05/09/2019	30/09/2025	6	38 559 000
Indonesia	Rural Empowerment and Agricultural Development Programme in Central Sulawesi	1100001258	02/12/2004	18/11/2008	31/12/2014	6	28 330 000
	Village Development Programme (ex-National Programme for Community Empowerment in Rural Areas Project)	1100001341	11/09/2008	17/03/2009	31/12/2018	10	216 770 000
	Smallholder Livelihood Development Project in Eastern Indonesia	1100001509	11/05/2011	05/07/2011	31/01/2019	8	65 000 000
	Coastal Community Development Project	1100001621	21/09/2012	23/10/2012	31/12/2017	5	43 240 000
	Integrated Participatory Development and Management of the Irrigation Sector Project	1100001706	17/12/2015	13/02/2017	31/03/2023	6	852 900 000
	Rural Empowerment and Agriculture Development Scaling up Initiative	2000001181	14/09/2017	08/01/2018	08/01/2023	5	55 330 000
	Youth Entrepreneurship and Employment Support Services Programme	2000001202	14/12/2018	17/06/2019	30/06/2025	6	72 710 000
	Integrated Village Economic Transformation Project	2000002562	30/10/2019	23/12/2019	31/12/2025	6	702 030 000
	The Development of Integrated Farming Systems in Upland Areas	2000002234	11/12/2019	23/12/2019	31/12/2024	5	151 660 000
Malawi	Rural Livelihoods Support Programme	1100001164	12/09/2001	30/08/2004	30/09/2013	9	16 600 000
	Irrigation, Rural Livelihoods and Agricultural Development Project	1100001334	13/12/2005	24/05/2006	30/06/2012	6	52 100 000
	Rural Livelihoods and Economic Enhancement Programme	1100001365	13/12/2007	01/10/2009	31/12/2017	8	29 200 000

Country/ Region	Title	Project ID	Executive Board approval date	Effective- ness date	Project completion date	Project duration (years)	Total project financing (US\$)
Malawi	Sustainable Agricultural Production Programme	1100001534	13/12/2011	24/01/2012	31/03/2023	11	72 400 000
	Programme for Rural Irrigation Development	1100001670	17/12/2015	15/02/2017	31/12/2024	7	84 000 000
	Financial Access for Rural Markets, Smallholders and Enterprise Programme	2000001501	11/12/2017	15/08/2018	30/06/2025	7	57 700 000
	Transforming Agriculture through Diversification and Entrepreneurship Programme	2000001600	11/12/2019	28/07/2020	30/09/2026	6	125 400 000
Pakistan	Community Development Programme	1100001245	18/12/2003	02/09/2004	30/09/2014	10	30 740 000
	Microfinance Innovative and Outreach Programme	1100001324	13/12/2005	01/09/2006	30/09/2011	5	30 540 000
	Programme for Increasing Sustainable Microfinance	1100001413	12/09/2007	07/05/2008	30/09/2013	5	46 580 000
	Southern Punjab Poverty Alleviation Programme	1100001514	15/12/2010	30/09/2011	30/09/2022	11	195 120 000
	Gwadar-Lasbela Livelihood Support Project	1100001515	11/05/2011	31/01/2013	31/07/2020	7	38 270 000
	Economic Transformation Initiative Gilgit-Baltistan	2000000836	22/04/2015	16/09/2015	30/09/2022	7	120 120 000
	National Poverty Graduation Programme	2000001467	14/09/2017	14/11/2017	31/12/2023	6	149 800 000
Uzbekistan	Horticultural Support Project	1100001606	03/04/2012	17/12/2013	31/12/2019	6	31 690 000
	Dairy Value Chains Development Project	1100001714	15/09/2015	07/03/2017	31/03/2023	6	39 410 000
	Agriculture Diversification and Modernization Project	2000001283	11/12/2017	09/01/2019	31/03/2025	6	364 160 000
Project performance evaluations							
Indonesia	Rural Development: Village Development Programme (ex-National Programme for Community Empowerment in Rural Areas Project)	1100001341	2008	2009	2018	10	216 771 295
United Republic of Tanzania	Marketing/Storage/Processing: Marketing Infrastructure, Value Addition and Rural Finance Support Programme	1100001553	2010	2011	2020	10	170 461 491
Uzbekistan	Credit and Financial Services: Horticultural Support Project	1100001606	2012	2013	2019	6	31 693 821

Country/ Region	Title	Project ID	Executive Board approval date	Effective- ness date	Project completion date	Project duration (years)	Total project financing (US\$)
Project completion report validations							
Azerbaijan	Irrigation: Integrated Rural Development Project	1100001561	2011	2011	2019	9	103 468 311
Brazil	Rural Development: Cariri and Seridó Sustainable Development Project	1100001487	2009	2012	2020	8	49 694 550
Burundi	Agricultural Development: Value Chain Development Programme	1100001489	2010	2010	2020	11	110 177 501
China	Marketing/Storage/ Processing: Jiangxi Mountainous Areas Agribusiness Promotion Project	1100001701	2014	2015	2020	5	125 210 000
Ecuador	Rural Development: Ibarra-San Lorenzo Corridor Territorial Development Project	1100001354	2009	2011	2018	7	19 956 422
Egypt	Irrigation: On-farm Irrigation Development Project in Oldlands	1100001447	2009	2010	2020	11	92 159 083
El Salvador	Rural Development: Rural Development and Modernization Project for the Eastern Region	1100001321	2005	2008	2016	8	22 199 980
Ethiopia	Credit and Financial Services: Rural Financial Intermediation Programme II	1100001521	2011	2012	2020	9	248 047 924
	Rural Development: Pastoral Community Development Project III	1100001522	2013	2014	2019	5	254 145 666
Fiji	Rural Development: Fiji Agricultural Partnerships Project	1100001707	2015	2015	2019	4	6 052 814
Guinea	Rural Development: National Programme to Support Agricultural Value Chain Actors – Lower Guinea and Faranah Expansion	1100001700	2013	2013	2019	6	40 056 990
Haiti	Agricultural Development: Small Irrigation and Market Access Development Project in the Nippes and Goavienne Region	1100001532	2012	2012	2019	7	16 554 156
Lesotho	Rural Development: Smallholder Agriculture Development Project	1100001530	2011	2011	2011	8	28 783 288
Mauritania	Rural Development: Poverty Reduction Project in Aftout South and Karakoro – Phase II	1100001577	2011	2012	2020	7	28 883 480

Country/ Region	Title	Project ID	Executive Board approval date	Effective- ness date	Project completion date	Project duration (years)	Total project financing (US\$)
Mozambique	Agricultural Development: Artisanal Fisheries Promotion Project	1100001517	2010	2011	2019	8	60 331 736
	Agricultural Development: Pro-Poor Value Chain Development in the Maputo and Limpopo Corridors	1100001618	2012	2012	2019	8	44 946 936
Nepal	Agricultural Development: Improved Seed for Farmers Programme (Kisankalagi Unnat Biu-Bijan Karyakram)	1100001602	2012	2012	2020	7	55 402 190
Pakistan	Rural Development: Gwadar-Lasbela Livelihoods Support Project	1100001515	2011	2013	2019	7	38 271 628
Peru	Research/Extension/ Training: Strengthening Local Development in the Highlands and High Rainforest Areas Project	1100001498	2012	2013	2020	6	36 468 155
Rwanda	Credit and Financial Services: Climate-Resilient Post-Harvest and Agribusiness Support Project	1100001497	2013	2014	2019	6	83 350 440
	Agricultural Development: Project for Rural Income through Exports	1100001550	2011	2011	2020	9	65 845 455
Senegal	Agricultural Development: Agricultural Value Chains Support Project-Extension	1100001693	2013	2014	2020	6	47 478 725
Tajikistan	Livestock: Livestock and Pasture Development Project	1100001575	2011	2011	2020	7	15 780 852
Uganda	Agricultural Development: Vegetable Oil Development Project 2	1100001468	2010	2010	2019	9	146 175 000
Uruguay	Credit and Financial Services: Rural Inclusion Pilot Project	1100001500	2014	2014	2019	5	5 843 942
Viet Nam	Rural Development: Commodity-oriented Poverty Reduction Programme in Ha Giang Province	1100001663	2014	2015	2020	5	33 712 100
	Rural Development: Project for Adaption to Climate Change in the Mekong Delta in Ben Tre and Tra Vinh Provinces	1100001664	2013	2014	2020	6	49 344 283

IV List of country strategy and programme evaluations completed by IOE (1992-2022)

Country programme evaluation	Division	Evaluation year(s)
Angola	ESA	2018
Argentina	LAC	2010
Bangladesh	APR	1994, 2006, 2016
Benin	WCA	2005
Bolivia (Plurinational State of)	LAC	2019
Brazil	LAC	2005, 2014
Burkina Faso	WCA	2008, 2016
Burundi	ESA	2020
Cambodia	APR	2018
Cameroon	WCA	2018
China	APR	2014
Colombia	LAC	2022
Congo	WCA	2017
Ecuador	LAC	2014, 2020
Egypt	NEN	2005, 2017
Eswatini	ESA	2021
Ethiopia	ESA	2009, 2016
Gambia (The)	WCA	2016
Georgia	NEN	2018
Ghana	WCA	1996, 2012
Guinea-Bissau	WCA	2022
Honduras	LAC	1996
India	APR	2010, 2016
Indonesia	APR	2004, 2014, 2021
Jordan	NEN	2014
Kenya	ESA	2011, 2019
Kyrgyzstan	NEN	2022
Madagascar	ESA	2013, 2020

Country programme evaluation	Division	Evaluation year(s)
Malawi	ESA	2021
Mali	WCA	2007, 2013
Mauritania	WCA	1998
Mexico	LAC	2006, 2020
Morocco	NEN	2008, 2020
Moldova (Republic of)	NEN	2014
Mozambique	ESA	2010, 2017
Nepal	APR	1999, 2013, 2020
Nicaragua	LAC	2017
Niger	WCA	2011, 2020
Nigeria	WCA	2009, 2016
Pakistan	APR	1995, 2008, 2020
Papua New Guinea	APR	2002
Peru	LAC	2018
Philippines	APR	2017
Rwanda	ESA	2006, 2012
Senegal	WCA	2004, 2014
Sierra Leone	WCA	2020
Sri Lanka	APR	2002, 2019
Sudan	NEN	1994, 2009, 2020
Syrian Arab Republic	NEN	2001
Tanzania (United Republic of)	ESA	2003, 2015
Tunisia	NEN	2003, 2019
Turkey	NEN	2016
Uganda	ESA	2013, 2020
Uzbekistan	NEN	2021
Viet Nam	APR	2001, 2012
Yemen	NEN	1992, 2012
Zambia	ESA	2014

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

V List of all projects covered in the quantitative analysis on performance ratings Projects completed in 2012-2021 (N=288)⁴²

Country	Project	Project ID	Type	Approval	Entry into Force	Completion
APR (70)						
Afghanistan	Rural Microfinance and Livestock Support Programme	1100001460	PCRv	2009	2009	2016
Bangladesh	Market Infrastructure Development Project in Charland Regions	1100001322	PCRv	2005	2006	2013
	Sunamganj Community-based Resource Management Project	1100001165	PCRv	2001	2003	2014
	National Agricultural Technology Project	1100001355	PCRv	2007	2008	2014
	Finance for Enterprise Development and Employment Creation Project	1100001402	PPE	2007	2008	2014
	Participatory Small-scale Water Resources Sector Project	1100001466	PCRv	2009	2009	2018
	Coastal Climate Resilient Infrastructure Project	1100001647	PPE	2013	2013	2019
Bhutan	Agriculture, Marketing and Enterprise Promotion Programme	1100001296	PPE	2005	2006	2012
	Market Access and Growth Intensification Project	1100001482	PCRv	2010	2011	2016
Cambodia	Rural Livelihoods Improvement Programme	1100001350	PPE+	2007	2007	2014
	Project for Agricultural Development and Economic Empowerment	1100001559	PCRv	2012	2012	2018
China	Inner Mongolia Autonomous Region Rural Advancement Programme	1100001400	PCRv	2007	2008	2014
	Xinjiang Uygur Autonomous Region Modular Rural Development Programme	1100001323	PCRv	2006	2008	2014
	Dabieshan Area Poverty Reduction Programme	1100001454	PCRv	2008	2009	2015
	Guangxi Integrated Agricultural Development Project	1100001555	PCRv	2011	2012	2017
	Hunan Agricultural and Rural Infrastructure Improvement Project	1100001627	PPE	2012	2012	2017
	Yunnan Agricultural and Rural Improvement Project	1100001629	PCRv	2012	2013	2018
	Shiyuan Smallholder Agribusiness Development Project	1100001699	PCRv	2013	2014	2019
	Marketing/Storage/Processing: Jiangxi Mountainous Areas Agribusiness Promotion Project	1100001701	PCRv	2014	2015	2020

⁴² PCRv+ or PPE+ in evaluation type indicate that these evaluations also benefited from CSPEs.

Country	Project	Project ID	Type	Approval	Entry into	
					Force	Completion
China	Qinghai Liupan Mountain Area Poverty Reduction Project	1100001702	PCR	2015	2015	2020
Fiji	Rural Development: Fiji Agricultural Partnerships Project	1100001707	PCR	2015	2015	2019
India	Jharkhand-Chhattisgarh Tribal Development Programme	1100001063	IE	1999	2001	2012
	Livelihood Improvement Project for the Himalayas	1100001226	PPE	2003	2004	2012
	Women's Empowerment and Livelihoods Programme in the mid-Gangetic Plains	1100001381	PCR	2006	2009	2015
	North Eastern Region Community Resource Management Project for Upland Areas	1100001040	PCR	2009	2010	2016
	Orissa Tribal Empowerment and Livelihood Programme	1100001155	PCR	2002	2003	2016
	Mitigating Poverty in Western Rajasthan Project	1100001418	PCR	2008	2008	2017
	Convergence of Agricultural Interventions in Maharashtra's Distressed Districts Programme	1100001470	PCR	2009	2009	2018
	Tejaswini Rural Women's Empowerment Programme	1100001314	PPE	2005	2007	2018
	Post-Tsunami Sustainable Livelihoods Programme for the Coastal Communities of Tamil Nadu	1100001348	PPE	2005	2007	2020
	Integrated Livelihood Support Project	1100001617	PCR	2011	2012	2021
	Andhra Pradesh Drought Mitigation Project	2000001420	PCR	2016	2017	2021
	Jharkhand Tribal Empowerment and Livelihoods Project	1100001649	PCR	2012	2013	2021
Indonesia	Rural Empowerment and Agricultural Development Programme in Central Sulawesi	1100001258	PCR	2004	2008	2014
	Coastal Community Development Project	1100001621	PCR	2012	2012	2017
	Smallholder Livelihood Development Project in Eastern Indonesia	1100001509	PCR	2011	2011	2019
	Rural Development: Village Development Programme (ex National Programme for Community Empowerment in Rural Areas Project)	1100001341	PPE	2008	2009	2018
Lao People's Democratic Republic	Sustainable Natural Resource Management and Productivity Enhancement Programme	1100001459	PCR	2008	2009	2015
	Community-based Food Security and Economic Opportunities Programme	1100001608	PCR	2011	2011	2017
Laos	Northern Regions Sustainable Livelihoods through Livestock Development Programme	1100001396	PPE	2006	2007	2013
	Rural Livelihoods Improvement Programme in Attapeu and Sayabouri	1100001301	PPE	2005	2006	2014

Country	Project	Project ID	Type	Approval	Entry into	
					Force	Completion
Maldives	Post-Tsunami Agricultural and Fisheries Rehabilitation Programme	1100001347	PPE	2005	2006	2013
	Fisheries and Agricultural Diversification Project	1100001377	PCRv	2007	2009	2018
	Mariculture Enterprise Development Project	1100001624	PCRv	2012	2013	2019
Nepal	Leasehold Forestry and Livestock Programme	1100001285	PCRv	2004	2005	2014
	Western Uplands Poverty Alleviation Project	1100001119	PPE	2001	2003	2016
	High-Value Agriculture Project in Hill and Mountain Areas	1100001471	PCRv	2009	2010	2018
	Poverty Alleviation Fund Project II	1100001450	PCRv	2007	2008	2018
	Agricultural Development: Improved Seed for Farmers Programme (Kisankalagi Unnat Biu-Bijan Karyakram)	1100001602	PCRv	2012	2012	2019
Pakistan	Community Development Programme	1100001245	PPE	2003	2004	2012
	Programme for Increasing Sustainable Microfinance	1100001413	PCRv	2007	2008	2013
	Rural Development: Gwadar-Lasbela Livelihoods Support Project	1100001515	PCRv	2011	2013	2020
Philippines	Rural Microenterprise Promotion Programme	1100001253	PPE	2005	2006	2013
	Second Cordillera Highland Agricultural Resource Management Project	1100001395	PCRv	2008	2008	2021
Solomon Islands	Solomon Islands Rural Development Programme	1100001565	PCRv	2010	2011	2013
Sri Lanka	Post-Tsunami Coastal Rehabilitation and Resource Management Programme	1100001346	PPE+	2005	2006	2013
	Dry Zone Livelihood Support and Partnership Programme	1100001254	IE+	2004	2005	2013
	Smallholder Plantations Entrepreneurship Development Programme	1100001316	PPE+	2006	2007	2016
	National Agribusiness Development Programme	1100001457	PCRv	2009	2010	2017
	Iranamadu Irrigation Development Project	1100001600	PCRv+	2011	2012	2017
Timor Leste	Timor-Leste Maize Storage Project	1100001576	PCRv	2011	2012	2015
Tonga	Tonga Rural Innovation Project	1100001628	PCRv	2012	2012	2017
Viet Nam	Programme for Improving Market Participation of the Poor in Ha Tinh and Tra Vinh Provinces	1100001374	PCRv	2006	2007	2012
	Developing Business for the Rural Poor Project in Cao Bang Province	1100001422	PCRv	2007	2008	2014
	Pro-Poor Partnerships for Agroforestry Development Project	1100001477	PPE	2008	2009	2015
	Project for the Economic Empowerment of Ethnic Minorities in Poor Communes of Dak Nong Province	1100001483	PCRv	2010	2010	2016

