

# issues paper

## THE 2013 ANNUAL REPORT ON RESULTS AND IMPACT OF IFAD OPERATIONS (ARRI)

### Understanding exceptional projects

#### I. Introduction

1. The 2012 ARRI recommended that one of the learning themes for this year's ARRI be an examination of particularly successful and unsuccessful projects in diverse country contexts, with a special emphasis on fragile states and middle-income countries. The other learning theme proposed was a deeper analysis of the role of recipient governments. In view of the size of these two topics, it was decided to concentrate on the first one as a single learning theme. This inevitably includes a review of the role of government.
2. Since 2002, half of the projects (52 per cent) evaluated have been rated as 'moderately satisfactory' for overall project achievement. A much smaller proportion has been rated as satisfactory/highly satisfactory (23 per cent) or moderately unsatisfactory/unsatisfactory (25 per cent). These two groups are the exception to the moderately satisfactory rule.
3. In fragile states a much smaller percentage of projects are satisfactory/highly satisfactory (9%) and a much larger percentage are moderately unsatisfactory/unsatisfactory (48%). In middle-income countries a smaller, but still significant, percentage of projects are rated as moderately unsatisfactory/unsatisfactory (19%).<sup>1</sup>
4. The objective of this year's learning theme is to advance IFAD's understanding of exceptional projects. What factors, in addition to country context, explain the performance of these projects? In particular, what factors explain exceptionally good projects in fragile states, and exceptionally poor projects in middle-income countries?
5. Previous versions of the ARRI have sought to give greater emphasis to learning in general, and more specifically to understanding the factors behind the performance reported. The latter has only been partly successful due to the relatively small number

---

<sup>1</sup> ARRI 2012, table 2.

of projects evaluated each year and the variable depth of the different evaluation products. This analysis draws on all the exceptional projects evaluated by IOE since 2002, but with a greater emphasis on recent projects and practice.

## II. Definition and approach

6. Exceptionally good projects are defined as those rated as satisfactory (5) or highly satisfactory (6) for overall project achievement. Exceptionally poor projects are defined as those rated as moderately unsatisfactory (3) or unsatisfactory (2). These are referred to as good and poor projects in the remainder of this paper.
7. A total of 94 projects out of 195 projects in total have been rated by IOE as either good or poor in the period 2002-2012. Some analysis of all these projects is reported below. More detailed analysis has been carried out on purposively selected sub-sample of 54 projects from 31 countries. Selected projects fall into four groups:
  - (1) All exceptional projects evaluated in 2011 and 2012;
  - (2) All good projects in fragile states;
  - (3) All poor projects in middle-income countries; and
  - (4) All good and poor projects in the same country.
8. The first group represents the most recent evaluation experience. The second and third groups represent projects that run counter to expectations. The fourth group holds country context constant.
9. Explanatory factors were then identified from the evaluation reports. Where mentioned these were rated as either positive (e.g. good quality staff) or negative (e.g. poor quality staff). These factors were then allocated to one of three groups:
  - (1) **CONTEXT:** how positive or negative was the context (physical, economic, institutional, political, etc.) in which the project was implemented?
  - (2) **DESIGN:** did the project do the right thing?
  - (3) **MANAGEMENT:** how well was it managed by IFAD, government and the project management team?
10. This approach has limitations. It assumes that the evaluators have explored and reported on the same set of possible factors, and have applied the same criteria and judgements. This is not always the case. Some evaluations reported on the explanatory factors in more depth than others. Projects that were only covered by country programme evaluations were least well reported.
11. There may also be a risk of 'confirmation bias' in the evaluation reports. For example, a project may not perform well because of the very difficult context. With the benefit of hindsight, the evaluators criticize the design, and therefore IFAD for approving the design. They also criticize the project management team, and therefore government for appointing the team. This may explain some of the high correlation between factors. The evaluations do not always separate the main causes from the associated characteristics. Association and causation are not necessarily the same.

12. Finally, the analysis is based on evaluated projects that have closed or nearly closed. This means that most of the projects (86 per cent) were designed and approved before 2004. Recent IFAD practice is considered in section V below.

### III. Findings

13. This section presents the main findings organized into the three main groups: context (where?), design (what?), and management (who?). Projects are complex and complicated social and economic interventions. Explanations for exceptional performance are usually multi-causal and inter-related. Nevertheless, some strong patterns emerge from the analysis of the evaluation reports.
14. The first general finding is that occurrence of good and poor projects, and the ratio between them, has not changed significantly over time. There is a higher ratio of poor projects among those approved before 1995, but otherwise little has changed since then (annex 2). The situation with respect to current projects may be different, but as these are ongoing they have not yet been evaluated by IOE. Information on the quality of recent designs is considered in section V.

