

## EXECUTIVE SUMMARY

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This report presents a synthesis of the findings and insights contained in the 17 evaluations completed by the Office of Evaluation in 2003, including ten projects, four country programme evaluations (Benin, Indonesia, Senegal and Tunisia), two thematic studies and one corporate-level evaluation. The statistics are based on the ten project evaluations, which used the Office of Evaluation's Methodological Framework for Project Evaluation. These cover a reasonably representative range of regions and project types, but underrepresent projects considered as "underperforming" by IFAD's Programme Management Department. The methodology is based on three composite evaluation criteria: performance of the project, impact on rural poverty and performance of the partners. Overall achievement is measured by the consolidation of performance using these three criteria.

Relevance and effectiveness were rated as substantial<sup>1</sup> for 90% and 70% of the projects respectively. Efficiency was more mixed, with 50% of the projects likely to be highly or substantially efficient. Taken together, **performance of the project** was rated as substantial in 80% of the projects evaluated.

Rural poverty impact was most highly rated in the domains of social capital and people's empowerment, physical and financial assets, and human assets. Food-security impact was more mixed. Substantial impact was not evident in the domains of the environment and communal resource base, and of institutions, policies and regulatory framework. Sustainability of impact was likely in 50% of the cases. Overall **impact on rural poverty** was rated as substantial in 50% of the projects.

Overall **performance of the partners** was rated as substantial in 70% of the projects. IFAD's performance was rated as modest in two thirds of the projects and high and substantial in one third. The performance of other partners (cooperating institutions, governments, etc.) was generally rated more highly, with the exception of cofinanciers.

In accordance with the request of the Executive Board, this year's Annual Report on the Results and Impact of IFAD Operations (ARRI) has experimented with differential weighting for various evaluation criteria, and also with a six-point rating system for estimating overall achievement. Using an unweighted four-point scale, overall performance in the projects evaluated during 2003 was high and substantial in 70% of the cases. Using an unweighted six-point scale, 40% of the projects evaluated in 2003 were rated as successful and 30% as moderately successful. Applying weights to different criteria makes only a slight difference in the results.

Comparison with last year's ARRI provides confirmation of a number of findings and issues:

- Performance of IFAD-supported projects has been systematically strong in the area of social capital and people's empowerment, i.e. building poor people's collective capacity and strengthening their local-level institutions.

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## MAIN FINDINGS

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## CONCLUSIONS

- Project impact is modest in two areas: the environment and communal resource base, and institutions, policies and regulatory framework.
- Project impact is mixed in the key area of providing financial services to the poor.
- The poorest do not always benefit to the same extent as the less-poor from infrastructure development or new agricultural technologies and related services.
- Sustainability and the promotion and scaling up of replicable innovations were not strong elements of project performance. They were systematically stressed by the evaluations as the two areas where improvement is mostly needed.
- Projects were not, overall, designed and implemented with appropriate priorities, processes, mechanisms and resources to ensure the promotion and scaling up of innovation.
- Project monitoring and evaluation systems are generally weak.

The two least successful projects in this year's sample were in post-conflict situations. These are particularly difficult and demanding conditions for project implementation. At the time of their design, IFAD experience in this area was limited. More generally, poor performance was related to weaknesses in design and implementation support. These could have been ameliorated had monitoring and supervision been more effective.

Local institutional development is a challenging and long-term process. Its sustainability often requires a longer time commitment than that of a single project. In some cases, there are more fundamental institutional issues that need to be addressed if sustainability is to be assured. These relate to establishing relationships and networks with service providers, civil society, local authorities and regional- and national-level institutions.

One general conclusion is that IFAD needs to look and operate beyond the project. The scale and sustainability of IFAD's development contribution have been constrained by the local focus of its projects, and also by an overreliance on projects as a development instrument. Projects need to be more externally integrated and innovative, better aligned with the framework conditions, and IFAD needs to operate more actively as a strategic partner at the national level. This will require increased attention to external linkages with institutions, policies and partners, and more emphasis on replicable innovations, their scaling up, and policy dialogue. This will be difficult to achieve without an increased and more permanent IFAD presence in country and a reorientation of the mindset and competencies of those involved in the design and implementation follow-up of IFAD-supported operations.

The recurrent issues raise two types of challenges for IFAD. In some cases – such as the environment and communal resource base and influence on policy and institutions – there is a need for further, detailed evaluation in order to understand why performance is poor and variable, and how impact can be improved. Other areas – such as sustainability and the scaling up of innovative approaches –

## IMPLICATIONS

require greater priority and clarity in project design and implementation, with specific strategies and allocated resources.

The 2004 ARRI also raises three strategic issues for IFAD's consideration:

- IFAD needs to be clearer about its **poverty objectives**. For example, to what extent can or should IFAD assist the poorest? This is a central issue for IFAD, given its mandate, and the fact that many donors are now directing their efforts towards poor people. One option to consider is that IFAD reposition itself and redefine its focus, in terms of innovative solutions to address problems faced by the “bulk of the rural poor” with productive potential, taking into consideration local conditions.
- A wider **and more externally integrated perspective on projects** is needed. This means ensuring that projects are designed and managed in a way that maximizes their linkages with, and their impact upon, the wider institutional and economic context.
- **IFAD needs to operate more actively beyond projects as a strategic partner at the national level**, notably in policy dialogue and advocacy. This wider approach has implications for the mix of project and non-project initiatives and instruments, and for the scale and permanence of IFAD's country presence.