Country	Project	Project ID	Type	Approval	Entry into	
					Force	Completion
Viet Nam	Agriculture, Farmers and Rural Areas Support Project	1100001552	PCR/V	2010	2011	2017
	Sustainable Rural Development for the Poor Project in Ha Tinh and Quang Binh Provinces	1100001662	PCR/V	2013	2013	2018
	Rural Development: Commodity-oriented Poverty Reduction Programme in Ha Giang Province	1100001663	PCR/V	2014	2015	2020
	Rural Development: Project for Adaption to Climate Change in the Mekong Delta in Ben Tre and Tra Vinh Provinces	1100001664	PCR/V	2013	2014	2020
ESA (54)						
Angola	Market-oriented Smallholder Agriculture Project	1100001391	PCR/V+	2007	2009	2016
Botswana	Agricultural Services Support Project	1100001546	PPE	2010	2012	2018
Burundi	Transitional Programme of Post-Conflict Reconstruction	1100001291	PCR/V	2004	2005	2013
	Livestock Sector Rehabilitation Support Project	1100001358	PCR/V	2007	2008	2014
	Agricultural Intensification and Value-Enhancing Support Project	1100001469	PCR/V	2009	2009	2020
	Agricultural Development: Value Chain Development Programme	1100001489	PCR/V	2010	2010	2020
Comoros	National Programme for Sustainable Human Development	1100001241	PCR/V	2007	2007	2014
Eritrea	Post Crisis Rural Recovery and Development Programme	1100001359	PCR/V	2006	2007	2013
	Fisheries Development Project	1100001518	PCR/V	2010	2010	2016
	National Agriculture Project	1100001556	PCR/V	2012	2012	2021
Eswatini	Lower Usuthu Smallholder Irrigation Project – Phase I	1100001159	PCR/V	2001	2004	2013
	Rural Finance and Enterprise Development Programme	1100001373	PPE	2008	2010	2016
Ethiopia	Agricultural Marketing Improvement Programme	1100001292	PCR/V	2004	2006	2013
	Participatory Small-scale Irrigation Development Programme	1100001370	PCR/V	2007	2008	2015
	Pastoral Community Development Project – Phase II	1100001458	PPE	2009	2010	2015
	Community-based Integrated Natural Resources Management Project	1100001424	IE	2009	2010	2018
	Rural Development: Pastoral Community Development Project III	1100001522	PCR/V	2013	2014	2019
	Credit and Financial Services: Rural Financial Intermediation Programme II	1100001521	PCR/V	2011	2012	2020

Country	Project	Project ID	Type	Approval	Entry into	
					Force	Completion
Kenya	Mount Kenya East Pilot Project for Natural Resource Management	1100001234	PCR+V	2002	2004	2012
	Southern Nyanza Community Development Project	1100001243	PCR+V	2003	2004	2013
	Smallholder Horticulture Marketing Programme	1100001330	IE	2007	2007	2014
	Programme for Rural Outreach of Financial Innovations and Technologies	1100001378	PCR+V	2010	2010	2019
	Smallholder Dairy Commercialization Programme	1100001305	PCR+V	2005	2006	2019
Lesotho	Sustainable Agriculture and Natural Resource Management Programme	1100001150	PPE	2004	2005	2011
	Rural Financial Intermediation Programme	1100001371	PPE	2007	2008	2015
	Rural Development: Smallholder Agriculture Development Project	1100001530	PCR+V	2011	2011	2020
Madagascar	Rural Income Promotion Programme	1100001239	PCR+V	2003	2004	2013
	Project to Support Development in the Menabe and Melaky Regions	1100001318	PPE	2006	2006	2015
	Support to Farmers' Professional Organizations and Agricultural Services Project	1100001429	PCR+V	2008	2009	2019
Malawi	Rural Livelihoods Support Programme	1100001164	PPE	2001	2004	2013
	Rural Livelihoods and Economic Enhancement Programme	1100001365	PPE	2007	2009	2017
Mauritius	Marine and Agricultural Resources Support Programme	1100001357	PCR+V	2008	2009	2013
Mozambique	Rural Finance Support Programme	1100001267	PCR+V	2003	2005	2013
	National Programme for Agricultural Extension Support Project	1100001326	PCR+V	2006	2007	2017
	Agricultural Development: Artisanal Fisheries Promotion Project	1100001517	PCR+V	2010	2011	2019
	Agricultural Development: Pro-Poor Value Chain Development in the Maputo and Limpopo Corridors	1100001618	PCR+V	2012	2012	2020
Rwanda	Rural Small and Micro-Enterprise Promotion Project – Phase II	1100001276	PCR+V	2003	2004	2013
	Support Project for the Strategic Plan for the Transformation of Agriculture	1100001320	PPE	2005	2006	2013
	Kirehe Community-based Watershed Management Project	1100001431	PPE	2008	2009	2016
	Credit and Financial Services: Climate-Resilient Post-Harvest and Agribusiness Support Project	1100001497	PCR+V	2013	2014	2020
	Agricultural Development: Project for Rural Income through Exports	1100001550	PCR+V	2011	2011	2020

Country	Project	Project ID	Type	Approval	Entry into	
					Force	Completion
Seychelles	Competitive Local Innovations for Small-scale Agriculture Project	1100001560	PCRv	2013	2013	2018
South Sudan	South Sudan Livelihoods Development Project	1100001453	PCRv	2008	2009	2016
Tanzania (United Republic of)	Agricultural Sector Development Programme	1100001420	PCRv	2004	2007	2016
	Rural Micro, Small and Medium Enterprise Support Programme	1100001363	PCRv	2006	2007	2016
	Marketing/Storage/Processing: Marketing Infrastructure, Value Addition and Rural Finance Support Programme	1100001553	PPE	2010	2011	2020
Uganda	Rural Financial Services Programme	1100001197	PCRv	2002	2004	2013
	Community Agricultural Infrastructure Improvement Programme	1100001419	PCRv	2007	2008	2013
	District Livelihoods Support Programme	1100001369	PCRv	2006	2007	2014
	Agricultural Technology and Agribusiness Advisory Services	1100001465	PPE	2010	2011	2018
	Agricultural Development: Vegetable Oil Development Project 2	1100001468	PCRv	2010	2010	2019
Zambia	Rural Finance Programme	1100001280	PCRv	2004	2007	2013
	Smallholder Livestock Investment Project	1100001319	PCRv	2005	2007	2014
	Smallholder Agribusiness Promotion Programme	1100001474	PCRv	2009	2010	2017
LAC (43)						
Argentina	Patagonia Rural Development Project	1100001279	PCRv	2004	2007	2014
	Rural Areas Development Programme	1100001364	PCRv	2006	2009	2015
	Inclusive Rural Development Programme	1100001610	PCRv	2011	2011	2020
Belize	Rural Finance Programme	1100001456	PPE	2008	2009	2016
Bolivia	Enhancement of the Peasant Camelid Economy Support Project	1100001298	PCRv	2006	2009	2015
Brazil	Rural Communities Development Project in the Poorest Areas of the State of Bahia	1100001335	PPE	2006	2006	2012
	Rural Development: Cariri and Seridó Sustainable Development Project	1100001487	PCRv	2009	2012	2020
	Rural Business for Small Producers Project	1100001563	PCRv	2012	2013	2021
	Productive Development and Capacity-Building Project	1100001619	PCRv	2012	2013	2021
Colombia	Rural Microenterprise Assets Programme	1100001294	PCRv	2006	2007	2013
Cuba	Cooperative Rural Development Project in the Oriental Region	1100001677	PPE	2013	2014	2021
Dominican Republic	Development Project for Rural Poor Economic Organizations of the Border Region	1100001479	PCRv	2009	2010	2016
	Rural Economic Development Project in the Central and Eastern Provinces	1100001533	PPE	2010	2012	2018

Country	Project	Project ID	Type	Approval	Entry into	
					Force	Completion
Ecuador	Development of the Central Corridor Project	1100001297	PCR/V	2004	2007	2014
	Rural Development: Ibarra-San Lorenzo Corridor Territorial Development Project	1100001354	PCR/V	2009	2011	2018
	Buen Vivir in Rural Territories Programme	1100001588	PCR/V	2011	2012	2021
El Salvador	Rural Development and Modernization Project	1100001416	PCR/V	2007	2009	2015
	Rural Territorial Competitiveness Programme	1100001568	PCR/V	2010	2012	2018
	Rural Development: Rural Development and Modernization Project for the Eastern Region	1100001321	PCR/V	2005	2008	2016
Grenada	Market Access and Rural Enterprise Development Programme	1100001569	PCR/V	2010	2011	2018
Guatemala	National Rural Development Programme Phase I: the Western Region	1100001274	PPE	2003	2006	2012
	National Rural Development Programme: Central and Eastern Regions	1100001317	PCR/V	2004	2008	2017
	Sustainable Rural Development Programme for the Northern Region	1100001473	PCR/V	2008	2012	2019
Guyana	Rural Enterprise and Agricultural Development Project	1100001415	PPE	2007	2009	2015
Haiti	Productive Initiatives Support Programme in Rural Areas	1100001171	PCR/V	2002	2002	2014
	Projet de Développement de la Petite Irrigation-Phase 2	1100001275	PPE	2006	2008	2016
	Agricultural Development: Small Irrigation and Market Access Development Project in the Nippes and Goavienne Region	1100001532	PCR/V	2012	2012	2019
Honduras	Enhancing the Rural Economic Competitiveness of Yoro	1100001407	PCR/V	2007	2008	2016
	Sustainable Rural Development Programme for the Southern Region	1100001535	PCR/V	2010	2011	2019
Mexico	Sustainable Development Project for Rural and Indigenous Communities of the Semi-Arid North-West	1100001349	PCR/V	2005	2006	2013
	Community-based Forestry Development Project in Southern States (Campeche, Chiapas and Oaxaca)	1100001412	PPE	2009	2011	2016
	Rural Productive Inclusion Project United Mexican States	2000000973	PCR/V	2015	2016	2018
Nicaragua	Technical Assistance Fund Programme for the Departments of Leon, Chinandega and Managua	1100001120	PPE	1999	2001	2013
	Inclusion of Small-scale Producers in Value Chains and Market Access Project	1100001380	PCR/V	2007	2008	2015
	Agricultural, Fishery and Forestry Productive Systems Development Programme in RAAS and RAAS Indigenous Territories	1100001505	PCR/V	2010	2012	2017
	Adapting to Markets and Climate Change Project	1100001683	PCR/V	2013	2014	2020

Country	Project	Project ID	Type	Approval	Entry into	
					Force	Completion
Panama	Participative Development and Rural Modernization Project	1100001389	PCR/V	2008	2010	2015
Paraguay	Empowerment of Rural Poor Organizations and Harmonization of Investments Projects	1100001333	PCR/V	2005	2007	2013
	Inclusion of Family Farming in Value Chains Project	1100001611	PCR/V	2012	2013	2018
Peru	Market Strengthening and Livelihood Diversification in the Southern Highlands Project	1100001240	PPE	2002	2005	2014
	Research/Extension/Training: Strengthening Local Development in the Highlands and High Rainforest Areas Project	1100001498	PCR/V	2012	2013	2019
Uruguay	Credit and Financial Services: Rural Inclusion Pilot Project	1100001500	PCR/V	2014	2014	2019
Venezuela	Sustainable Rural Development Project for the Semi Arid Zones of Falcon and Lara States	1100001252	PCR/V	2003	2006	2013
NEN (54)						
Albania	Programme for Sustainable Development in Rural Mountain Areas	1100001339	PPE	2005	2007	2013
	Mountain to Markets Programme	1100001452	PCR/V	2008	2009	2014
Armenia	Farmer Market Access Programme	1100001411	PCR/V	2007	2008	2013
	Rural Asset Creation Programme	1100001538	PCR/V	2010	2011	2016
Azerbaijan	Rural Development Project for the North-West	1100001398	PCR/V	2007	2009	2014
	Irrigation: Integrated Rural Development Project	1100001561	PCR/V	2011	2011	2019
Bosnia	Rural Enterprise Enhancement Project	1100001342	PCR/V	2006	2007	2012
	Rural Livelihoods Development Project	1100001451	PCR/V	2008	2010	2016
	Rural Business Development Project	1100001593	PCR/V	2011	2014	2019
Djibouti	Microfinance and Microenterprise Development Project	1100001236	PPE	2002	2004	2012
	Programme for Mobilization of Surface Water and Sustainable Land Management	1100001366	PCR/V	2007	2008	2014
	Programme to Reduce Vulnerability in Coastal Fishing Areas	1100001671	PCR/V	2013	2014	2021
Egypt	West Noubaria Rural Development Project	1100001204	PPE+	2002	2003	2014
	Upper Egypt Rural Development Project	1100001376	PCR/V	2006	2007	2017
	Irrigation: On-farm Irrigation Development Project in Oldlands	1100001447	PCR/V	2009	2010	2020
Georgia	Agricultural Support Project	1100001507	IE	2009	2010	2015
	Agriculture Modernization, Market Access and Resilience Project	1100001760	PCR/V	2014	2015	2021
Jordan	Agricultural Resource Management Project – Phase II	1100001295	PCR/V	2004	2005	2015

Country	Project	Project ID	Type	Approval	Entry into	
					Force	Completion
Kyrgyzstan	Agricultural Investments and Services Project	1100001434	PPE	2008	2009	2014
	Livestock and Market Development Programme	1100001626	PCRVR	2012	2013	2019
	Livestock and Market Development Programme II	1100001709	PCRVR	2013	2014	2021
Lebanon	Hilly Areas Sustainable Agriculture Development Project	1100001421	PCRVR	2009	2012	2019
Moldova (Republic of)	Rural Financial Services and Marketing	1100001449	PCRVR	2008	2009	2014
	Rural Financial Services and Agribusiness Development Project	1100001562	PPE	2010	2011	2016
	Inclusive Rural Economic and Climate Resilience Programme	1100001669	PCRVR	2013	2014	2021
Morocco	Rural Development Project Mountain zones of Errachidia Province	1100001388	PCRVR	2007	2008	2014
	Rural Development Project in the Eastern Middle Atlas Mountains	1100001338	PPE	2005	2007	2015
	Agricultural Value Chain Development Project in the Mountain Zones of Al-Haouz Province	1100001526	PCRVR	2011	2012	2019
	Agricultural Value Chain Development Programme in the Mountain Zones of Taza Province	1100001525	PCRVR	2010	2011	2020
Palestine	Participatory Natural Resource Management Programme	1100001079	PPE	1998	2000	2015
Sudan	South Kordofan Rural Development Programme	1100001140	PCRVR	2000	2001	2012
	Gash Sustainable Livelihoods Regeneration Project	1100001263	PPE+	2003	2004	2012
	Revitalizing the Sudan Gum Arabic Production and Marketing Project	1100001476	PCRVR	2009	2009	2014
	Rural Access Project	1100001503	PCRVR	2009	2010	2015
	Western Sudan Resources Management Programme	1100001277	PCRVR	2004	2005	2016
	Supporting Small-scale Traditional Rainfed Producers in Sinnar State	1100001524	PCRVR	2010	2011	2018
	Seed Development Project	1100001612	PCRVR	2011	2012	2018
	Butana Integrated Rural Development Project	1100001332	PCRVR+	2006	2008	2019
Syria	Idleb Rural Development Project: Idleb Rural Development Project	1100001233	PCRVR	2002	2003	2014
	North-eastern Regional Rural Development Project	1100001375	PCRVR	2007	2008	2015
Tajikistan	Khatlon Livelihoods Support Project	1100001408	PPE	2008	2009	2015
	Livestock: Livestock and Pasture Development Project	1100001575	PCRVR	2011	2011	2018
	Livestock and Pasture Development Project II	2000000977	PCRVR	2015	2016	2021

Country	Project	Project ID	Type	Approval	Entry into	
					Force	Completion
Tunisia	Integrated Agricultural Development Project in the Governorate of Siliana-Phase II	1100001299	PCRv+	2005	2007	2014
	Programme for Agropastoral Development and Promotion of Local Initiatives in the South-East	1100001213	PCRv+	2002	2003	2015
	Agropastoral Development and Local Initiatives Promotion Programme for the South-East - Phase II	1100001622	PCRv	2012	2014	2020
Turkey	Sivas – Erzincan Development Project	1100001189	PPE	2003	2005	2013
	Diyabakir, Batman and Siirt Development Project	1100001344	PCRv	2006	2007	2014
	Ardahan-Kars-Artvin Development Project	1100001492	PPE	2009	2010	2017
Uzbekistan	Credit and Financial Services: Horticultural Support Project	1100001606	PPE	2012	2013	2019
Yemen	Dhamar Participatory Rural Development Project	1100001195	PCRv	2002	2004	2012
	Pilot Community-based Rural Infrastructure Project in Highland Areas	1100001293	PCRv	2005	2007	2013
	Al-Dhala Community Resource Management Development Project	1100001269	PCRv	2004	2007	2014
	Rained Agriculture and Livestock Project	1100001403	PCRv	2007	2009	2014
WCA (64)						
Benin	Rural Development Support Programme	1100001250	PCRv	2005	2007	2012
	Rural Economic Growth Support Project	1100001331	PCRv	2009	2010	2016
Burkina Faso	Community Investment Programme for Agricultural Fertility	1100001220	PCRv+	2003	2004	2012
	Sustainable Rural Development Programme	1100001247	PCRv+	2004	2005	2013
	Small-scale Irrigation and Water Management project	1100001368	PCRv+	2007	2008	2014
	Rural Business Development Services Programme	1100001425	PCRv+	2009	2010	2016
	Agricultural Commodity Chain Support Project	1100001360	PCRv+	2006	2007	2016
Cameroon	Roots and Tubers Market-driven Development Programme	1100001238	PCRv+	2003	2004	2012
	Rural Microfinance Development Support Project	1100001362	PPE	2008	2010	2016
	Commodity Value Chain Support Project	1100001439	PCRv	2010	2010	2017
Cape Verde	Rural Poverty Alleviation Programme	1100001015	PCRv	1999	2000	2013
Central African Republic	Project to Revitalize Crop and Livestock Production in the Savannah	1100001579	PCRv	2011	2011	2017