#### Context

15. The effect of the context on project performance was first examined by looking at the distribution of the 94 exceptional projects by type of country: classification by Gross National Income (GNI)<sup>2</sup>; Least Developed Country (LDC)<sup>3</sup>; Fragile and Conflict Affected Situations (FCS)<sup>4</sup>; and the World Bank Country Performance Rating (CPR)<sup>5</sup>. As some of these classifications have changed over time, the classification in the year of completion was used.
16. The results are contained in annex 3. The main findings are:
  - No great differences between GNI country groups.
  - A much higher occurrence of poor projects than good projects in FCS states, and in countries with CPRs of less than 3.
  - An approximately equal number of good and poor projects in middle-income countries (MICs) and non-International Development Association (IDA) eligible countries.

---

<sup>2</sup> <http://data.worldbank.org/about/country-classifications>.

<sup>3</sup> [http://www.un.org/esa/policy/devplan/profile/ldc\\_list.pdf](http://www.un.org/esa/policy/devplan/profile/ldc_list.pdf).

<sup>4</sup> There are many definitions of fragile situations or states. This analysis uses the 2003-2006 list contained in annex B of 'An IEG Review of World Bank Support to Low-Income Countries Under Stress' (World Bank, 2006). The current list of FCS countries are defined by the World Bank as consisting of a) IDA-eligible countries with a harmonized average country rating under the Bank's Country Policy and Institutional Assessment (CPIA) of 3.2 or less (or no CPIA), or b) the presence of a United Nations and/or regional peace-keeping or peace-building mission during the past three years. This list includes non-member or inactive territories/countries. It excludes the International Bank of Reconstruction and Development-only countries for which CPIA scores are not currently disclosed.

<sup>5</sup> IDA's resources are allocated on the basis of Country Performance Ratings (CPR). The CPR consists of a linear combination of clusters A-C of the CPIA ratings (with a weight of 24 per cent), Cluster D (Public Sector Management and Institutions) of the CPIA rating (with a weight of 68 per cent) and portfolio performance rating (with a weight of 8 per cent).

17. While GNI and LDC classifications explain little, less favourable policy, institutional and governance contexts – as found in FCS countries and countries with low CPR ratings – are associated with many more poor projects, and many fewer good projects, than those countries with more favourable contexts. Countries with higher CPR ratings (3.5 and over) have more good projects and fewer poor projects.
18. Analysis of the 24 projects in FCS states and/or LDCs is summarized in table 1 below. This shows a high correlation between factors. For example, good projects in FCS countries/LDCs will tend to have good designs, good management, and more instances of a good context. Almost all poor projects in FCS countries/LDCs had poor designs, poor management and poor contexts.
19. Analysis of the 26 projects in poor (difficult) contexts is summarized in table 2 below. All of the poor projects in difficult contexts had poor designs and were poorly managed by IFAD and government. The main design criticism was a poor fit with the context (over-ambitious, over-complex, over-extensive, etc.). Of the three good projects with poor designs, all three had good implementation support from IFAD and two had good quality project management teams.
20. The quality of project management appears to be an important factor. Over half (58%) of poor projects had poor quality project management, and only one case of good quality project management. Over half (56%) of good projects had good quality project management, and only one case of poor quality project management.
21. The existence of so many poor projects in MICs, including upper middle-income countries, is counter-intuitive given the stronger capacity and the (assumed) more supportive contexts. In fact, the context was difficult (droughts, earthquakes, insecurity, and political changes) in 10 of the 28 projects in MICs. Table 3 below summarizes the results of the analysis. As in FCS countries/LDCs, there is a strong association between factors in MICs: poor designs, poorly managed in difficult contexts lead to poor project outcomes. All of the six poor projects in upper middle-income countries had poor designs (three with a poor fit to context), and five were poorly managed. Both of the two good projects in difficult MIC contexts had high quality project management teams.

Table 1

**Summary results for exceptional projects in FCS countries and/or LDCs**

	<i>Design</i>		<i>Management</i>		<i>Context</i>		<i>Total<sup>a</sup></i>
	Good	Poor	Good	Poor	Good	Poor	
Good projects	7	2	7	2	4	6	12
Poor projects		11		11	1	10	12
	7	13	7	13	5	16	24

<sup>a</sup> Numbers under each group may not equal the total because only positive and negative judgements in the evaluation reports are recorded. A neutral comment or no mention is not recorded.

Table 2

**Summary results for exceptional projects in difficult contexts**

	<i>Design</i>		<i>Management</i>		<i>Total<sup>a</sup></i>
	Good	Poor	Good	Poor	
Good projects	5	3	7	1	9
Poor projects		17		17	17
	5	20	7	13	26

<sup>a</sup> Numbers under each group may not equal the total because only positive and negative judgements in the evaluation reports are recorded. A neutral comment or no mention is not recorded.

Table 3

**Summary results for exceptional projects in MICs**

	<i>Design</i>		<i>Management</i>		<i>Context</i>		<i>Total<sup>a</sup></i>
	Good	Poor	Good	Poor	Good	Poor	
Good projects	8	3	11	1	7	2	12
Poor projects		14		14	1	8	16
	8	17	11	15	8	10	28

<sup>a</sup> Numbers under each group may not equal the total because only positive and negative judgements in the evaluation reports are recorded. A neutral comment or no mention is not recorded.

22. Annex 5 contains the analysis of the 54 projects. The most interesting sub-group is the eight exceptionally good projects in difficult contexts. Table 4 lists these eight projects and table 5 below identifies some of the characteristics of this sub-group. Of the 3 projects with poor designs in this sub-group, 2 had good project management teams and good support from IFAD and/or government.

Table 4

**Eight exceptionally good projects in difficult contexts**

<i>Country</i>	<i>Project name</i>
<b>Nigeria</b>	Sokoto State Agricultural and Community Development Project
<b>Mozambique</b>	Sofala Bank Artisanal Fisheries Project
<b>Pakistan</b>	Barani Village Development Project
<b>Burundi</b>	Rural Recovery Programme
<b>Ethiopia</b>	Rural Financial Intermediation Programme
<b>Philippines</b>	Northern Mindanao Community Initiatives and Resource Management Project
<b>Nepal</b>	Poverty Alleviation Fund Project – II
<b>India</b>	North Eastern Region Community Resource Management Project for Upland Areas

Table 5

**Characteristics of good projects in difficult contexts (number of projects)**

	<i>Good</i>	<i>Poor</i>
Quality of project management team	5	1
Overall performance of government as a partner	5	2
Overall performance of IFAD as a partner	6	1
Quality of IFAD support	5	1
Overall design quality	4	3

**Design**

23. Annex 5 contains the design findings based on the analysis of 54 projects (table 5.1). 93 per cent of the poor projects had poor designs, compared with 21 per cent of the good projects. Of all the projects with poor designs, over half were criticized for being a poor fit with the context (institutional, social, physical, etc.). This also applied to most post-conflict and post-disaster projects, which were too similar to 'standard' IFAD projects.
24. Forty-two per cent of the projects with poor designs were criticized for being over-complex; 55 per cent for being over-ambitious; and 27 per cent for being spread over too large a geographical area. The most interesting sub-group is the small number of projects (6) that ended up being exceptionally good despite poor quality designs. Three of these were also in difficult contexts. In five out of the six the quality of management – including support from IFAD and government – was good. In three cases the quality of the implementing institution/project management team was good.

**Management**

25. Annex 5 contains the management findings. This separates out the quality of IFAD and government support (table 5.2) from the quality of project management (table 5.3). The latter includes characteristics such as the location of the project management unit; the quality of project management staff; the cost of project management; and the quality of monitoring & evaluation.
26. Ninety per cent of the poor projects had poor management. Sixty-nine per cent of the good projects had good management, compared with just 14% of poor projects. In other words, the quality of IFAD and government support was strongly associated with good projects. In contrast, the lack of IFAD support early enough in the project (i.e. before the mid-term review) was cited in 24 per cent of the poor projects. Poor implementation partners were mentioned in 28 per cent of the poor projects.
27. The quality of the project management team and/or director was identified in interviews as a key factor in project performance. This is borne out by the analysis (table 5.3). Forty-five per cent of good projects had good quality project managers (and only 7 per cent poor ones). Conversely, 48 per cent of poor projects had poor quality project managers (and only 3 per cent good ones). Seventeen per cent of poor projects had management teams located in the wrong place. Almost half (44 per cent) of all projects had problems with staffing: slow recruitment; high turnover of the project director and/or management staff; unqualified staff; and unfilled positions.

28. Weak monitoring and evaluation (M&E) was strongly associated with poor projects and with poor quality management. M&E was criticized in one-third (34 per cent) of poor projects but in only 7 per cent of good projects. Non-performing, poor quality project management units tend to go hand in hand with non-performing, poor quality M&E systems. Two projects effectively had no management information system.

#### **IV. Fragile and conflict-affected situations - wider experience**

29. There are many definitions of fragile and conflict-affected situations, fragile states, or fragility, and much debate about the utility of the various definitions. One broadly accepted definition of fragility is contained in box 1 below. A key point is that fragility can also be, and is, a feature of regions within countries. Hence the more recent shift to a focus on 'fragile situations' rather than 'fragile states'.