Country	Project	Project ID	Type	Approval	Entry into	
					Force	Completion
Chad	Pastoral Water and Resource Management Project in Sahelian Areas	1100001446	PPE	2009	2010	2015
	Rural Development Support Programme in Guéra	1100001582	PCRv	2010	2011	2016
Congo	Rural Development Project in the Niari, Bouenza, and Lekoumou Departments	1100001327	PCRv	2006	2006	2013
	Rural Development Project in the Likouala, Pool and Sangha Departments	1100001438	PCRv	2008	2009	2015
	Agricultural Value Chains Support Development Programme	1100001583	PCRv	2011	2013	2018
Côte d'Ivoire	Agricultural Rehabilitation and Poverty Reduction Project	1100001435	PPE	2009	2009	2014
	Support to Agricultural Production and Marketing Project	1100001589	PCRv	2011	2012	2018
	Support to Agricultural Production and Marketing Project-Western Expansion	1100001590	PCRv	2014	2014	2021
(Democratic Republic of the) Congo	Agricultural Revival Programme in Equateur Province	1100001244	PCRv	2004	2005	2012
	Agricultural Rehabilitation Programme in Orientale Province	1100001311	PPE	2005	2007	2013
	Integrated Agricultural Rehabilitation Programme in the Maniema Province	1100001392	PCRv	2008	2010	2020
Gabon	Agricultural and Rural Development Project	1100001313	PCRv	2007	2008	2017
Gambia (The)	Participatory Integrated Watershed Management Project	1100001152	PCRv	2004	2006	2014
	Rural Finance Project	1100001303	PCRv	2006	2008	2014
	Livestock and Horticulture Development Project	1100001504	PCRv	2009	2010	2015
	National Agricultural Land and Water Management Development Project	1100001643	PPE	2012	2012	2020
Ghana	Rural Enterprise Project – Phase II	1100001187	PCRv	2002	2003	2012
	Root and Tuber Improvement and Marketing Programme	1100001312	PPE	2005	2006	2014
	Northern Rural Growth Programme	1100001390	PCRv	2007	2008	2016
	Rural and Agricultural Finance Programme	1100001428	PCRv	2008	2010	2016
Guinea	Support to Rural Development in North Lower Guinea	1100001282	PCRv	2003	2005	2013
	Village Communities Support Project, Phase II	1100001345	PCRv	2007	2008	2014
	National Programme to Support Agricultural Value Chain Actors	1100001206	PCRv	2002	2004	2017
	Rural Development: National Programme to Support Agricultural Value Chain Actors – Lower Guinea and Faranah Expansion	1100001700	PCRv	2013	2013	2019

Country	Project	Project ID	Type	Approval	Entry into	
					Force	Completion
Guinea Bissau	Rural Rehabilitation and Community Development Project	1100001278	PCR+V	2007	2008	2013
Liberia	Smallholder Tree Crop Revitalization Support Project	1100001616	PPE	2011	2012	2017
	Agriculture Sector Rehabilitation Project	1100001501	PCR+V	2009	2009	2017
Mali	Northern Regions Investment and Rural Development Programme	1100001131	PCR+V	2005	2006	2014
	Kidal Integrated Rural Development Programme	1100001356	PCR+V	2006	2007	2014
	Fostering Agricultural Productivity Project	1100001444	PCR+V	2011	2011	2018
	Rural Microfinance Programme	1100001441	PCR+V	2009	2010	2018
Mauritania	Oasis Sustainable Development Programme	1100001255	PPE	2003	2004	2014
	Value Chains Development Programme for Poverty Reduction	1100001433	PCR+V	2009	2010	2016
	Rural Development: Poverty Reduction Project in Aftout South and Karakoro – Phase II	1100001577	PCR+V	2011	2012	2019
Niger	Project for the Promotion of Local Initiatives for Development in Aguié	1100001221	PCR+V	2002	2005	2013
	Agricultural and Rural Rehabilitation and Development Initiative Project – Institutional Strengthening Component	1100001443	PCR+V	2008	2009	2013
	Emergency Food Security and Rural Development Programme	1100001591	PCR+V	2010	2011	2014
	Food Security and Development Project in the Maradi Region	1100001625	IE	2011	2012	2018
	Ruwanmu Small-Scale Irrigation Project	1100001646	PCR+V	2012	2013	2018
Nigeria	Community-based Agricultural and Rural Development Programme	1100001196	PPE	2001	2003	2013
	Community-based Natural Resource Management Programme – Niger Delta Region	1100001260	PCR+V	2002	2005	2015
	Rural Finance Institutions-building Programme	1100001212	PCR+V	2006	2010	2017
	Climate Change Adaptation and Agribusiness Support Programme in the Savannah Belt	1100001692	PCR+V	2013	2015	2021
São Tomé and Príncipe	Participatory Smallholder Agriculture and Artisanal Fisheries Development Programme	1100001027	PCR+V	2001	2003	2015
	Smallholder Commercial Agriculture Project	1100001687	PCR+V	2014	2014	2019
Senegal	Agricultural Value Chains Support Project	1100001414	PCR+V	2008	2010	2016
	Support to Agricultural Development and Rural Entrepreneurship Programme	1100001614	PPE	2011	2011	2019
	Agricultural Development: Agricultural Value Chains Support Project-Extension	1100001693	PCR+V	2013	2014	2020

Country	Project	Project ID	Type	Entry into		
				Approval	Force	Completion
Sierra Leone	Rural Finance and Community Improvement Programme	1100001310	PCR+	2007	2008	2014
	Rehabilitation and Community-based Poverty Reduction Project	1100001054	PPE	2003	2006	2017
	Smallholder Commercialization Programme	1100001599	PCR	2011	2011	2019
Togo	Support to Agricultural Development Project	1100001558	PCR	2010	2010	2016
	National Programme for the Promotion of Rural Entrepreneurship	1100001639	PPE	2014	2014	2021

Table 2 Number of projects by project completion year and the ARRI/ARIE edition year when the projects were added to the analysis

Project completion year	ARRI/ARIE year (when projects are added to analysis for the first time)											Total	
	2012	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
2012		3	9	3	2	1							18
2013		1	14	13	8	4							40
2014				7	18	12	6						43
2015	1			1	3	12	8	2	1				28
2016						7	20	6		1	1		35
2017							6	14	4				24
2018								10	16	3			29
2019									17	12	2		31
2020									1	14	8		23
2021												17	17
Total	1	4	23	24	31	36	40	32	39	30	28		288

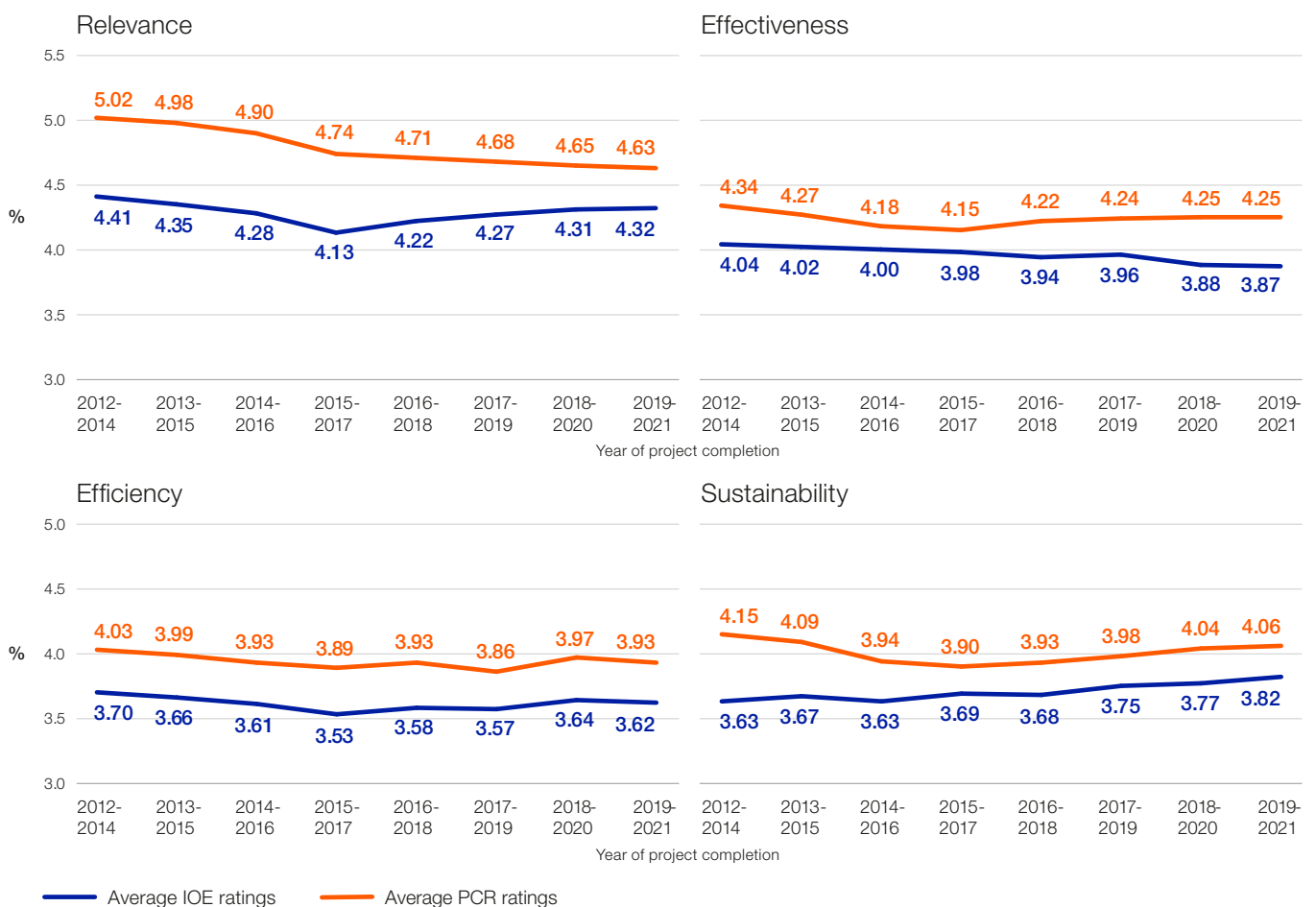
VI Analysis of project performance

Analysis of the disconnect between IOE and PCR ratings

1. The average IOE and PCR ratings of performance in the main evaluation criteria for projects completed during 2012-2021 are presented in chart 1. Overall, average PCR ratings were higher than the IOE ratings across relevance, effectiveness, efficiency and sustainability. Relevance had the highest average rating, followed by effectiveness. The mean of the efficiency ratings was the lowest among these criteria. These patterns of PCR and IOE ratings were consistent throughout the period considered.
2. The gap between the PCRs and IOE average ratings narrowed for the relevance criterion. The gap has been narrowing since 2017 due to a steady increase in IOE ratings accompanied by a consistent declining trend in PCR ratings. Moreover, the difference in sustainability ratings between IOE and PCRs has been stable since its reduction in 2016. On the other hand, there is a trend of increasing disconnect in the ratings of effectiveness starting from 2016, reaching its peak difference in 2020. The difference in the average rating for efficiency has been relatively stable over the period.

Chart 1 Comparison of the average project performance ratings of IOE and PCR in selected criteria (2012-2021)

Average IOE and PCR ratings for project performance



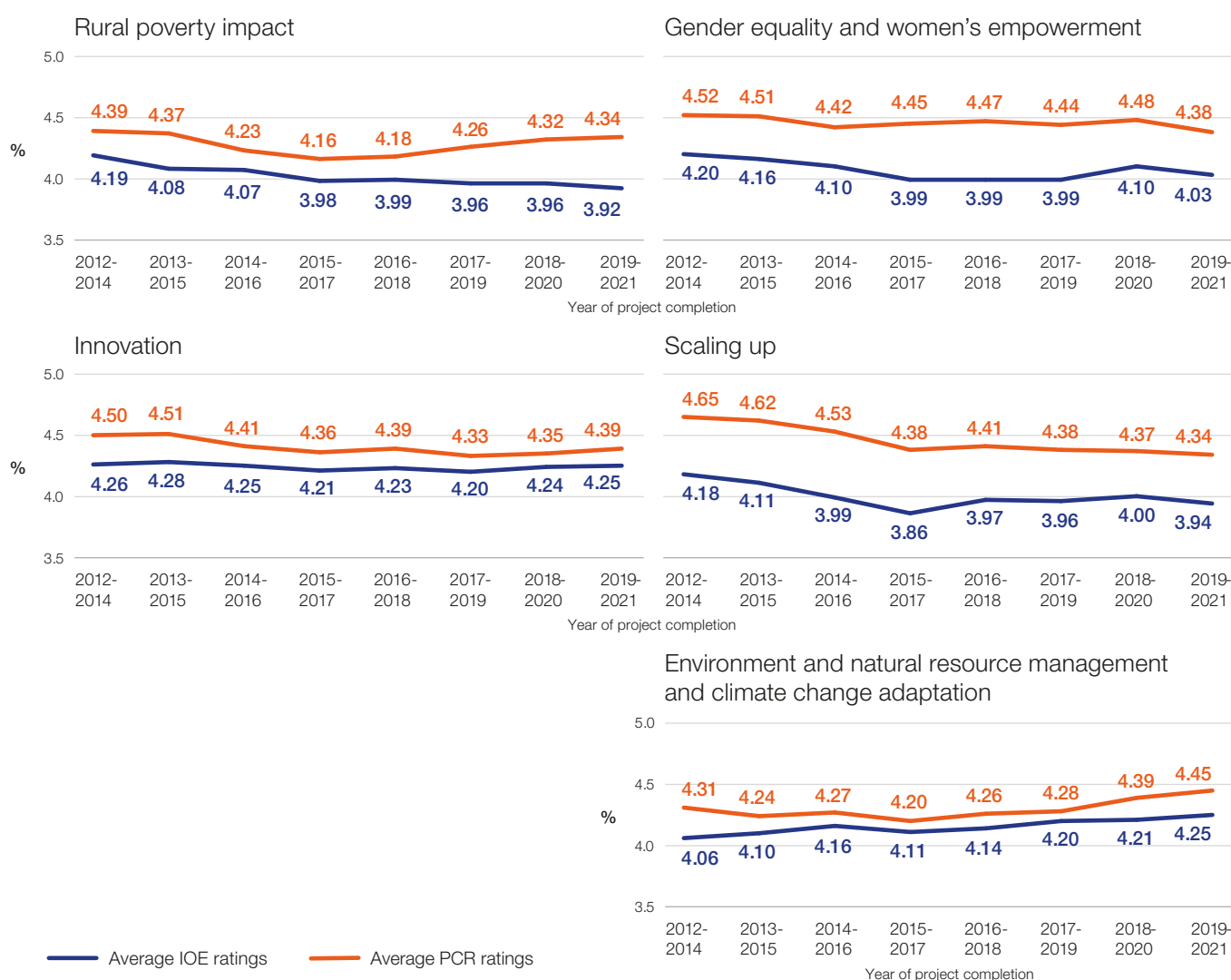
Source: IOE/PCR ratings, March 2023.

- Chart-2 shows a combined overview of the differences in rating performance between IOE and PCR ratings in five criteria: rural poverty impact, gender equality and women’s empowerment (GEWE), innovation, scaling up and environment and natural resource management and climate change adaptation (ENRM and CCA).
- In general, the average PCR rating has been higher than the average IOE rating across all these criteria in the last ten years, although to varying extents. Chart 2 shows that rural poverty

impact is the only criterion with somewhat growing gaps since the 2016-2018 period, which especially intensified in the last period (2019-2021). In comparison, mean disconnects between IOE and PCR ratings in GEWE and scaling up have been relatively stable since 2015-2017, even showing a small decrease in the case of GEWE in the last reference period (2019-2021). On the other hand, average rating gaps in innovation and ENRM and CCA ratings have continuously narrowed since the start of the period. These two criteria exhibit the smallest disconnects in the latest period.

Chart 2 Comparison of the average project performance ratings of IOE and PCR in other criteria (2012-2021)

Average IOE and PCR ratings for project performance



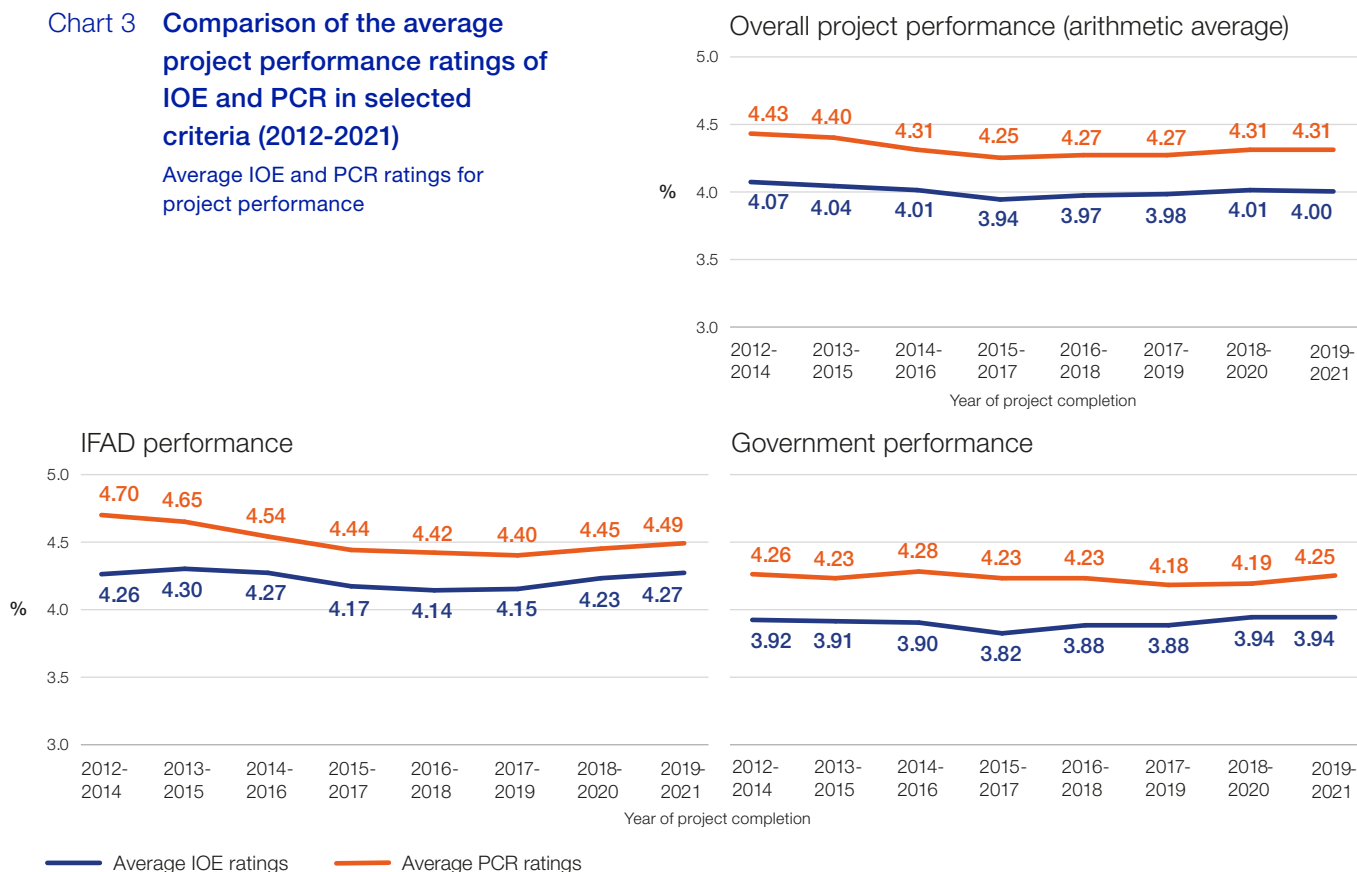
Source: IOE/PCR ratings, March 2023.

5. The means of IOE ratings on overall project performance, IFAD performance and government performance were lower than the mean of PCR ratings (chart 3). Rating gaps in overall project performance (the average

of nine criteria) and IFAD performance have been stable since 2016. The mean difference between IOE and PCR ratings for government performance stayed stable and narrowed during the last period.

Chart 3 Comparison of the average project performance ratings of IOE and PCR in selected criteria (2012-2021)

Average IOE and PCR ratings for project performance



Source: IOE/PCR ratings, March 2023.

6. The global average disconnects between IOE and PCR ratings for all projects by criteria was -0.33 (table 3). These disconnects varied across regions, ranging from -0.26 to -0.39. The average disconnect of APR (-0.26) was

below the global average, while ESA (-0.39) and WCA (-0.35) had disconnects higher than the global average.

Table 3 Overall average of IOE-PCR disconnect average, by region and global

	Region (PCR/V/PPE/IE 2012-2021)					
	APR	LAC	ESA	NEN	WCA	Global*
Average disconnect	-0.26	-0.33	-0.39	-0.34	-0.35	-0.33

* This is the average of average disconnect for all projects by criteria and not the average of regional averages.

Source: IOE evaluation database (PCR/V/PPE/IE), March 2023.

Correlation among IOE ratings for evaluation criteria

- A Spearman's rank correlation was conducted to understand the relationships between selected key criteria. A number of criteria showed relatively high and relatively low correlations with other indicators. To provide a more intuitive sense of the strength of the correlations among IOE criteria, the table below provides each correlation labelled as very strong ($r = 0.9-1$), strong ($r = 0.7-0.89$), moderate ($r = 0.5-0.69$), low ($0.3-0.49$), and weak ($r < 0.3$).
- The correlation analysis presented in the table below indicates that most criteria are moderately correlated with other indicators. Government performance is strongly correlated with efficiency. Effectiveness has a moderate correlation with all attested indicators. It is important to note that relevance has a weak connection with efficiency, sustainability and government performance.

Table 4 Correlation among IOE criteria

All projects completed between 2012 and 2021

	Relevance	Effectiveness	Efficiency	Sustainability	Rural poverty impact	IFAD performance	Government performance
Relevance							
Effectiveness	Moderate (0.53*)						
Efficiency	Low (0.43*)	Moderate (0.66*)					
Sustainability	Low (0.43*)	Moderate (0.62*)	Moderate (0.59*)				
Rural poverty impact	Moderate (0.50*)	Moderate (0.69*)	Moderate (0.56*)	Moderate (0.59*)			
IFAD performance	Moderate (0.56*)	Moderate (0.59*)	Moderate (0.52*)	Low (0.49*)	Moderate (0.54*)		
Government performance	Low (0.46*)	Moderate (0.65*)	Strong (0.70*)	Moderate (0.60*)	Moderate (0.59*)	Moderate (0.63*)	

* Statistically significant at 5 per cent.

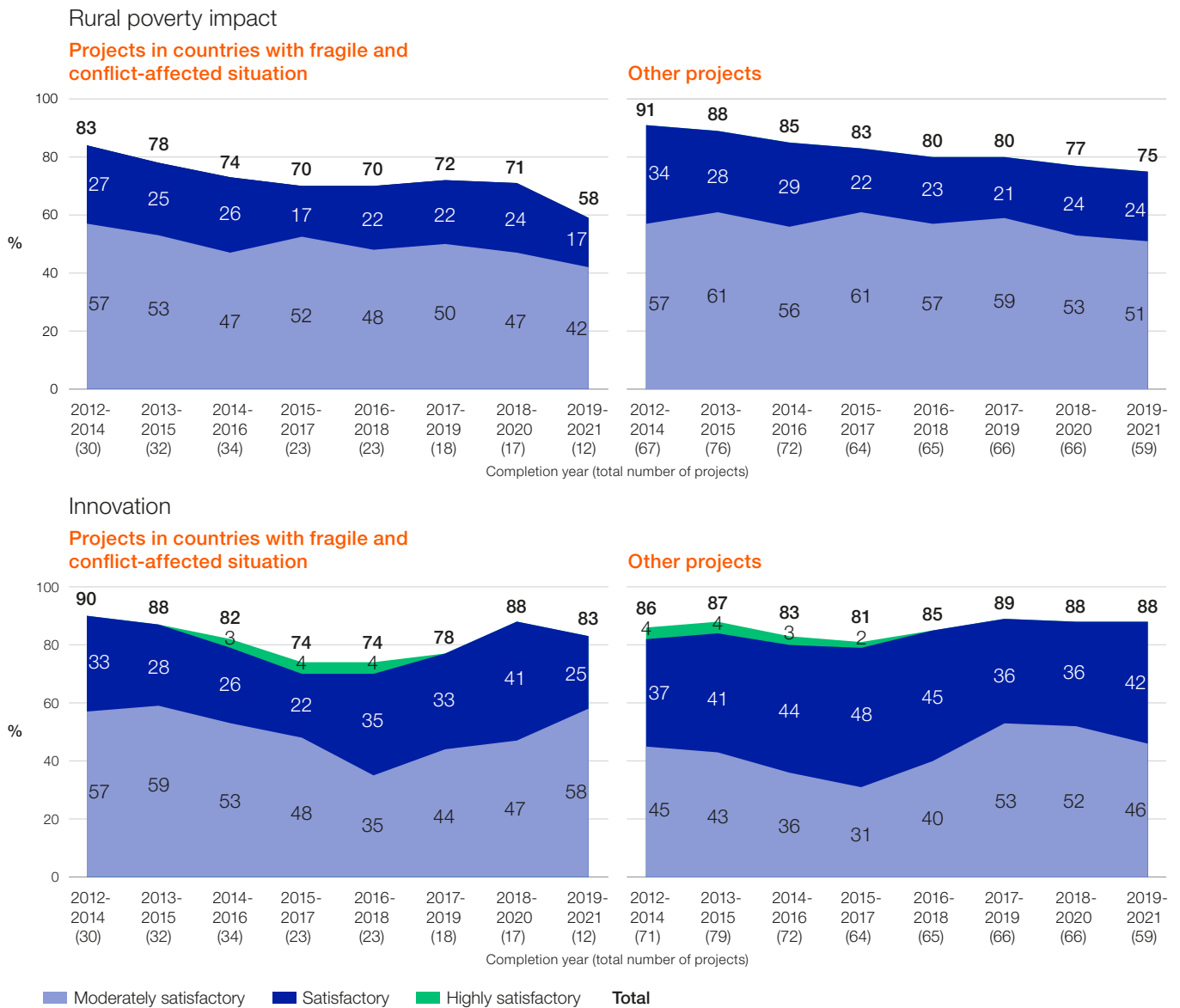
Note: All correlation coefficients show positive correlation, classification of the correlation strength is based on rule of thumb commonly used in interpreting size of correlation coefficient: very strong ($r = 0.9-1$), strong ($r = 0.70-0.89$), moderate ($r = 0.5-0.69$), low ($r = 0.3-0.49$), and weak ($r < 0.3$).

Project performance under conditions of fragility

9. A comparison of the share of projects rated moderately satisfactory or better for four core evaluation criteria was presented in chapter 2. As for other criteria, a decline in performance

was observed for 2020 for projects operated in countries with fragile situations. The exceptions were innovation and ENRM and CCA. For ENRM and CCA, the share of satisfactory or better rating (5 or above) has notably decreased in the fragility group (chart 4).

Chart 4a Share of projects with moderately satisfactory or better ratings



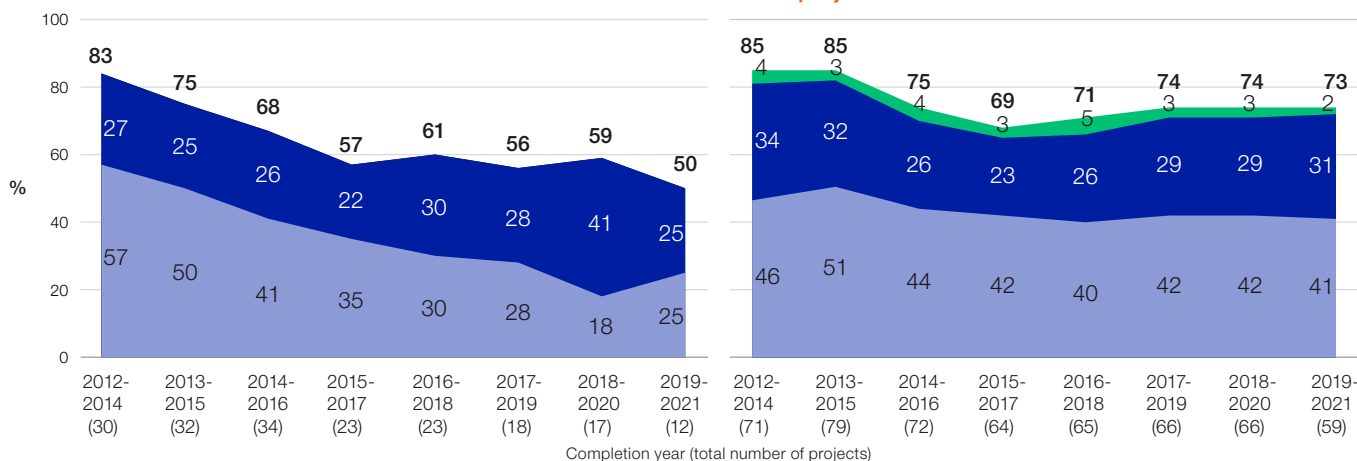
Source: IOE evaluation database (PCR/V/PPE/IE), March 2023.

Chart 4b Share of projects with moderately satisfactory or better ratings

Rural poverty impact

Projects in countries with fragile and conflict-affected situation

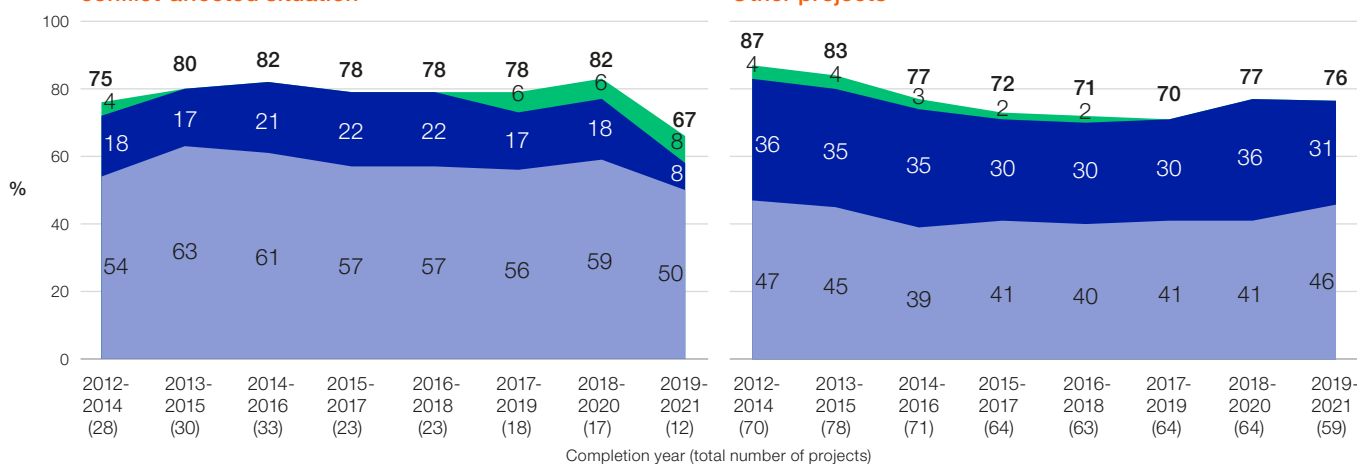
Other projects



Gender equality and women's empowerment

Projects in countries with fragile and conflict-affected situation

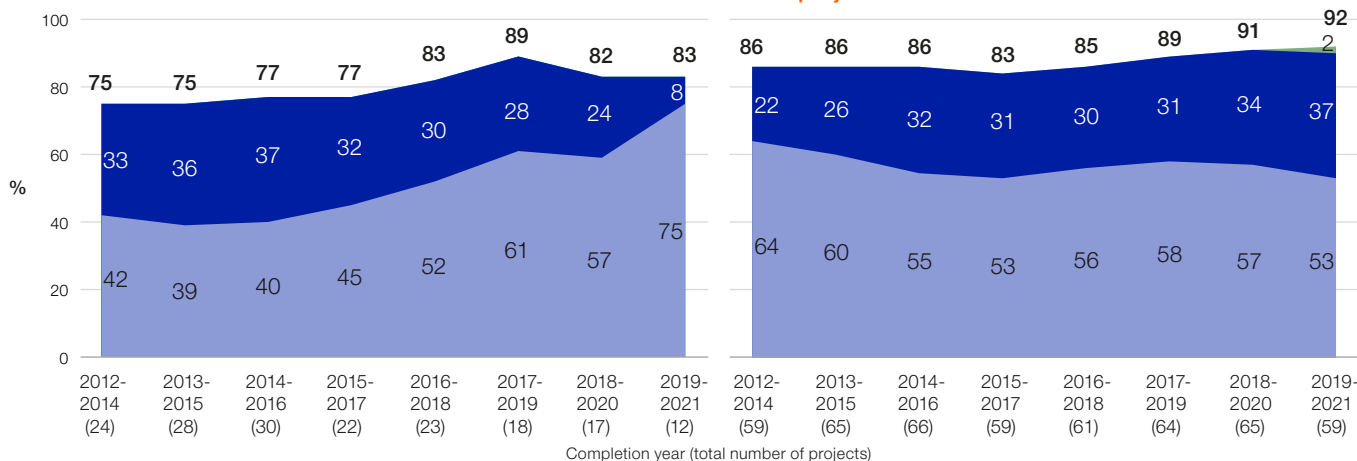
Other projects



Environment and natural resource management and climate change adaptation

Projects in countries with fragile and conflict-affected situation

Other projects



Legend: Moderately satisfactory (light blue), Satisfactory (dark blue), Highly satisfactory (green), Total (grey)

Source: IOE evaluation database (PCR/PPE/IE), March 2023.

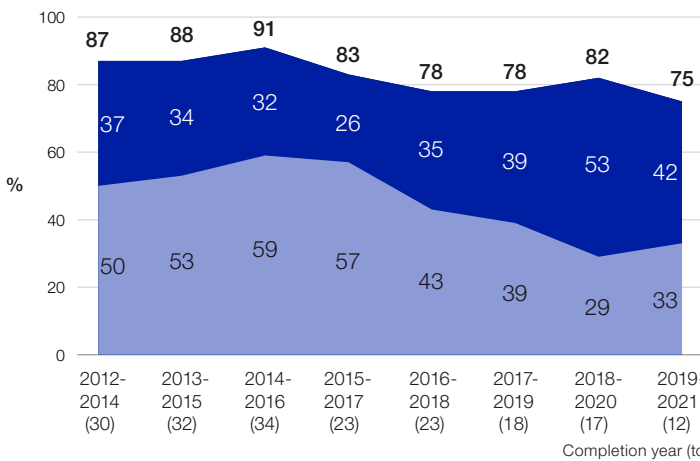
10. Partner performance declined for projects in the fragility group. Government performance ratings have recently experienced a sharp decline (the share of well-performing projects decreased from 71 per cent in 2019 to

58 per cent in 2020). This drop has erased some of the gains achieved since 2016, when the share of projects rated satisfactory and moderately satisfactory for this criterion was at its lowest at 43 per cent (chart 5).

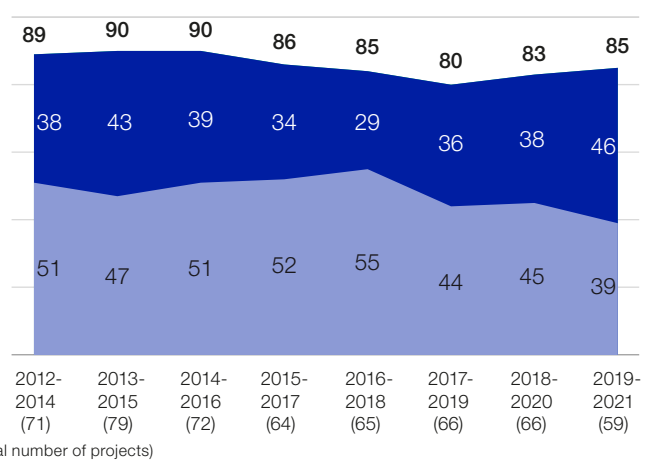
Chart 5 Share of projects with moderately satisfactory or better ratings

IFAD performance

Projects in countries with fragile and conflict-affected situation

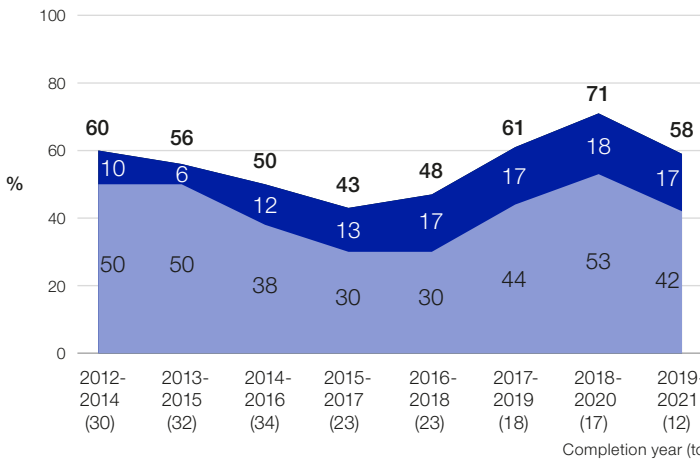


Other projects

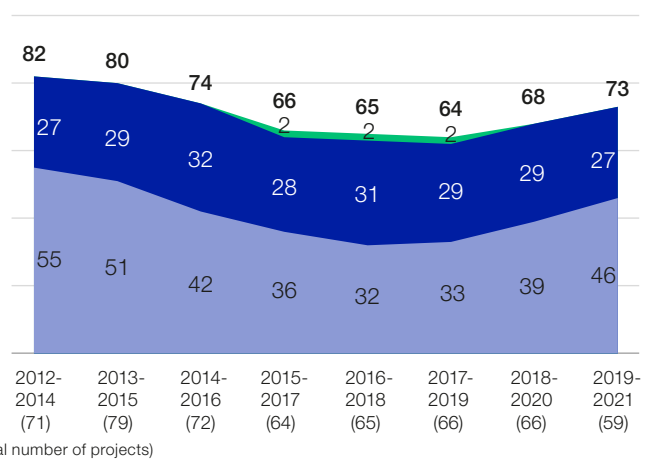


Government performance

Projects in countries with fragile and conflict-affected situation



Other projects



Legend: Moderately satisfactory (light blue), Satisfactory (dark blue), Highly satisfactory (green), Total (black)

Source: IOE evaluation database (PCR/PPE/IE), March 2023.