Box 1

##### **The OECD definition of fragility**

A fragile region or state has weak capacity to carry out basic governance functions and lacks the ability to develop mutually constructive relations with society. Fragile states are also more vulnerable to internal or external shocks such as economic crises or natural disasters. More resilient states exhibit the capacity and legitimacy of governing a population and its territory. They can manage and adapt to changing social needs and expectations, shifts in elite and other political agreements, and growing institutional complexity. Fragility and resilience should be seen as shifting points along a spectrum.

*Source:* OECD, 2012.

30. The traditional picture of poverty and fragility is changing. Ten years ago most FCS countries were low-income fragile states (LIFS) and most of the world's poor lived in low-income countries. Now almost half of fragile states are middle income and over half of the world's poor live in MICs. Less than ten per cent of the poor are in 'traditional' low-income, stable developing countries. Around one-third of the poor (400 million) live in FCS states, around half of these in middle-income fragile states (MIFS).<sup>6</sup> FCS countries are also extremely diverse: conflict, post-conflict, chronically violent, rapidly growing, slow growing, resource-rich, resource-poor, very large and very small.
31. There is a consensus that international assistance in fragile situations should not be 'business as usual'. Fragile situations are not simply more difficult cases of development.<sup>7</sup> They require fundamentally different approaches: doing different things, and doing things differently. This includes a focus on supporting a single, country-owned and country-led vision and plan; the use and strengthening of country systems; an increased proportion of funds devoted to capacity strengthening; and a reduction in the number of project implementation units per institution.<sup>8</sup> It also requires a better balance between delivering services through non-state providers (eg. NGOs) and building up state capacity, as well as a recognition that monitoring and

---

<sup>6</sup> Fragile States 2013. OECD (2013).

<sup>7</sup> Getting better results from assistance to fragile states. ODI Briefing Paper 70 (2011).

<sup>8</sup> A New Deal for engagement in fragile states. International Dialogue on Peacebuilding and Statebuilding.

evaluation in fragile situations presents huge methodological and logistical challenges.<sup>9</sup> Box 2 below summarizes some general principles of good practice.

Box 2

**Summary of principles for good international engagement in fragile states**

- i. Do no harm.
- ii. Focus on state-building as the central objective.
- iii. Prioritize prevention.
- iv. Recognize the links between political, security and development objectives.
- v. Promote non-discrimination as a basis for inclusive and stable societies.
- vi. Align with local priorities in different ways in different contexts.
- vii. Agree on practical coordination mechanisms between international actors.
- viii. Act fast but stay engaged long enough to give success a chance.
- ix. Avoid pockets of exclusion.

Source: OECD/DAC 2007.

32. The importance of fitting assistance to the context, and of having a good understanding of context, is a common evaluation theme. The World Bank LICUS evaluation found that the performance of programmes was closely associated with the quality and depth of the analysis of the local context.<sup>10</sup> Recent evaluations by the African Development Bank (AfDB)<sup>11</sup> and the Asian Development Bank (ADB)<sup>12</sup> also call for greater sensitivity to the country context, as well as for more effective capacity-building.
33. The ADB evaluation found that FCS countries performed slightly worse than other member countries, and faced greater efficiency problems and difficulties in achieving outcomes. World Bank country level outcomes are significantly lower in fragile states. However, while World Bank evaluations show that results in FCS states are more difficult to attain than in non-FCS states, the gap at project level has narrowed.<sup>13</sup> Development outcomes of projects in FCS countries are now similar to those in non-fragile IDA countries and closer to the (lower) target for FCS countries<sup>14</sup>. The latter allows for the higher risk of failure in FCS countries, and the need to accept rather than avoid this. As the 2011 World Development Report put it: international agencies need to 'expect a degree of failure in programs that require innovation and engagement with weak institutions in risky environments, and adapt accordingly'.<sup>15</sup>

## V. Current IFAD performance and practice

34. One of the unavoidable drawbacks of an analysis based on *ex post* evaluation is the fact that it cannot reflect current performance and practice. This section is an attempt

---

<sup>9</sup> Topic Guide to Fragile States. Governance and Social Development Resource Centre (2012).

<sup>10</sup> An IEG Review of World Bank Support to Low-Income Countries Under Stress' (World Bank, 2006).

<sup>11</sup> Evaluation of the Assistance of the African Development Bank to Fragile States (OED, AfDB, 2012).

<sup>12</sup> ADB support to Fragile and Conflict-Affected Situations. Evaluation Study. (IED, ADB, 2010).

<sup>13</sup> Restoring confidence and transforming institutions: an IEG evaluation of World Bank Group assistance to fragile and conflict-affected situations. Approach Paper. (IEG, World Bank, 2013).