11. The table below shows a comparison of the two groups during 2019-2021 and 2016-2018. The performance of projects in countries with fragile situations worsened for seven of the nine evaluation criteria, with effectiveness suffering the most significant decline (from 65 per cent to 42 per cent). In the non-fragile group, seven of nine criteria showed modest improvements in performance between the two periods (table 5).

Table 5 Comparison of performance of projects with and without conditions of fragility (2019-2021 and 2016-2018)

[Percentage of projects with moderately satisfactory rating or better]

Criteria	Fragile situations			Non-fragile situations		
	2016-2018 (N=23)	2019-2021 (N=12)	Δ 2019-2021 vs 2016-2018	2016-2018 (N=65)	2019-2021 (N=59)	Δ 2019-2021 vs 2016-2018
Relevance	96	92	-4 ▼	80	93	13 ▲
ENRM and CCA	83	83	1 ▬	85	92	6 ▲
Innovation	74	83	9 ▲	85	88	4 ▲
GEWE	78	67	-12 ▼	71	76	5 ▲
Rural Poverty Impact	70	58	-11 ▼	80	75	-5 ▼
Effectiveness	65	42	-24 ▼	80	75	-5 ▼
Scaling-up	61	50	-11 ▼	71	73	2 ▲
Sustainability	52	50	-2 ▼	65	71	7 ▲
Efficiency	43	33	-10 ▼	57	61	4 ▲
Overall project performance	48	33	-14 ▼	58	61	3 ▲
IFAD performance	78	75	-3 ▼	85	85	0 ▬
Government performance	48	58	11 ▲	65	73	8 ▲

Source: IOE analysis based on evaluation database (PCR/PPE/IE), March 2023.

VII Evaluations for chapter 3

Enterprise development

Table 6 **Sample of evaluated projects and country programmes for enterprise development (PPE, PCE and CSPE)**

Relevant project ratings, enterprise development assessments and supported enterprise types

Country	Project name	Project rating	Traffic light assessment of enterprise development*	Producer organization (PO)	Small and medium-sized enterprises	Micro enterprises	Income generation – pre-entrepreneur
PPE							
1. Dominican Republic	Rural Economic Development Project Centre and East (2009-2019)	MS	●	✓			
2. Eswatini	Rural Finance and Enterprise Development Programme (2010-2017)	MU	●			✓	✓
3. Republic of Moldova	Rural Financial Services and Agribusiness Development Project (2011-2017)	MS	●		✓		
4. Senegal	Support to Agricultural Development and Rural Entrepreneurship Programme (2013-2019)	MU	●	✓		✓	
5. Sri Lanka	Smallholder Plantations Entrepreneurship Development Programme (2007-2016)	MS	●	✓		✓	✓
6. Togo	National Rural Entrepreneurship Project (2014-2021)	MU	●	✓		✓	
Project Cluster Evaluation							
7. Bangladesh Ghana Cameroon	Promoting Agricultural Commercialization and Enterprises (2014-2022)	n/a	●		✓	✓	✓
	Rural Enterprises Programme (2012-2022)	n/a	●				
	Youth Agropastoral Entrepreneurship Promotion Programme (2015-2023)	n/a	●				
CSPE							
21. Burkina Faso	Rural Microenterprise Support Project (2000-2008)	MS	●				
	Rural Business Development Services Programme (2010-2017)	MU	●	✓		✓	✓

*Colour legend: ●=largely satisfactory performance; ●=largely non-satisfactory performance; ●=mixed performance. **MS**=moderately satisfactory; **S**=satisfactory; **MU**=moderately unsatisfactory.

Country	Project name	Project rating	Traffic light assessment of enterprise development*	Producer organization (PO)	Small and medium-sized enterprises	Micro enterprises	Income generation – pre-entrepreneur
22. Burundi	Value Chain Development Programme (PRODEFI) (2010-2020)	S	●				
	Value Chain Development Programme Phase II (PRODEFI Phase II) (2015-2022)	n/a	●	✓			
23. Ecuador	The Ibarra-San Lorenzo Corridor Territorial Development Project (2009-2018)	MS	●	✓			
	The “Buen Vivir” in Rural Territories Programme (2011-2021)	MS	●				
24. Kenya	Programme for Rural Outreach of Financial Innovations and Technologies (2010-2019)	MS	●		✓	✓	
	Smallholder Horticulture Marketing Programme (2007-2014)	MS	●				
25. Madagascar	Support Programme for Rural Microenterprises, Poles and Regional Economies (2008-2021)	MS	●	✓		✓	
	Microenterprises, Poles and Regional Economies (2009-2019)	MS	●				
26. Mexico	Community-based Forestry Development Project in Southern States (2009-2016)	MS	●				
	Sustainable Development Project for Rural and Indigenous Communities of the Semi-Arid North-West (2012-2022)	n/a	●				✓
27. Morocco	Agricultural Value Chain Development Project in the Mountain Zones of Al-Haouz Province (2012-2019)	S	●		✓	✓	✓
	Agricultural Value Chain Development Programme in the Mountain Zones of Taza Province (2011-2020)	S	●				

*Colour legend: ●=largely satisfactory performance; ●=largely non-satisfactory performance; ●=mixed performance. **MS**=moderately satisfactory; **S**=satisfactory; **MU**=moderately unsatisfactory.

Country	Project name	Project rating	Traffic light assessment of enterprise development*	Producer organization (PO)	Small and medium-sized enterprises	Micro enterprises	Income generation – pre-entrepreneur
28. Nepal	Samrididi Rural Enterprises and Remittances Programme (2015-2023)	n/a	●				
	High-Value Agriculture Project in Hill and Mountain Areas (2009-2018)	S	●			✓	✓
			✓				
29. Niger	Several projects		●			✓	✓
30. Pakistan	Microfinance Innovation and Outreach Programme (2005-2011)	S	●				
	Programme for Increasing Sustainable Microfinance (2007-2013).	S	●	✓		✓	✓
31. Sierra Leone	Rural Finance and Community Improvement Programme I (2008-2014) and II	S	●				
	Rural Finance and Community Improvement Programme – Phase II (2013-2027)	MS	●		✓	✓	
	Smallholder Commercialization Programme – Global Agricultural Food Security Programme (2011-2019).	MU	●				
32. Sri Lanka	National Agribusiness Development Programme (2010-2017)	MS	●		✓		✓
33. Sudan	Seed Development Project (2012-2018)	MS	●				
	Gum Arabic Project (2009-2014)	S	●	✓	✓	✓	
34. Tunisia	n/a		●	✓		✓	✓
35. Uganda	Project for Financial Inclusion in Rural Areas (2014-2021)	MS	●				
	Vegetable Oil Development Project (2010-2019)	MS	●	✓		✓	✓

*Colour legend: ●=largely satisfactory performance; ●=largely non-satisfactory performance; ●=mixed performance. MS=moderately satisfactory; S=satisfactory; MU=moderately unsatisfactory.

Extension and advisory services

Table 7 **Sample of evaluated projects and country programmes for extension and advisory services**⁴³
Relevant project ratings, project features and observations

Country	Project name	Project rating	Traffic light assessment of extension*	Project features	Other observations
PPE					
11. Botswana PPE	Agricultural Services Support Project (2007-2014)	U	●	POs, credit, failed extension reform	Weak and distracted project implementation
12. Cambodia PPE	Rural Livelihoods Improvement in Kratie, Preah Vihear and Ratanakiri (2007-2014)	MS	●	Upgrading of existing extension	A recent follow-up project on extension exists
13. Uganda PPE	Agricultural Technology and Agribusiness Advisory Services Project (2011-2018)	MU	●	Failed extension reform	World Bank was in the lead
14. Zambia PPE	Smallholder Agricultural Productivity Promotion Programme (2011-2019)	MS	●	Public and private extension improved, but not sustainably	Policy support for extension reform is missing
CSPE					
21. Burkina Faso	Several projects		●	Farmer organizations, community based	But not sustainable; missing value chain and finance support
24. Kenya	n/a		●	Extension services 'in decline'; positive extension impact in community-based approaches	
25. Madagascar	Vocational Training and Agricultural Improvement Programme (2013-23)	MS	●	Producer organizations and their apex organizations and regional chambers of commerce were supported	Overall relatively weak implementation capacities and sustainability
28. Nepal	Several projects	n/a	●	Extension is mainstreamed	Support for decentralization is important

*Colour legend: ●=largely satisfactory performance; ●=largely non-satisfactory performance; ●=mixed performance.
MS=moderately satisfactory; **S**=satisfactory; **MU**=moderately unsatisfactory.

⁴³ Includes only countries and CSPEs with sufficient and relevant information on extension and advisory services.

Country	Project name	Project rating	Traffic light assessment of extension*	Project features	Other observations
29. Niger	Several projects	n/a	●	Extension for farmer organizations is mainstreamed	Extensive use of farmer field schools
30. Pakistan	Several projects	n/a	●	Community-based extension in projects is effective	But not mainstreamed, weak public extension systems
33. Sudan	Supporting Small-scale Traditional Rainfed Production in Sinnar State (2010-2017) Several other projects	S	●	Good case study of an integrated approach	But limited mainstreaming so far in public services; missing exit strategy and sustainability
35. Uganda	Agricultural Technology and Agribusiness Advisory Services Project (2011-2018)	MS	●	Same project as covered by PPE #13 above	
	Vegetable Oil Development Project (2010-2019)	MS	●	In Vegetable Oil Development Project 2 extension worked through 11 private service providers and 5,000 farmer organizations	

*Colour legend: ●=largely satisfactory performance; ●=largely non-satisfactory performance; ●=mixed performance.
MS=moderately satisfactory; **S**=satisfactory; **MU**=moderately unsatisfactory.

VIII Rural enterprise development – definitions and concepts

Box 1 Types of enterprise models and examples of (off-farm) microenterprises and small enterprise activities in 2004 Rural Enterprise Policy

- **Pre-entrepreneurial activities:** traditionally designated as income-generating activities (small crafting, petty trading, etc.), supporting people who have limited knowledge of the basic principles that guide any business activity and lack basic assets.
- **Microenterprises:** semi-structured activities including limited fixed assets and observing some basic management principles.
- **Small enterprises:** structured businesses that usually have a well-defined market niche and physical location, an acceptable turnover, some business skills, regular access to market-based business advisory services and a number of part- or full-time employees.
- **Examples of agriculture-based microenterprises and small enterprises:** livestock processing and products; fish processing and marketing; processing (e.g. milling, jam-making); agricultural marketing enterprises; agricultural equipment manufacturing; non-timber forest products.
- **Examples of non-agricultural microenterprises and small enterprises:** brick-making; transport; small rural shops; rural restaurants; blacksmith; carpentry; handicrafts; ecotourism.

Source: IFAD 2004 Rural Enterprise Policy.

Box 2 Definition of rural enterprises for the purpose of IFAD12 results management framework

- **Rural enterprises:** Structured businesses that have a well-defined physical location, normally with legal status, a bank account and some employees. They also include pre-entrepreneurial activities such as self-employment initiatives and microenterprises with semi-structured activities. Both formal and informal enterprises can be considered, but only non-farm upstream and downstream activities (processing and marketing) are to be included. Production activities are excluded.

Source: IFAD 2021. *Report of the Consultation on the Twelfth Replenishment of IFAD's Resources*. GC44/L.6.

Box 3 Key concepts in extension

Extension and advisory services: These include all activities that provide the information and services required by farmers and other actors in rural areas to assist them in developing their technical, organizational and management skills and practices to improve their livelihoods.

Pluralistic extension and advisory services: Extension and advisory services over the years have become pluralistic, with increasing participation and coexistence of multiple providers representing the public sector, the private sector, NGOs and producer organizations offering diverse types of services funded by diverse sources.

Private extension service providers: This refers to the broad range of extension service providers working at the field level that complement government extension systems. These can be: (i) commercially-oriented for-profit private business companies and individual entrepreneurs selling inputs and services; or (ii) socially-oriented not-for-profit service providers such as NGOs and farmer organizations.

Source: IFAD 2022 report on lessons learned from supporting pluralistic extension services in Asia and Africa.

IX Relevant project and country evaluation findings – synopses

Enterprise development

[1] PPE Dominican Republic: Rural Economic Development Project Centre and East

The **Dominican Republic** evaluation covered mostly rural economic organizations that were formed of cooperative producer organizations. Seventy per cent of all project costs were allocated to credit for these rural economic organizations and their members. The project was redesigned mid-stream since the public management and delivery mechanisms were not working. Implementation was then transferred from the Ministry of Agriculture to the Ministry of Economic Planning and Development and management was handed over to a semi-private entity. This considerably improved implementation efficacy. Eventually the project delivered most of its credit component, but there were few synergies with other rural development activities. Ultimately its design did not allow it to activate a dynamic local economy, including non-agricultural services. The project paid little attention to the special needs of IFAD target groups within producer organizations. IOE rated the project moderately satisfactory.

[2] PPE Eswatini: Rural Finance and Enterprise Development Programme

The **Eswatini** project, the Rural Finance and Enterprise Development Programme, targeted rural farmers, women and youth, including micro, small, and medium-sized enterprises, mainly through providing improved access to finance and other rural services. However, important contextual factors of weak rural financial institutions, a poor enabling environment and structural constraints were insufficiently incorporated in the design. The project achieved relatively good results on improving macro-policies and

national coordination mechanisms, but was weak on the ground. Targeting mechanisms between enterprise and finance development components were disjointed. Rural financial institutions were not the right entry points in this setting, and it was found that savings and credit cooperatives would have been better as poorer farmers (called survivalists) could not access credit through financial institutions. The project's effects on rural income-generation and enterprises were limited and it was rated moderately unsatisfactory.

[3] PPE Moldova: Rural Financial Services and Agribusiness Development Project

The **Republic of Moldova** Rural Financial Services and Agribusiness Development Project effectively supported medium-scale enterprises, farms and some non-farm enterprises with better access to finance. Mostly better-off farmers were reached. The project also targeted young entrepreneurs under 40 years old. Seasonal employment jobs were generated for 1500 people, but assumptions about trickle-down effects among the rural poor were not measured. Planned support for value chain development was weak, with different timelines and poor integration for finance and value chain components, weak linkages among partners and low relevance for exports. There were only loose and insecure informal agreements with buyers. The project lacked both resources and technical expertise to promote the value chain. Participating banks gained experience in agricultural lending risks which allowed them to expand portfolios, reduce interest rates, and offer longer-term maturities to rural clients. After a long series of IFAD-supported projects to channel rural finance through commercial banks in the Republic of Moldova, the PPE suggested an exit strategy for these banks from loans subsidized by IFAD. IOE rated the project moderately satisfactory.

[4] PPE Senegal: Support to Agricultural Development and Rural Entrepreneurship Programme

The **Senegal** project, the Support to Agricultural Development and Rural Entrepreneurship Programme, aimed to improve the management and operational practices of producer organizations to increase their access to inputs and improve marketing of outputs, and thus increase entrepreneurial capacities. Unfortunately, very few SMEs were covered. In the end, the goal of professionalizing producers turned out to be overly ambitious for the project. Experiences from previous projects could not be used sufficiently as the project covered an area of the country with specific client needs (for irrigation and water management, subsidized inputs), experienced additional complementary constraints (finance, infrastructure) and suffered from having low institutional capacities. IOE rated the project moderately unsatisfactory.

[5] PPE Sri Lanka: Smallholder Plantations Entrepreneurship Development Programme

The **Sri Lanka** Smallholder Plantations Entrepreneurship Development Programme mainly targeted farmers to help them establish and maintain commercial tea and rubber smallholder plantations. Its activities aimed to improve production support, finance access, infrastructure and land tenure security and its finance also extended to some income-generating activities. While there was some success on the agricultural production side, the planned outgrower scheme was not maintained. Forming new groups to operate as group enterprises was ineffective and the project's overall community support and income-generating activities were assessed by the evaluation as weak. There was a good participation of women in the project who benefited but were not fundamentally empowered, for example by improved access to land. Lack of support for post-harvest

handling and processing was a missed opportunity for the project. Its benefits reached a small number of relatively better-off group members as eligibility was not well defined, beyond geographic targeting criteria. Overall the project was found to suffer from unclear and shifting objectives.

[6] PPE Togo: National Programme for the Promotion of Rural Entrepreneurship

The project in **Togo**, the National Programme for the Promotion of Rural Entrepreneurship, was mainly geared towards financial and entrepreneurial support for cooperatives. It also targeted young "primo-entrepreneurs" although there was ambiguity in defining this group. The project offered both non-financial support (training and mentoring) and an injection of financial services. Initial implementation was weak and the project was moved at mid-term from the Ministry of Agriculture to the President's Office which improved performance. A workable implementation mechanism for the project was missing at start-up, which had to be established. Longer-term, national interventions were required and it became clear initial assumptions about interest in risk sharing had been incorrect. Beneficiaries and financial institutions showed little interest in contributing either with repaying loans or cofinancing, there were too few financial products for the entrepreneurs targeted and loss-sharing mechanisms were not clear. The project did not conduct sufficient value chain analysis to ensure the profitability of enterprises. The quality of training and mentoring was not well monitored and remained unclear. IOE rated the project as moderately satisfactory.

[21] CSPE Burkina Faso

- **Rural Microenterprise Support Project (2000-2008)**
- **Rural Business Development Services Programme (2010-2017)**

Microenterprise promotion is one of four intervention priorities in **Burkina Faso**. The CSPE covered at least two successive projects that specifically supported rural microenterprises. Increased promotion and supportive income-generating activities resulted in better capacities, higher revenues and stronger microenterprises, especially in post-harvest activities (according to a large household survey conducted by the 2019 CSPE). Projects helped farmers develop microprojects through innovative support, such as access to local report writers and rural business resource centres. At the same time, rural households were still largely excluded from financial markets and microcredit was weakly managed which constrained enterprise growth. Capable, but largely overburdened, regional chambers of agriculture helped manage the programme. Providing adequate support for IFAD target groups for enterprise development was more problematic. The approach did not sufficiently consider and mitigate the inherent weaknesses of target group beneficiaries, especially in education, managerial capacities, financial liquidity and collateral, necessary even for microcredits. The IFAD Country Office was unable to engage in the stronger policy dialogue and knowledge management leadership on enterprise development which was required as core portfolio management absorbed available resources.

[22] CSPE Burundi

- **Piloting Youth Entrepreneurship**
- **Rural Entrepreneurship Development Programme**

The **Burundi** country programme focused its enterprise support on developing more

commercially-oriented producer organizations, especially in dairy and rice marketing. It also conducted a pilot on youth entrepreneurship that led to a recently-approved IFAD project on the same theme (but little was reported in the CSPE on pilot results or lessons for a follow-up project). At the time of the evaluation producers typically still had relatively weak institutional structures and member commitments, insufficient market orientation and a lack of training. Some value chain linkages are emerging in the 70 milk collection centres and mini-dairies established by the programme, but partnerships and secure contracts with the private sector are generally still weak, with too little project emphasis on value chain support in the private sector. Finance support is often lacking, with few projects taking an integrated approach, except the latest ongoing finance support project (Project to Support Agricultural and Rural Financial Inclusion). Burundi is moving towards a programmatic approach for IFAD projects to achieve long-term results, with grants needing to be better integrated, including those for sustainable enterprise development.

[23] CSPE Ecuador

Enterprises are a cornerstone of the **Ecuador** country programme, mainly through the instrument of cooperative development. Enterprise development is mainstreamed in the programme, without specialized projects. The two completed projects in the CSPE (the Ibarra-San Lorenzo Corridor Territorial Development Project and the “Buen Vivir” in Rural Territories Programme) generated 6,500 jobs (a 70 per cent achievement rate) for entrepreneurs engaged mainly in food processing cooperatives, yet performance remains below expectations.

Most cooperatives supported are generally only managing to cover their costs, and their financial situation remains weak. Few cooperatives have well-trained accounting managers and most remain unprofitable. Their long-term future

sustainability without an external injection of funds (in the form of project extensions) is questionable. Farmers and cooperatives do not have access to the agricultural, financial and business-related services they need to sustain a rural transformation process.

The lack of the project's focus on marketing and market access limited its ability to achieve the expected outcomes. There were no preparatory studies of marketing opportunities, private sector partners, priority sectors and products. Farmers and their organizations have little knowledge about local, national and export markets and their mechanisms. More recent projects (Project to Strengthen Rural Actors in the Popular and Solidary Economy, Catalysing Inclusive Value Chain Partnerships Project) have evolved, and increasingly allocate resources to key areas such as trade capacity development in agricultural and non-agricultural sectors.

Decentralized territorial planning units and local committees are innovative and efficient, but the Ministry of Production, Foreign Trade, Investment and Fisheries specializing in marketing and trade is not included in projects.

[24] CSPE Kenya

- **Programme for Rural Outreach of Financial Innovations and Technologies (2010-2019)**

Although the **Kenya** CSPE does not specifically report or analyse country performance in developing enterprises and SMEs, it points out that the country programme shifted towards developing value chains and rural finance and both areas are performing well (paragraph 91) which bodes well for enterprises. Substantial support for enterprises came through this free-standing rural finance project after it faced some serious initial delays due to its high complexity. Horticulture and livestock value chain projects (Smallholder Dairy

Commercialization Programme, Smallholder Marketing Programme) also have integrated financial support. Group risk-sharing approaches for finance access worked well, and there has been innovative credit delivery for value chain financing and agroprocessing.

[25] CSPE Madagascar

- **Support Programme for Rural Microenterprise Poles and Regional Economies (2008-2021)**
- **Support to Farmers' Organizations and Agricultural Services Project (2009-2019)**

The **Madagascar** country programme supported critical producer organizations, farmer organizations (FOs) and their apex organizations to generate better linkages with market operators for product sales and profit-sharing; it also improved services and training for microenterprises and value chain operators, partly through these specialized projects. One focus in these projects was on microenterprise support services through developing regional enterprise and economic development hubs⁴⁴ and national rural support organizations, such as the Support to Farmers' Organizations and Agricultural Services Project.⁴⁵ Projects were moderately satisfactory in improving access to microenterprise support services, establishing contractual relationships between producer organizations and market operators and putting in place extensive storage and sales infrastructure. But at the time of the evaluation partnerships with the private sector were only beginning. The limited capacities of implementing institutions ought to have been taken into account more systematically during design. Including the most vulnerable in FOs and microfinance services was also less satisfactory. The evaluation identified trade-offs between IFAD target group orientation and value chain enterprise development.

⁴⁴ Rural microenterprise poles and regional economies.

⁴⁵ Support organization for FOs and agricultural services.

[26] CSPE Mexico

Although the **Mexico** country programme had no specific enterprise focus or related specialized projects there were many references to income-generation activities, markets and value chains in the evaluation. The programme was driven by the need to diversify income sources and rural services to move agroforestry producers from subsistence to semi-commercial producers, especially in the Community-based Forestry Development Project in Southern States, through rural finance and other interventions. The country programme was exclusively targeted to support poor regions and indigenous peoples. Advanced, high-level technical support and policy dialogue could have helped to strengthen programme interventions, but IFAD's lack of presence and visibility in the country negatively affected performance.

[27] CSPE Morocco

- **Agricultural Value Chain Project in the Mountain Zones of al-Haouz Province (2012-2019) and Agricultural Value Chain Project in the Mountain Zones of Taza Province (2011-2020)**

These projects were relatively strong on income-generating activities and value chain development.

The **Morocco** country programme had increasingly viewed the proximity of rural financial services and inclusive finance as its pivot for achieving economic diversification, entrepreneurial dynamics and higher incomes in marginal areas (with providing access to financial services as one of three strategic objectives in the country's COSOP). Income-generating activities and value chain development were central instruments in meeting this objective. Income-generating activities achieved moderately satisfactory results, mainly through sheep and goat rearing, bee-keeping and agroprocessing.

However, newly-established value addition units, which were specific economic interest groups for better market access, did not meet expectations. They had problems in set-up, profitability and institutional capacities and projects ended before many had become viable. Market access did not meet expectations due to the limited operational autonomy of most value addition units, insufficient analyses of the value chain, and missing value addition partnerships downstream. Although IFAD reached the poor in disadvantaged and remote areas of Morocco in several ways, they were not well reached by rural financial services that lacked innovation.

[28] CSPE Nepal

- **Samridi Rural Enterprises and Remittances Programme**

Given **Nepal's** high farm fragmentation, the government and IFAD emphasized on- and off-farm enterprise development, including the transitioning of small-scale farmers to higher-value products per unit of land as a crucial element of the rural strategy. Linking small-scale farmers with value chains was a central component. For the 2013 COSOP, off-farm enterprise development was also an important instrument for social targeting (supporting the landless, youth, etc.). Several projects focused on value chains (e.g. the High Value Agricultural Project in Hill and Mountain Areas and its successor project, the Agricultural Sector Development Programme). Another project, the Smallholder Resilience Enhancement Project, was initially specifically designed to support rural enterprises, partly through the use of remittances, but the project turned out to be too complex. It was eventually redesigned for value chain support. The evaluation found there was impact on women's dairy enterprises and other activities, but in the end there was simply not enough evidence to assess COSOP 2013's coverage and performance in terms of rural enterprise development. The dilemma in Nepal was that

there were too many beneficiary groups but a shortage of profitable, bankable and income-generating enterprise opportunities.

[29] CSPE Niger

In **Niger**, support for microenterprises was an important element in the country programme by providing better access to finance and market infrastructure. However, it was seen as moderately ineffective by the CSPE for three reasons: (i) enterprise financial support mechanisms functioned poorly since implementing agencies were not familiar with the grants and cost-sharing mechanisms; (ii) credit terms and conditions were not adapted well to IFAD target groups; and (iii) the strategy and priorities around microenterprises remained unclear. Revitalizing trade and marketing was increasingly emphasized but the concept of economic development “poles” (or hubs) relied more on building physical infrastructure than supporting enterprises around such infrastructure. The focus on market infrastructure also led to reduced emphasis on income-generating activities that were better adapted to the needs of women and others. Regional chambers of agriculture institutionalized the promotion of emerging private entrepreneurship and viable management structures under various forms of community organizations.

[30] CSPE Pakistan

The main support for enterprise development in **Pakistan** came through broadly targeted microfinance in two early projects covered by the CSPE that ended in 2011 and 2013, as well as through skills training and community development. The latter included matching funds for community organization savings, to be used for internal lending. Although there were some achievements in strengthening microfinance service providers and improving their enabling environment, the overall access of the rural poor to financial services and community-based funds remained modest.

Microfinance effects on enterprises and those of community development were unclear due to missing data. Skills and vocational training of women and youth were too much aimed at individual households and beneficiaries and achieving short-term results (such as targeted training numbers) rather than having a focus on long-term institutional improvements of enabling institutions and the policy environment. They were also oriented more towards traditional roles, especially for women, without sufficient attention to market needs and contextual realities.

[31] CSPE Sierra Leone

- **Two dedicated finance and capacity development programmes (2008-2022): Rural Finance and Community Improvement Programmes**
- **Smallholder commercialization, (2011-2019)**
- **Agricultural value chain development project**

The country programme in **Sierra Leone** shifted from basic agricultural inputs and infrastructure rehabilitation during the post-civil war period (after 2003) to providing accessible finance and agricultural commercialization that supported rural enterprises. Financial services dominated the programme, with two dedicated, successive finance projects (Rural Finance Community Improvement Programme, phases I and II) and two value chain projects with finance components (Smallholder Commercialization Programme and Agriculture and Fisheries Development Programme). They successfully reached 200,000 households in rural areas and many rural enterprises, and the large majority of financial services remain operationally sustainable. The CSPE carried out a detailed survey of rural financial institutions which found that they adopted rather conservative strategies for targeting rural agricultural producers and enterprises which limited their outreach, providing financial products not well suited to agricultural

smallholders and enterprises. They also lacked training and a sufficient capital base to broaden their outreach. The national Apex Bank needs to play a more active role in developing modalities and extend the scale of rural lending. In value chain projects, agroprocessing and marketing components have not performed satisfactorily, with weak linkages between farmers and value chain actors, especially private sector input suppliers. The support model has proved effective for grass-roots production-based groups, but less so for agribusiness groups. Issues presenting a barrier included a lack of trust, elite capture in the agribusiness centres and the fact that some centres only had capabilities to perform basic post-production functions. A rice cooperative failed to perform as a buyer, as had been planned. In terms of approach, the standalone nature of projects in Sierra Leone and their thematic focus kept project designs uncomplicated, implementation less demanding, and avoided the complexity that is often a prohibitive factor in fragile countries.

[32] CSPE Sri Lanka

- **National Agribusiness Development Programme (2010-2017)**
- **Smallholder Agribusiness Partnerships Programme (2018-2023)**

IFAD is actively promoting SME enterprises and market access and improved commercialization in core country projects in **Sri Lanka**; but less so in post-tsunami (2004) programmes where income-generating activities dominated. There have been two dedicated, successive enterprise/public-private producer partnership support projects, the National Agribusiness Development Programme and the Smallholder Agribusiness Partnerships Programme, in addition to the Smallholder Plantations Entrepreneurship Development Programme discussed above. The National Agribusiness Development Programme successfully established a number of agribusiness product collection and processing centers (for milk,

fruits and vegetables), yet the CSPE concluded that it had questionable value addition, uncertain income effects and a weak poverty focus. The project gained little leverage with the funds injected and no efforts were made for innovating financial products. Matching grants coverage was limited and revolving funds were slow to materialize. Income-generating activities in post-tsunami projects yielded variable results.

[33] CSPE Sudan

- **Supporting Small-scale Traditional Rainfed Production in Sinnar State**
- **Seed Development Project**
- **Gum Arabic project**

Several projects in **Sudan** developed innovative private sector partnerships with enterprises. Supporting Small-scale Traditional Rainfed Production in Sinnar State project (2011-2018) which was rated satisfactory, introduced new business models of partnerships between farmers and the private sector for new technology adoption (e.g. mechanized service providers, agro-dealers). Subsequently, the government's national Integrated Agricultural Solutions Programme was modelled on this project. The more specialized Gum Arabic project supported producer organizations with microfinance, matching grants and capacity-building and thus increased producer opportunities through a more commercialized business model. In general, projects adapted well over the course of the CSPE period to take advantage of emerging priorities with the private sector and youth. A large part of enterprise support took place through improved access to finance. One special group which benefited from better access to finance were women who, following empowerment training and increased market access, managed to significantly diversify and grew their income through income-generating activities. For financial enterprise support the CSPE noted that IFAD projects could do more to influence policy and institutions to promote

inclusive finance, clarify a long-term vision with agricultural banks for reinforcing strategic partnerships and develop a more conducive enabling environment.

[34] CSPE Tunisia

In the post-Arab spring period (since 2011), projects in **Tunisia** shifted from earlier area-based support for rural infrastructure and grass-roots organizations to broader value chain support. The promotion of income-generating activities and rural microenterprises remained important in this context and included better collaboration with rural financial institutions for microenterprise support. Yet the CSPE found that income-generating activities and support for enterprises that directly targeted the poorest and most vulnerable households, women and young adults was the portfolio's weakest point, due to limited resources (based on only some training and materials), insufficient opportunities and efforts to develop tailored financial services and inconsistent support.

[35] CSPE Uganda

- **Project for Financial Inclusion in Rural Areas, (2014-2021)**
- **Vegetable Oil Development Project 2, (2010-2019)**

Enterprise development in **Uganda** was embedded and mainstreamed in area-based community development and value chain and finance projects (although there are relatively few explicit observations on enterprises in the CSPE). Over the years, the Uganda portfolio has been shifting to broader value chain support, which brought a stronger commercialization and enterprise focus, especially for oilseeds value chains. A large number of farmer organizations in the Vegetable Oil Development Project (2010-2019) strengthened their business literacy and obtained extension advisory services through 11 private sector providers to expand their semi-commercial operations. Four thousand

oilseeds farmers accessed financial services from 10 financial institutions. In general, rural finance projects increased community-based savings and credit cooperatives, widened access to microfinance institutions, and improved their supporting regulatory frameworks. But there is little information in the CSPE to clarify to what extent rural finance helped off- and non-farm enterprises. Seed multiplication enterprises were supported under the Vegetable Oil Development Project and the Project for the Restoration of Livelihoods in the Northern Region. Seed businesses run by farmer groups have been an effective way to meet quality seed constraints while building ownership and incomes. On the marketing side, agroprocessing facilities were more effective than the market structures built by projects, especially when agroprocessors moved management from collective to private operators. This underscored the importance of enterprise development for market access. In terms of public-private producer partnerships, projects in Uganda effectively worked with palm mills, established grower associations and multi-stakeholder platforms. In contrast, income-generating activities were seen as performing weakly by the evaluation, mainly due to the limited access of poorer populations to rural finance and weak implementation.

Extension and advisory services

[11] PPE Botswana: Agricultural Services Support Project

The **Botswana** project was part of a broader sector reform programme of agricultural services, yet its focus was derailed as extension agents were distracted and then redeployed for subsidized input delivery. As a result the project's proposed conservation agriculture was poorly implemented and supported. Extension services were essentially top-down and supply-driven and training failed to enhance agents' capacities beyond only input delivery. Extension services were unwilling

and unable to change. IOE rated the project unsatisfactory.

[12] PPE Cambodia: Rural Livelihoods Improvement in Kratie, Preah Vihear and Ratanakiri

In **Cambodia** the IFAD project aimed to upgrade relatively weak public extension services through agent training and a more farmer demand-driven and decentralized system. The process of moving from standard extension packages to a more demand-driven approach was lengthy and only partially successful. It included farmer capacity needs assessments and a more participatory selection of extension topics. The special needs of indigenous populations were still inadequately addressed. Technology adoption was weak as complementary inputs, finance and irrigation were not well covered. The implementation approach was characterized by a lack of clarity on the purpose of farmer groups and by erratic group formation; community councils were mostly reporting training activities rather than engaging in comprehensive planning. IOE rated the project as moderately satisfactory.

[13] PPE Uganda: Agricultural Technology and Agribusiness Advisory Services Project

In **Uganda**, a sweeping vision for innovative extension and an expanded pluralistic, decentralized and private sector model had to be abandoned mid-stream as the government reverted in 2015 to a conventional public sector-led model, combined with establishing a high priority on subsidized input delivery (called a “single-spine extension model”). This project was cofinanced with the World Bank, which also drove the policy dialogue. The project failed to diversify and privatize extension services, link public extension better with agricultural research or make the process more demand-driven. The lack of a joint implementation unit across the two national agencies responsible for research and

extension, the National Agricultural Research Organization and the National Agricultural Advisory Services, made coordination difficult at all levels. However, some farmer adoption and scaling up of technology innovations was achieved through the separately delivered support of the National Agricultural Research Organization and the Global Environment Facility-financed sustainable land management interventions in degraded watersheds and rangelands implemented by the World Bank. Community-based facilitators, a training-of-trainer concept and reliance on previously established farmer groups all worked well. The contextual factors of growing market opportunities (exogenous to the project) and the absence of political interference in research (as opposed to input delivery) further supported farmer adoption. IOE rated the project moderately unsatisfactory.

[14] PPE Zambia: Smallholder Agricultural Productivity Promotion Programme

The Smallholder Agricultural Productivity Promotion Programme project in **Zambia** effectively improved Ministry of Agriculture extension delivery and private sector extension services, especially through FOs, but not on a sustainable basis. Extension outreach was driven by project financing. A better enabling policy environment for private extension services, clearer roles, harmonization and coordination between public and private services could have helped with adopting new technologies, such as conservation agriculture; reaching poorer smallholder farmers; and changing the mindset among FOs to understand farming as a market-driven business. Although different extension models were applied, such as farmer field schools and lead/follower farmers, little is known about their relative efficacy (i.e. advantages/disadvantages of each model), especially for serving IFAD target groups. Extension outcomes were not sufficiently monitored and evaluated. Similarly, capacity development for extension

workers through training of trainers was weakly evidenced and followed up.