<sup>14</sup> The World Bank target for project outcomes is 70 per cent for FCS, 75 per cent for IDA, and 80 per cent for IBRD.

<sup>15</sup> Conflict, Security and Development. World Development Report 2011.



to redress this. It draws on interviews with country programme managers (CPMs), the Annual Review of Portfolio Performance (ARPP), and Annual Report on Quality Assurance (ARQA).

35. The data reported in the 2011-12 ARPP suggest that, overall, the quality of the current portfolio of investment projects is good and improving. According to the Project Status Reports (PSR), 83 per cent and 88 per cent of projects respectively had moderately satisfactory performance or better for implementation progress and the likelihood of achieving development objectives. Seventy-nine per cent report that the quality of project management is moderately satisfactory or better. Given the historically very low disconnect between ratings during implementation and ratings at completion,<sup>16</sup> this bodes well.
36. The percentages of projects with exceptionally good or poor PSR ratings suggest that the difference between the current and evaluated portfolio may be less dramatic. While the percentage of projects rated moderately unsatisfactory or worse ( $\leq 3$ ) for the likelihood of achieving development objectives is only 12 per cent, the percentage of other exceptionally poor ratings is nearer 20 per cent (and over one-third for the performance of monitoring and evaluation). The percentage of exceptionally good ratings ( $\geq 5$ ) is also nearer the 23 per cent of evaluated projects rated as satisfactory or better. This suggests that the occurrence of exceptionally good or poor projects may not have changed significantly over time.<sup>17</sup>

Table 6

**Project Status Report ratings – percentages of exceptional projects**

<i>PSR rating</i>	<i>Poor (<math>\leq 3</math>)</i>	<i>Good (<math>\geq 5</math>)</i>
Development objectives	12 %	25 %
Quality of project management	21 %	30 %
Overall implementation progress	17 %	23 %
Institution-building	21 %	21 %
Performance of M&E	37 %	16 %

37. The ARQA reports also present a positive but mixed picture. The 2012 QA review reported an improving trend of quality-at-entry ratings since 2008. The overall improvement in design quality over the last five years is attributed to IFAD's Quality Enhancement process; the learning feedback from direct supervision; and the higher standards demanded by external QA reviewers.
38. Less positive is the QA finding that the likelihood of achieving development objectives is lower than the quality-at-entry ratings and has not improved over time. At 83 per cent it is not substantially higher than the 80 per cent of projects evaluated as moderately satisfactory or better for project performance in the period 2000-2011.<sup>18</sup>
39. The other interesting finding in the ARQA is the persistence of many of the criticisms of current designs that feature in the evaluation reports reviewed. Almost half of the

<sup>16</sup> Annual Review of Portfolio Performance 2011-12, para.99 (IFAD, 2012).

<sup>17</sup> PSR ratings in different country categories and contexts also need to be analysed.

<sup>18</sup> ARRI 2012 Table 5.

QA reviews (47 per cent) in the period 2008-2012 made criticisms related to implementation arrangements; 36 per cent on M&E; and 21 per cent on project complexity. The tension between the latter, the implementation capacity of partner institutions and IFAD's capacity to supervise operations was highlighted in the 2010 ARQA. IFAD's expanded programme of work – which is leading to larger projects with more activities spread over larger geographic areas – also has implications for project design and performance that, on the basis of previous evaluations, may also be problematic.

40. Considering the growing importance of fragile and conflict-affected situations reported in section IV above, IFAD's policies and guidance are relatively limited. They include the IFAD Framework for Bridging Post-Crisis Recovery and Long-term Development (1998); the Policy on Crisis Prevention and Recovery (2006); the new Environment and Social Assessment Procedures (2009); the Climate Change Strategy (2010); and the Guidelines for Disaster Early Recovery (2011). The adequacy or otherwise of these policies and guidance will need to be assessed as part of the planned IOE corporate-level evaluation on fragile and conflict affected situations.
41. Interviews with fourteen current and previous CPMs highlighted a very consistent set of critical project performance factors. Foremost among these was the quality of the project management team and the quality of the implementing institution. Selecting the right management team, and the right implementing institution, was absolutely key. Who was to implement the project, how it was to be implemented in the prevailing context, and what capacity support was required were the most important design questions.
42. A second common factor was the importance of the context. Some are very favourable for IFAD-supported projects, some are much less so. Understanding the context, and adapting the design to the context (particularly the capacity) is very important. Fragile and post-conflict situations were recognized as being particularly challenging. For some CPMs, simple, flexible, and geographically and thematically focused projects were required in these situations. Other CPMs went further and suggested that IFAD needed a qualitatively different approach in FCS countries and regions. IFAD needed to be prepared to take more risks, to make more allowances, to engage for longer, and to accept relatively poorer performance.
43. The quality of project design was recognized as being important, particularly with respect to the implementation arrangements, management capacity, and context. However, there was a general feeling that, although the emphasis on QE and QA had led to an improvement in the quality of designs, there was now a risk that design was being over-emphasised relative to implementation, particularly implementation support and project management. Early support to projects was very important. Bad starts were difficult to correct. The change to direct supervision and implementation support has had extremely positive impacts, but PMD resources were now very stretched. Some reallocation of resources from detailed design to practical implementation support might be justified.

## **VI. Issues for discussion**

44. Half of IFAD-supported projects are rated as 'moderately satisfactory'. The purpose of this paper has been to explore the factors that explain the pattern of exceptionally

good (satisfactory/highly satisfactory) and exceptionally poor (moderately unsatisfactory/unsatisfactory) projects in different country contexts. The analysis is mainly based on a review of the evaluation reports for 54 projects in 31 countries. While this has identified a number of common factors and correlations, the findings are indicative rather than definitive. Most of the evaluations did not (and were not required to) distinguish between primary and secondary factors. Further analysis will be carried out as part of the forthcoming corporate-level evaluation of fragile states in 2014.

45. The evaluation review of exceptional projects reveals a strong association between factors in all types of country. Poor designs, poorly managed in difficult contexts lead to poor project outcomes. Good designs, well managed in supportive contexts lead to good project outcomes. The few exceptionally good projects in difficult contexts generally had good designs, high quality project management, and good support from IFAD and government.
46. That exceptionally poor projects are more common in fragile and conflict-affected situations (FCS) than exceptionally good projects is not unexpected. However, given the increasing importance of FCS, as well as the increasing coincidence of fragility with poverty and middle-income status, IFAD's relatively poorer performance in these areas represents an important challenge. Poor design and poor management were consistent features of the exceptionally poor projects in difficult contexts.
47. Evaluation reports and the interviews with CPMs confirm that the quality of project management including well function M&E systems and the quality of the executing agency are hugely important factors. Both also identify the beneficial impact of the shift to direct supervision and implementation support. Adequate support at the start of the project – rather than after the mid-term review - is key.
48. The picture with respect to project design is more complicated. Poor project design is a consistent feature of exceptionally unsuccessful projects: a weak fit with the context; weak institutional design; over-complex; over-ambitious; and implemented over too large a geographical area. However, while the quality of project design has improved as result of the QE/QA process, many of the same flaws are still being identified in new project designs. There is also some concern about the effect of corporate targets on the quality of designs, and about the balance between the resources for design and implementation.
49. Three issues are proposed for discussion at the learning workshop in September:
  - i. Is there sufficient emphasis on project management in design, start-up and implementation? If the quality of project management is so important to project performance, how can IFAD be more consistent and effective in its approach?
  - ii. Is IFAD's policy and practice in fragile and conflict-affected situations sufficiently different? If not, how could IFAD's approach be more different and more effective in these situations?
  - iii. What explains the poor quality of project design and management in middle income countries where capacity should not be a limiting factor? How can IFAD ensure that existing national capacity is accessed and deployed?

August 2013

## List of project evaluations reviewed

<i>Country</i>	<i>Project</i>	<i>Approval</i>	<i>Closing</i>
Armenia	Rural Areas Economic Development Programme	02-Dec-04	31-Mar-10
Bangladesh	Microfinance and Technical Support Project	10-Apr-03	30-Jun-11
Benin	Participatory Artisanal Fisheries Development Support Programme	06-Dec-01	31-Dec-11
Brazil	Community Development Project for the Rio Gaviao Region	07-Dec-95	30-Jun-06
Burkina Faso	Special Programme for Soil and Water Conservation and Agroforestry in the Central Plateau	04-Dec-87	31-Dec-03
Burundi	Rural Recovery Programme	28-Apr-99	31-Dec-10
Chad	Batha Rural Development Project	19-Apr-05	31-Jan-11
China	Rural Finance Sector Programme	21-Apr-04	30-Sep-10
Colombia	Rural Micro-enterprise Project	11-Sep-96	30-Jun-07
Congo	Rural Development Project in the Plateaux, Cuvette and Western Cuvette Departments	21-Apr-04	30-Jun-12
El Salvador	Reconstruction and Rural Modernization Programme	06-Dec-01	30-Jun-12
Ethiopia	Southern Region Cooperatives Development and Credit Project	02-Dec-93	31-Dec-05
Ethiopia	Special Country Programme Phase II	05-Dec-96	31-Dec-06
Ethiopia	Rural Financial Intermediation Programme	06-Dec-01	30-Sep-10
Ghana	Upper West Agricultural Development Project	14-Sep-95	31-Dec-04
Ghana	Rural Enterprise Project - Phase II	05-Sep-02	31-Dec-11
Grenada	Rural Enterprise Project	26-Apr-01	31-Dec-09
Guinea	Programme for Participatory Rural Development in Haute Guinee	09-Dec-99	30-Sep-10
India	Mewat Area Development Project	12-Apr-95	30-Jun-05
India	Rural Women's Development and Empowerment Project	05-Dec-96	31-Dec-05
India	North Eastern Region Community Resource Management Project for Upland Areas	29-Apr-97	31-Mar-08
India	Livelihood Security Project for Earthquake Affected Rural Households in Gujarat	12-Sep-01	15-Dec-09
India	National Microfinance Support Programme	04-May-00	31-Dec-09
Jordan	Agricultural Resource Management Project Phase II	06-Dec-95	31-Dec-03
Jordan	Rangelands Rehabilitation and Development Project	04-Dec-97	31-Dec-05
Jordan	Agricultural Resource Management Project - Phase II	02-Dec-04	30-Jun-16
Kenya	Eastern Province Horticulture and Traditional Food Crops Project	02-Dec-93	31-Dec-07
Kenya	Mount Kenya East Pilot Project for Natural Resource Management	11-Dec-02	31-Mar-13
Mexico	Rural Development Project for the Indigenous Communities of the State of Puebla	15-Apr-92	30-Jun-01
Mexico	Rural Development Project for the Rubber Producing Regions of Mexico	03-May-00	21-Jan-11