[21] CSPE Burkina Faso

Projects in **Burkina Faso** provided considerable support for farmer grass roots and apex organizations, featuring innovative extension concepts and the participatory development of agricultural technologies (and community-based village mobilizers). They notably strengthened the capacity for action of FOs in the country. But in the end such support activities and benefits were not sustainable, requiring continued support for decentralized, community-based service delivery. Inadequate exit strategies, without government integration of projects after completion, and community weaknesses in operation and maintenance were the main factors. Scaling up in Burkina Faso takes place from project to project. Another problem was inadequate or absent support for farmers to access value chains and credit.

[24] CSPE Kenya

The **Kenya** CSPE evaluation draws attention to the vacuum generated in the rural space by declining levels of traditional public extension services. IFAD support for community-based extension personnel was effective, with positive impact through the agricultural solutions offered through agri-tech.

[25] CSPE Madagascar

The CSPE in **Madagascar** found training and advisory services for better access to production and market support services of farm producers and entrepreneurs in all projects. The Vocational Training and Agricultural Productivity Improvement project (2013-23) was specifically dedicated to increase capacity development for extension and advisory services. Its main entry points for support were producer organizations, their apex organizations, chambers of

agriculture, commerce and industry, and regional directorates of agriculture. Simplified farmer field schools were an innovative programme feature for Madagascar. However, at project completion, many institutions still lacked sufficient resources and financial empowerment, as well as the status and legitimacy to operate autonomously and sustainably as full government partners in rural extension and advisory programmes. The evaluation also concluded that advisory services needed to consolidate support to family farms, producer organizations and rural enterprises. The evaluation rated beneficiary access to training and extension outreach through developing technical, management, marketing and self-organization capacities as moderately satisfactorily, and gave the same rating for formulating and operationalizing strategies on agricultural support services and rural vocational training.

[28] CSPE Nepal

The **Nepal** CSPE emphasized the need to support local governments in extension and advisory services, in the context of far-reaching decentralization in the country. An overly complex design that required technical service delivery from different district line agencies did not work.

[29] CSPE Niger

The IFAD country programme in **Niger** emphasized agricultural advisory support through FOs, social engineering and decentralized approaches, mostly for crop production. Projects supported a stronger commercial production orientation through agricultural input supply, improved seed multiplication, processing and marketing, often through farmer field schools for production and marketing. Decentralization was seen as conducive to strengthening regions and communes for better rural service delivery but was progressing slowly. Several extension methods have been deployed and extended

over the years, including extensive use of farmer field schools for markets.

[30] CSPE Pakistan

In **Pakistan** extension agencies discovered the benefits of interacting with organized forums of farmers and developing strong grass roots linkages between beneficiaries and government departments. This was mainly done through community organizations, the main medium of project support in Pakistan, but such interactions were rarely sustainable after project completion. Participatory, bottom-up and community-driven approaches through community, village and local support organizations were not mainstreamed into the government's regular development planning and budgeting processes but undertaken only when there was a project. The evaluation identified continuously weak public crop extension services as a missed opportunity for the country programme.

[33] CSPE Sudan

Sudan offers a good example of an integrated approach to extension that covers production, natural resource management and conflict resolution, with community development as the foundation for success. A combination of multidisciplinary extension, quality agricultural inputs and services (e.g. seeds, mechanization and spraying) and access to finance improved adoption of the technology. Tensions arising over natural resource use around livestock routes were reduced through effective conflict resolution mechanisms (e.g. a council of traditional leaders and conflict resolution centers) and a more coherent natural resource governance framework was developed.

Interventions rooted in community structures and mechanisms fostered sustainable community ownership. Sudan also successfully used its participatory community development approach, where the strong presence and representation of women in extension teams and

coordination units, and support through young professional extension workers partly living in the villages, raised women's participation, benefits and self-esteem. Yet, in the absence of a realistic exit strategy, the capability of state government and community institutions to fully assume project responsibilities was not ensured, with knowledge management, scaling up and mainstreaming of project activities into government services still lagging.

[35] CSPE Uganda

The CSPE in **Uganda** underlined the failure to reform the country's extension services through policy engagement and demand-driven services in the Agricultural Technology and Agribusiness Advisory Services Programme, with the government policy reversal on extension causing disruptions and elite capture. Extension and advisory services worked much better in the Vegetable Oil Development Project through 11 private service providers and 5,000 farmer groups, although little is clear about its future sustainability.

X IOE activities and products

This annex presents the spectrum of IOE products completed between January and December 2022, and the progress of documents in the areas of leadership and strategy, advancing established outputs, generating new products, improving staff capability and communications. The work has focused both internally and externally, noting that IOE operates within a global oversight architecture, together with other independent evaluation and oversight functions of the international financial institutions and the United Nations Evaluation Group.

Expand and deepen IOE's leadership role in producing high-quality evaluations

A set of initiatives seeking to advance the quality of evaluations in IFAD overall were completed, each of which introduces an element to support effective planning, promote a common understanding of terminology and methodology and advance the capacity of staff.

Strengthen the evaluation function of IFAD

- **IFAD Evaluation Manual, 3rd edition** [here]. The 3rd edition of the IFAD Evaluation Manual was published on 17 June 2022. The manual implements IFAD's 2021 Evaluation Policy, to which it is aligned. It seeks to renew, update and consolidate current guidelines. The manual provides a comprehensive institution-wide approach through which self and independent evaluation will be planned, conducted and used. IOE interacted and coordinated with Management in preparing the Manual.
- **Online training course** [here]. For the first time in its over forty-year history, IOE has launched a fully interactive online training course, available also to users outside IFAD. Through an audio-visual immersive

experience, users will learn about the principal contents of part 1 of the 2022 IFAD Evaluation Manual. The training was officially launched on 10 October 2022.

- **IOE Evaluation Advisory Panel** [here]. The IOE Evaluation Advisory Panel held its inaugural annual meeting on 12-14 July 2022. Deliberations of the Panel confirmed that IOE is on the right path and that it is important for the Office to continue to strive to engage constructively with stakeholders. The Panel has brought a wealth of global expertise and remains a valuable sounding board for IOE and IFAD, as it advances evaluation culture and practice. The meeting benefited from very broad participation by members of the IFAD Executive Board and senior management, as well as the heads of Rome-based evaluation offices. In addition, the Panel provided comments on key evaluation reports during 2022, including the thematic evaluation of IFAD's support to smallholder farmers' climate change adaptation; and the corporate-level evaluation on knowledge management.
- **Research publications.** IOE improves the quality of evaluative products through the production of a suite of new substantive research publications. Each of these publications aims to improve the conceptual and methodological underpinnings of independent evaluation at IFAD. Pieces produced during 2022 include the following:
 - **Research paper series.** Efficiency – Economic analysis for evaluation [here].
 - **Learning notes series.** Working in the context of decentralized policies [here].
 - **IOE staff** [here]. The professional development of IOE staff has been enhanced through the hiring of new staff and a process of continuous training and skills building.
 - **IOE-led seminars and events.** IOE organized and co-hosted two international seminars and events: Insights from

recent studies on targeting of the poor and the ultra-poor [here]; the 2022 IFAD Evaluation Manual as a new tool for rural development practitioners [here].

- **Evaluation Advisory Panel Seminars** [here]. IOE hosted three seminar presentations, delivered by the members of the Evaluation Advisory Panel:
 - The revised evaluation criteria, delivered by Hans E. Lundgren on 3 March 2022.
 - Measuring multidimensional poverty, delivered by Gonzalo Hernandez Licona on 7 April 2022.
 - Indigenous evaluations, delivered by Bagele Chilisa on 17 June 2022.
- **Coffee Talk series** [here]. IOE hosted 14 sessions of its Coffee Talk series, aimed at providing an informal forum in which to address a variety of evaluation-related topics. Sessions which featured external speakers included:
 - The importance of values in evaluation when goals collide. Talk presented by Ida Lindkvist, Senior Advisor, Department for Evaluation, Norad [here].
 - Evaluation in fluid and volatile contexts. Talk presented by Hur Hassnain (Senior Evaluation Advisor, European Commission) and Inga-Lill Aronsson (Senior Lecturer, Uppsala University, Sweden) [here].
 - Leveraging GIS for evaluation. Talk presented by Oliver Mundy, Athur Mabiso and Rakhat Zhanuzakov (IFAD, GIS specialists) [here].
 - Fast-tracking knowledge management - Experience from China. Talk presented by Bruce Boyes (Director of RealKM Magazine) [here].
 - Mindset Strategies for Post-Evaluation Transformation. Talk presented by Srimi Pillay, M.D. (CEO and Founder NeuroBusiness Group) [here].
 - Transformational change for people and planet. Talk presented by Juha Ilari Uitto (Director of the Independent Evaluation Office of the Global Environment Facility) and Geeta Batra (Chief Evaluator and

Deputy Director for Evaluation at the Independent Evaluation Office of the Global Environment Facility) [here].

Strengthen evaluation coverage

Between January and December 2022, IOE finalized 45 reports. Of these, 30 were publicly available on the IOE website, and 15 were pending final publication as of 31 December 2022.

Published evaluation reports

- **2022 Annual Report on the Independent Evaluation of IFAD.** Since 2003, IOE has produced an Annual Report on Results and Impact of IFAD Operations. On the occasion of the twentieth anniversary of this flagship report, it has been reframed and renamed as the Annual Report on the Independent Evaluation of IFAD (ARIE), reflecting its upgraded contents and broader scope. In providing an overview of the performance of IFAD-supported operations based on independent evaluations, the ARIE continues to be pivotal in ensuring accountability for results [here].
- **Evaluation synthesis reports.** The primary objective of an evaluation synthesis report is to contribute to knowledge generation by consolidating findings from past evaluations. Its main users are Senior Management, Directors, staff of regional and technical divisions, and members of IFAD's Governing Bodies. During the reporting period, IOE published a synthesis of the government performance in IFAD-supported operations (2010-2020) [here].
- **Country strategy and programme evaluations (CSPEs).** The primary objective of a CSPE is to assess the performance and results of country strategy and operations and provide lessons and recommendations to guide the preparation of the next country strategy. Its main users are divisional and country directors, country teams and governments. During the reporting period,

IOE published three CSPE reports: Morocco CSPE [[here](#)]; Pakistan CSPE [[here](#)]; and Burundi CSPE [[here](#)].

- **Project performance evaluations (PPEs).** The primary objective of a PPE is to assess the performance and results of project-level operations funded by IFAD. Its main users are regional and country directors, technical advisors, operational staff, and government counterparts. During the reporting period, IOE published five PPE reports: from India [[here](#)]; The Gambia [[here](#)]; Tanzania [[here](#)]; Uzbekistan [[here](#)]; and Indonesia [[here](#)].
- **Project completion report validations (PCRVs).** The primary objective of a PCRV is to validate the project completion reports prepared by IFAD Management. Its main users are IOE and IFAD Management for reporting and feedback. During the reporting period, IOE published 20 PCRV reports: Argentina [[here](#)]; Bolivia (Plurinational State of) | ACCESOS [[here](#)]; Bolivia Plurinational State of) | VIDA-PEEP [[here](#)]; Brazil [[here](#)]; Brazil | Paulo Freire Project [[here](#)]; China [[here](#)]; Congo [[here](#)]; Côte d'Ivoire [[here](#)]; Djibouti [[here](#)]; Ecuador [[here](#)]; Georgia [[here](#)]; India [[here](#)]; India | Andhra Pradesh Drought Mitigation Project [[here](#)]; Kyrgyzstan [[here](#)]; Moldova [[here](#)]; Morocco [[here](#)]; Nicaragua [[here](#)]; Nigeria [[here](#)]; Philippines [[here](#)]; Tajikistan [[here](#)].

Completed evaluations

- **Thematic evaluation.** The primary objective of a thematic evaluation is to provide evidence of the development effectiveness, performance and results of operations in a thematic topic. Its main users are Senior Management, directors, staff of regional and technical divisions, and members of IFAD's Governing Bodies. During the reporting period, IOE carried out the thematic evaluation of IFAD support to smallholder farmers' adaptation to climate change.
- **Subregional evaluation.** Its primary objective is to assess strategy, common intervention approaches and IFAD

organizational set-up in a set of countries that share salient characteristics. Its main users are regional and country directors, technical advisors, operational staff, and government counterparts. During the reporting period, IOE carried out the subregional evaluation of fragile states in West and Central Africa.

- **Project cluster evaluation (PCE).** The primary objective of a PCE is to assess the experience of several projects that have a common theme or major component. Its main users are regional and country directors, technical advisors, operational staff and government counterparts. During the reporting period, IOE carried out the PCE on rural enterprise development.
- **Country strategy and programme evaluations (CSPEs).** CSPEs completed include Colombia, Eswatini, Indonesia, Malawi, Uzbekistan and Guinea-Bissau.
- **Project performance evaluations (PPEs).** PPEs completed include Cuba, Zambia, Togo and Egypt.
- **Project completion report validations (PCRVs).** PCRVs completed include: India/Jharkhand Tribal Empowerment and Livelihoods Project and Tunisia.

Strategic engagement with IFAD governance and management

IOE has placed increasing emphasis on engagement with Member States and IFAD Management, with a view to further promoting learning, accountability and reflection through independent evaluation. These efforts have taken shape through a series of briefings, corporate learning workshops, country learning workshops, and an Executive Board field mission.

- **Corporate level workshops.** IOE organized two corporate learning workshops, with the involvement and participation of IFAD Senior Management, regional and country directors and other staff members to discuss learnings. These discussed: thematic evaluation of IFAD support to smallholder farmers' adaptation to climate

change [here]; and Evaluation synthesis on government performance in IFAD-supported operations (2010-2020) [here].

- **Country learning workshops.** IOE organized five country learning workshops, with the involvement and participation of government representatives, national partner agencies, IFAD staff and international development agencies, including multilateral and bilateral partners. These include: Eswatini, 28 January 2022 [here]; Uzbekistan, 24 February 2022 [here]; Indonesia, 18 March 2022 [here]; Malawi, 17 May 2022 [here]; and Guinea-Bissau, 12 December 2022 [here].
- **Executive Board field missions.** The IOE Director joined a high-level delegation of IFAD's Executive Board members and IFAD senior staff for a working visit to Sierra Leone, from 19 to 26 November 2022. During the mission, the delegation met with high-level government officials and travelled to IFAD-supported projects in the country to see progress and meet with community members and rural farmers [here].

Contributions to global evaluative knowledge

- **Global evaluation networks.** IOE has formal membership of three global professional evaluation networks comprising the United Nations and international financial institutions. These are the UN Evaluation Group (UNEG) [here], the Evaluation Cooperation Group (ECG) [here] and the Global Evaluation Initiative (GEI) [here].
 - **GEI.** On 3-4 May, IOE participated in the GEI Partnership Council which took place in Paris, France. Key outcomes of the event include the endorsement by GEI members of the overall direction of GEI's work, its new fundraising strategy, and proposed evaluation methods for each of GEI's business lines. Indran Naidoo attended the event [here].

- **ECG.** On 10 June, IOE participated in the ECG spring meeting in Washington, DC. IOE contributed to the event in several ways by engaging in different sessions at multiple levels. The purpose of the meeting was to discuss ways in which ECG members are finding new ways to support accountability and enhance learning within their institutions [here]. On 14-15 November, IOE attended the 2022 meeting of the ECG. IOE presented examples of transformative and impactful corporate-level evaluations that have made a significant contribution to the work of IFAD in recent years [here].
- **UNEG.** On 20 October, IOE hosted a meeting with Oscar Garcia, United Nations Development Programme Independent Evaluation Office Director (former IOE Director). Mr. Garcia shared insights on the use and impact of artificial intelligence in evaluation. Rome-based agency evaluation office representatives attended the one-day hybrid meeting, which also included discussions on the future directions of UNEG, and insights into the National Evaluation Capacities 2022 conference [here].
- **National Evaluation Capacities** [here]. The 7th National Evaluation Capacities Conference took place at the ITC-ILO Conference and Training Centre, Turin, Italy, from 25-28 October 2022. The conference was co-organized by the United Nations Development Programme Independent Evaluation Office and the Global Evaluation Initiative, and benefited from the strong support of IOE. In addition to bursaries, IOE played an active role in the event by providing substantive inputs to various sessions.

Leading and contributing to sessions in global evaluation forums

- **Global invitations.** IOE and its staff responded to multiple global invitations and organized or actively contributed to a range

of workshops, seminars, presentations and other international events. These efforts have helped forge evaluation coalitions to improve IFAD effectiveness. IOE staff have been invited to deliver presentations and participate in 19 international events, including: the second and third Wilton Park dialogue series on climate change [here] and [here]; the 3rd International Conference of Asia Pacific Evaluation Association and EVALFEST [here]; Inaugural lunch of the Regent Business School Journal Club [here]; 10th African Evaluation Association International Conference [here]; the Islamic Development Bank Group Evaluation Symposium titled “Reshaping evaluation through the lens of recovery” [here]; the International Research Group for Policy and Program Evaluation annual meeting [here]; two events during the gLOCAL Evaluation Week 2022 [here] [here]; four events during the 14th European Evaluation Society biennial conference [here] [here] [here] [here]; the Czech Evaluation Society Annual Conference 2022 [here]; evaluation practitioners network session at the UK Department for Business, Energy and Industrial Strategy [here]; Asian Evaluation Week 2022 [here]; 2022 IDEAS Conference and Global Assembly [here]; “Impact Evaluations: Lessons learnt from IEU’s Learning-Orientated Real-Time Impact Assessment programme and other international organizations” [here]; and the Centre for International Development Evaluation [here].

Contributions to evaluation literature

IOE staff members authored, co-authored and edited the following books, peer reviewed journal articles and publications:

- “Transformational Change for People and the Planet”, book published by Springer Nature. Indran Naidoo and Suppiramaniam Nanthikesan were among the co-authors [here].
- “Transformational Evaluation for the Global Crises of Our Times”, book published by IDEAS. Fabrizio Felloni among co-authors [here].
- Japanese Journal of Evaluation Studies, no. 2: 21. Indran Naidoo authored an article [here].
- “Evaluations under COVID-19: how the pandemic affected the evaluation of the performance of the Coastal Climate Resilient Infrastructure project in Bangladesh, and what we learned”, eVALUation Matters, Volume 2, 2021, co-authored by Fabrizio Felloni [here].
- “Evaluation through narratives: A practical case of Participatory Narrative Inquiry in women empowerment evaluation in Niger,” Evaluation 1-20, Sage, co-authored by Fabrizio Felloni [here].
- “Combining participatory narrative methods with quantitative approaches to evaluate impact: Experiences in Cameroon and Niger”; eVALUation Matters, Volume 1, 2022, co-authored by Fabrizio Felloni [here].