## Annex 1

<i>Country</i>	<i>Project</i>	<i>Approval</i>	<i>Closing</i>
Mexico	Strengthening Project for the National Micro-Watershed Programme	18-Dec-03	21-Dec-10
Morocco	Livestock and Pasture Development Project in the Eastern Region	19-Apr-90	30-Jun-02
Morocco	Rural Development Project in the Mountain Zones of Al-Haouz Province	07-Dec-00	30-Sep-08
Mozambique	Niassa Agricultural Development Project	20-Apr-94	30-Jun-06
Mozambique	Sofala Bank Artisanal Fisheries Project	12-Sep-01	30-Sep-11
Namibia	Northern Regions Livestock Development project	06-Sep-94	30-Sep-04
Nepal	Poverty Alleviation Fund Project - II	13-Dec-07	31-Dec-14
Nigeria	Sokoto State Agricultural and Community Development Project	08-Sep-92	30-Jun-01
Nigeria	Roots and Tuber Expansion Programme	09-Dec-99	31-Mar-10
Nigeria	Community Based Agricultural and Rural Development Programme	12-Sep-01	30-Sep-10
Pakistan	Barani Village Development Project	03-Dec-98	31-Dec-07
Pakistan	Project for the Restoration of Earthquake-affected Communities and Households	20-Apr-06	31-Mar-10
Pakistan	Southern Federally Administered Tribal Areas Development Project	07-Dec-00	30-Sep-11
Panama	Sustainable Rural Development Project	06-Dec-01	31-Mar-12
Paraguay	Peasant Development Fund Credit Project - Eastern Region	07-Dec-95	30-Jun-05
Philippines	Northern Mindanao Community Initiatives and Resource Management Project	06-Dec-01	31-Dec-09
Rwanda	Rwanda Returnees Rehabilitation Programme	11-Sep-97	30-Jun-01
Rwanda	Byumka Agricultural Development Project - Phase II	01-Oct-90	31-Dec-01
Rwanda	Rural Small and Micro-Enterprise Promotion Project	17-Apr-96	31-Dec-04
Rwanda	Support project for the Strategic Plan for the transformation of Agriculture	08-Sep-05	30-Sep-13
Sri Lanka	Post-Tsunami Livelihoods Support and Partnership Programme	19-Apr-05	30-Sep-10
Uganda	Area-based Agricultural Modernization Programme	08-Dec-99	31-Dec-08
Uganda	Rural Financial Services Programme	05-Sep-02	31-Dec-13
Zambia	Forestry Management Project	08-Dec-99	31-Dec-07

## Exceptional projects by date of approval and completion

Table 2.1  
Number of exceptional projects by year of approval

<i>Year</i>	<i>Total</i>	<i>Good projects</i>	<i>Poor projects</i>
<= 1994	14	2	12
1995-97	26	16	10
1998-2000	21	12	9
2001-2003	19	9	10
>= 2004	14	6	8
	94		

Table 2.2  
Number of exceptional projects by year of completion

<i>Year</i>	<i>Total</i>	<i>Good projects</i>	<i>Poor projects</i>
2000-2002	10	5	5
2003-2005	22	10	12
2006-2008	20	12	8
2009-2011	31	13	18
>= 2012	11	5	6
	94		