Enhance IOE strategic communication, outreach and knowledge management

A range of communication resources defines IOE’s visual persona and brand identity, embodying its independent stature. Through these products, IOE continues to build safe spaces for users to interact with the knowledge and learning it produces and which invites stakeholders to regularly engage.

- **IOE media coverage report.** In September 2022, IOE issued its first media coverage report, which came four months after the launch of the new IOE website. The report, which will be issued biannually, presents the latest data, statistics and trends relating to our website, social media platforms and select IOE products, such as the 3rd edition of the IFAD Evaluation Manual, the 2022 Evaluation Policy and Independent Magazine.

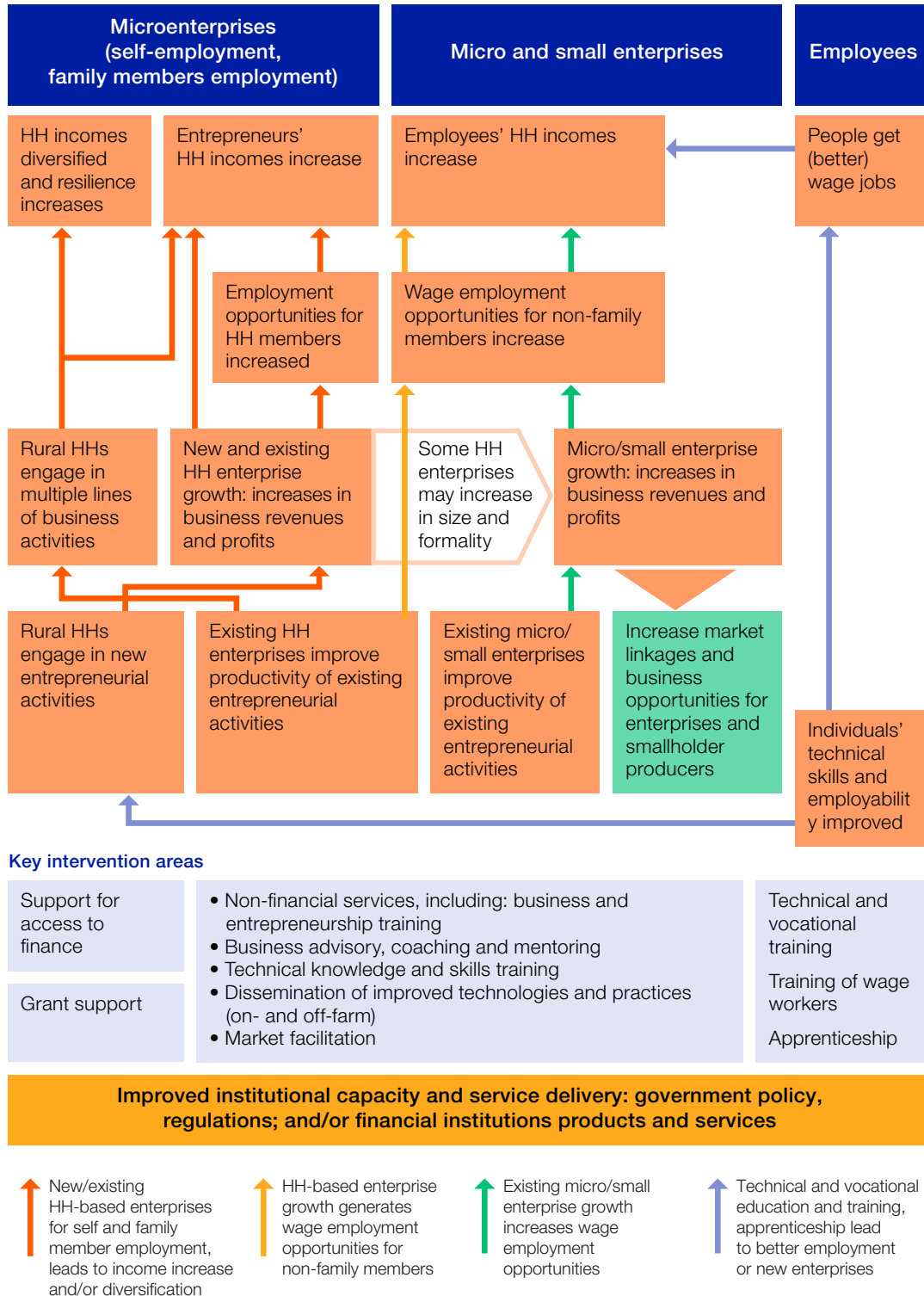
- **Independent Magazine** [here]. As IOE's flagship communication product, *Independent Magazine* highlights the major efforts undertaken by IOE in the global development dialogue. In 2022, IOE published two editions of the magazine reaching over 11,000 readers in 76 countries. The cumulative total number of readers has reached 18,500 in 97 countries since its launch.
- **IOE website** [here]. The website is structured around the needs of IOE's stakeholders, with functionalities that make user engagement simple. Finding the information users need is made easy and intuitive. In 2022, 32,000 people accessed the website for a total of 122,000 times, from 195 different countries. IFAD has 177 Member States which means the IOE website has reached 22 countries beyond IFAD's membership. While the new IOE website was officially launched on 15 March 2022, the Google Analytics tracking was only finalized on 28 April. The data presented in this section thus refers only to an eight-month period, 28 April 2022-31 December 2022.
- **Social media.** IOE has a strong, active and vibrant social media presence, which allows the office to keep its stakeholders updated, whilst ensuring that its stakeholders are easily able to engage. In 2022, IOE continued to grow its audiences reaching: 3,082 followers on X (formerly Twitter) [@IFADeval]; 3,875 followers on LinkedIn [here], and 486 subscribers on YouTube [here].
- **IOE newsletter** [here]. The IOE newsletter promotes transparency and shares knowledge with partners and stakeholders about key developments related to IOE's work, publishing three issues in 2022. The broad readership of the newsletter ensures that IOE stakeholders have quick access to the latest outputs of the office.
- **News items** [here]. The IOE news items capture the work of the office, highlighting key user-friendly messages. The breadth of issues ranges from the publishing of reports to meetings, events, new products and opportunities for engagement. In 2022, IOE published a record-breaking 40 news items.
- **Video series: 60 seconds with the Director** [here]. The video series offers easy-to-digest insights into the IOE Director's perspectives on a number of salient, evaluation-related issues. In 2022, IOE published three instalments of the series.
- **Promotional videos** [here]. Through its promotional videos, IOE provides enhanced visibility to key substantive issues of at the heart of the international evaluation debate, while bringing to the forefront important new outputs produced. In 2022, IOE produced three promotional videos.
- **Director's bulletin.** The bulletin responds to the IOE Director's personal commitment to transparent and proactive internal communication. The bulletin records IOE outputs, engagements and activities. In 2022, IOE developed nine issues.
- **IOE coffee and gender talk series** [here]. Each instalment of the talk series is captured in fact sheets. In 2022, IOE published 14 coffee talk sheets, featuring 17 different presenters.
- **Advisory panel seminar series.** Each instalment of the seminar series is captured in the fact sheets and re-live videos [here].
- **IOE blogs** [here]. Blogs expose IOE's thinking on issues at the heart of the international evaluation debate, stimulating thought-provoking dialogue and debate. In 2022, IOE staff published four blogs.

Chart 6 Summary infographic



XI Theory of change: Rural enterprises – impact pathways and key interventions

Chart 7 Improved institutional capacity and service delivery: government policy, regulations; and/or financial institutions products and services



Source: IOE 2022, Project Cluster Evaluation - Rural Enterprise Development.
[HH: households]

Chart 8 Schematic presentation of key intervention areas



Source: IOE 2022, Project Cluster Evaluation - Rural Enterprise Development.

XII Response of IFAD Management to the 2023 Annual Report on the Independent Evaluation of IFAD

Introduction

1. Management welcomes the 2023 Annual Report on the Independent Evaluation of IFAD (ARIE). This year's edition follows the approach adopted since 2021, when the Revised IFAD Evaluation Policy was released, emphasizing the effective use of evaluation products and learning from them. The IFAD Revised Evaluation Manual published in 2022 serves as the basis for the generation and use of evidence and learning as a continuous process. The 2023 ARIE remains consistent with this approach and combines the analysis of rating trends with useful knowledge extracted from evaluations, helping to inform IFAD project and country strategy design and implementation.
2. Learning is a key priority for Management, as emphasized in the 2021 Development Effectiveness Framework (DEF). Therefore, Management greatly appreciates the learning perspective advanced in the 2023 ARIE. The rural enterprise development theme is especially relevant to both the IFAD13 business model, which promotes greater private sector engagement, and the ongoing portfolio, with the majority of projects classified as value chains at design. In addition, findings on institutional efficiency are relevant in the context of Decentralization 2.0. Consistent with the ARIE findings, IFAD's 2023 budget has already prioritized country programmes. The ARIE also succinctly presents findings on rural extension and advisory services in a practical fashion, backed by concrete examples. This distilled knowledge will be helpful in improving learning.
3. Management agrees with the key conclusions presented in the 2023 ARIE, which, with a few exceptions, are largely in line with the Report on IFAD's Development Effectiveness

(RIDE). Section II of this document provides an explanation of complementarities between the ARIE and the RIDE and their strategic relevance. Section III complements the ARIE findings with Management's consideration of the issues raised and corrective actions in progress, while Section IV provides insight for the preparation of future ARIEs.

ARIE-RIDE complementarity

4. **The ARIE and RIDE are key instruments for informing Management's actions, and their different focus is a strength, rather than a weakness.** The ARIE and RIDE serve two common and closely intertwined objectives: accountability and learning. The RIDE, however, captures recent performance and its drivers, informing Management and the Member States about areas requiring swift course corrections, in line with IFAD's adaptive management approach. The RIDE reports self-evaluation ratings against Results Management Framework (RMF) indicators and targets agreed upon with the Member States. These indicators refer to the year under review or to a 3-year period and thus capture areas for improvement in the short term. The ARIE, in contrast, is an independent evaluation by the Independent Office of Evaluation of IFAD (IOE) of the long-term performance of IFAD operations, extracting evidence and lessons that serve to improve project design and implementation. The ARIE analyses long-term trends in operational performance, based on the past 10 years of independent evaluations; it also touches on recent operational performance by looking at the past three years.
5. **While the ARIE is a key input for improving design and implementation support, the RIDE offers early warning about potential problem areas requiring**

immediate action. While these areas are tackled in IFAD through other instruments (e.g. the quarterly stocktakes), the RIDE seeks to keep the Member States updated on such issues in an accountable and transparent manner. One example is the effect of the COVID-19 pandemic on project performance, which was flagged earlier in the RIDE, as it relies on a slightly more recent set of data from completed projects, in addition to data from implementation not covered in the ARIE. Similarly, based on portfolio stocktake findings, and as reflected in the RIDE, Management is focusing special attention on the Asia and the Pacific (APR) portfolio, whose performance recently declined in some areas; this trend is less evident in the ARIE, which looks at a longer timespan. At the same time, Management has leveraged recommendations from the ARIE and other independent evaluations to improve portfolio quality. For example, independent evaluations have been instrumental Management's fostering of a programmatic country approach grounded in a long-term holistic view that prioritizes policy outcomes and boosts efficiency. Management's view is that the RIDE and ARIE should continue to play their respective roles in fueling Management's action and reporting to the Member States with differentiated but complementary information.

6. **Differences in ratings between self- and independent evaluation are to be expected and, in fact, stimulate constructive discussion and subsequent learning.** Both Management and IOE monitor the disconnect between self-evaluation ratings (used in the RIDE) and independent evaluation ratings (used in the ARIE). The disconnect is statistically significant and should not be ignored; yet IOE and project completion report (PCR) ratings are directly correlated, meaning that they follow a similar pattern and overall are consistent. Management will continue to closely monitor areas where the disconnect is growing or where trends begin to diverge. In this regard, Management is pleased to note an improvement in PCR quality. Regional divisions

continue to apply rigorous peerreview to their PCRs.

7. **Progressive implementation of the 2023 PCR guidelines will help reduce the disconnect in the coming years.** The 2023 PCR guidelines reflect the common evaluation criteria and definitions established in IFAD's Revised Evaluation Manual. They also provide more rigorous, evidence-based guidance for rating evaluation criteria, based on the project logical framework and the additional quantitative evidence available. This will be particularly important with regard to effectiveness, where the disconnect has widened slightly since 2016.

Performance of lending and non-lending activities

8. **As observed in past years, strong and weak project performance areas identified in the ARIE are broadly consistent with those identified in the RIDE, with a few exceptions.** IFAD projects are strong on environment and natural resource management and climate change adaptation; in addition, government performance deserves special mention, as both the RIDE and the ARIE show improving trends since IFAD10. In contrast, projects are weaker in sustainability, scaling and efficiency.
9. **IFAD is implementing dedicated action plans to improve performance in weaker areas,** as mentioned in the 2023 RIDE. More specifically:
- In sustainability, recent portfolio stocktakes confirmed that projects that perform better on the financial and economic side (as assessed through the efficiency rating), as well as the institutional level (as assessed through the rating on government performance) are also sustainable. Projects with shorter disbursement lags perform better, as do those with sufficient duration; exit strategies are a prerequisite for preparing projects to be sustainable. The sustainability action

plan is prioritizing stakeholder engagement in sustainability aspects both at design and during implementation, together with more detailed guidance on exit strategies and better assessment tools.

- The efficiency action plan is focusing on the key aspects of procurement, with the new IFAD OPEN system and updated procurement manual, and financial management, with enhanced financial discipline at the project level and interim financial reports. In addition, greater proactivity will reduce the need for extensions and improve efficiency.
 - In addition, IFAD is updating its operational framework on scaling. To be released in 2023, the framework will be a practical tool for integrating the scaling lens across the project cycle. Actual scaling will materialize only if government or development partners decide to invest in a specific initiative; nevertheless, IFAD will focus on creating the conditions for scaling by fostering partnerships, government ownership and better knowledge management, including the dissemination of results and impact.
10. **One area where ARIE and RIDE findings diverge is performance in countries with fragile situations.** Self-evaluation ratings by countries with fragile situations are more positive than independent ratings. In part, this could be the result of greater efforts and investment in these countries and the contextualization of results. Fragility is a key area in the Twelfth Replenishment of IFAD's Resources (IFAD12) and is further emphasized in IFAD13. The Fund has developed an updated operational framework on fragility that foresees enhanced fragility diagnostics, risk management, programming and the inclusion of vulnerable groups. In addition, IFAD has invested in robust risk assessments at design and encouraged greater government involvement, ensuring flexibility at design and during implementation; it has closely supported project management units and forged partnerships with other development agencies. However, given the contextual challenges in these countries, expectations may be more conservative than in other environments less affected by political instability, natural disasters or conflict; self-evaluation ratings may be higher, as they balance efforts made with the implementing context. Management will continue to invest in rigorous peer review of ratings; however, harmonization of score descriptors with IOE could also improve alignment.
11. **In countries with fragile situations, findings from rigorous impact assessments can help balance divergent assessments based on subjective ratings.** For example, in IFAD11, the impact assessment revealed a positive impact on income, productivity, market access and resilience in three out of six countries classified as fragile in 2023 (Ethiopia, Papua New Guinea and Solomon Islands) and a positive impact on income, productivity and market access in Mozambique. Impact on market access was also positive in Nigeria.⁴⁶
12. **Management notes the improvement in non-lending activities (NLAs) highlighted in the ARIE and will continue to take the necessary action to further improve performance in these areas.** IFAD has been integrating NLAs into the design and implementation of country strategies and projects; however, lack of a dedicated budget poses challenges, as mentioned in the 2023 President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) and RIDE. More specifically:
- **Partnership-building is a strongly performing area**, consistently receiving positive ratings in IFAD's stakeholder feedback survey. Since IFAD12, country strategic opportunities programmes (COSOPs) have identified opportunities for strategic partnerships and South-South and Triangular Cooperation at the design stage.
 - **Management is committed to devoting further efforts to improve knowledge management (KM)**, despite the favourable

⁴⁶ IFAD11 Impact Assessment Report, EC 2022/118/W.P.8.

ratings received from the 2023 stakeholder feedback survey. In 2022, IFAD approved a “knowledge strategy refresh,” which brings enhanced focus to the use of evidence and datasets for design and implementation. The 2023-2025 KM action plan will operationalize the strategy refresh. IFAD is working to develop an integrated knowledge platform, leveraging IFAD data, policy briefs and resource notes on topics relevant to the design and implementation of projects and country strategies.

- **Decentralization has become an increasingly important tool for country-level policy engagement (CLPE).** In a context of limited budget for NLAs, IFAD will continue to leverage decentralization for better policy dialogue with client countries. As part of its IFAD12 commitments, the Fund has worked on improving guidance and training courses on CLPE.

Suggestions for future ARIEs

13. **Management encourages IOE to analyse the effects of COVID-19 on IFAD’s portfolio and its development effectiveness.** The 2023 ARIE acknowledges that a group of projects in the sample analysed has been exposed to the pandemic, but the effects of that exposure on project performance are not yet evaluable. For future editions of the ARIE, Management suggests combining ratings analysis with qualitative evidence (including a dedicated survey and/or analysis of PCR text) to offer further insight into COVID-19 effects. Management also encourages IOE to clarify whether a difference was detected between remote ratings vs. in-person ratings for independent evaluation, as was the case for self-evaluation.
14. **In addition, and as stated in the past, the ARIE would benefit from triangulating IOE’s rural poverty impact ratings with data from past impact assessments.** Management acknowledges that if IOE were to use impact assessments, it would first be required to validate them, which is beyond the scope of the ARIE and takes time. Nevertheless, Management is open to sharing primary data, reports and results with IOE when projects and thematic areas of interest are evaluated in countries. That way, IOE would have access to a broader data pool to use, as appropriate, to complement the established methodology.
15. Finally, Management appreciates IOE’s collaborative approach in sharing the ARIE database and suggests coordinating prior to the next report to ensure that historical series analysed by the RIDE and ARIE are fully aligned.
16. Management looks forward to strengthening the ongoing collaboration with IOE to ensure that evaluation products, and especially new products being piloted under the IOE multi-year strategy, are useful in shaping IFAD’s programme and enhancing its contribution to meeting the 2030 Agenda.



Independent Office of Evaluation

Independent Office of Evaluation
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
www.ifad.org/evaluation
 www.twitter.com/IFADeval
 www.youtube.com/IFADevaluation

ISBN 978-92-9266-349-0