## Exceptional projects by country type

Table 3.1  
Number and percentage of exceptional projects by GNI classification

	Number			Percentage		
	Good	Bad	Total	Good	Bad	Total
Low income	24	30	54	44%	56%	100%
Lower middle income	18	12	30	60%	40%	100%
Upper middle income	3	7	10	30%	70%	100%
All countries	48	51	99	49%	51%	100%
All middle income	22	20	42	52%	48%	100%

Table 3.2  
Number and percentage of exceptional projects by LDC classification

	Number			Percentage		
	Good	Bad	Total	Good	Bad	Total
LDC	18	27	45	40%	60%	100%
Non-LDC	27	22	49	55%	45%	100%

Table 3.3  
Number and percentage of exceptional projects by FCS classification

	Number			Percentage		
	Good	Bad	Total	Good	Bad	Total
FCS	2	16	18	11%	89%	100%
Non-FCS	43	33	76	57%	43%	100%

Table 3.4  
Number and percentage of exceptional projects by CPR rating

	Number			Percentage		
	Good	Bad	Total	Good	Bad	Total
< 3.00	3	11	14	21%	79%	100%
3.00 – 3.49	13	20	33	39%	61%	100%
3.50 – 3.99	15	5	20	75%	25%	100%
Non-IDA	14	13	27	52%	48%	100%

## Exceptional projects in middle-income countries

Table 4.1  
Number of exceptional projects in upper middle-income countries

	<i>Design</i>		<i>Management</i>		<i>Context</i>		<i>Total<sup>a</sup></i>
	Good	Poor	Good	Poor	Good	Poor	
Good projects	1	1	2		2		2
Poor projects		6		5		4	6

<sup>a</sup> Numbers under each group may not equal the total because only positive and negative judgements in the evaluation reports are recorded. A neutral comment or no mention is not recorded.

Table 4.2  
Number and percentage of exceptional projects in lower middle-income countries

	<i>Design</i>		<i>Management</i>		<i>Context</i>		<i>Total</i>
	Good	Poor	Good	Poor	Good	Poor	
Good projects	7	2		9	5	2	10
Poor projects		9	9		1	6	10

Table 4.3  
Number and percentage of exceptional projects in all middle-income countries

	<i>Design</i>		<i>Management</i>		<i>Context</i>		<i>Total</i>
	Good	Poor	Good	Poor	Good	Poor	
Good projects	8	3	11	1	7	2	12
Poor projects		14		14	1	8	16



## Design, management and context characteristics

Table 5.1

### Design characteristics – percentage of exceptionally poor and good projects

No. of projects		DESIGN OVERALL		Institutional design		Ambition		Complexity		Geographical extent		Lessons learned		Logical framework	
		Good	Poor	Good	Poor	Good	Over	Good	Over	Good	Over	Good	Poor	Good	Poor
29	Poor projects		93		55		41		28		21		3		10
28	Good projects	55	21	21	24		21		21	7	10	14			3

Table 5.2

### Management characteristics – percentage of exceptionally poor and good projects

No. of projects		MANAGEMENT OVERALL		IFAD OVERALL		IFAD support		IFAD early support		CPM		GOVERNMENT OVERALL		Government support		Implementation partners	
		Good	Poor	Good	Poor	Good	Poor	Good	Poor	Good	Poor	Good	Poor	Good	Poor	Good	Poor
29	Poor projects		90	3	66	21	34		24		14	10	69	7	31		28
28	Good projects	69	14	59	7	59	3		7	7	7	55	10	28	10	7	14

Table 5.3

### Management characteristics – Project management (PM) - percentage of exceptionally poor and good projects

No. of projects		PM QUALITY OVERALL		PM location		PM staff		PM cost		M&E		Reorganizations		Counterpart funding	
		Good	Poor	Good	Poor	Good	Poor	Good	Poor	Good	Poor	Good	Poor	Good	Poor
29	Poor projects	3	48		17	3	55		14		34		10	3	31
28	Good projects	45	7			10	31		3	17	7				21

Table 5.4

**Context characteristics – percentage of exceptionally poor and good projects**

<i>No. of projects</i>		<i>CONTEXT OVERALL</i>							
		<i>Policy</i>		<i>Economy</i>		<i>Politics</i>			
		Good	Poor	Good	Poor	Good	Poor	Good	Poor
29	Poor projects	10	55		10		7	3	7
28	Good projects	45	31	17		10		7	3

Note: These are the percentages of the total number of projects (exceptionally poor or good) with these characteristics. For example, of the 29 poor projects, 93% had poor designs and none had good designs. If there was neither a positive nor a negative comment in the evaluation report, nothing is recorded. Figures do not add up to 100 per cent for this reason.