

# 2018 ARRI



## EXECUTIVE SUMMARY

Independent Office  
of Evaluation



Investing in rural people



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**IFAD**

Investing in rural people



Cambodia

Rural Livelihoods  
Improvement Project  
in Kratie, Preah Vihear  
and Ratanakiri

A young farmer harvests  
rice in Krabaov village,  
Kulen district.

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# Executive summary

## Introduction

1. This sixteenth edition of the Annual Report on Results and Impact of IFAD Operations (ARRI), prepared by the Independent Office of Evaluation of IFAD (IOE) since 2003, reflects IFAD's continued commitment to strengthening accountability and learning for better development impact. The ARRI has two main objectives: (i) to present a synthesis of the performance of IFAD-supported operations based on a common evaluation methodology; and (ii) to highlight systemic and cross-cutting issues, lessons and challenges to enhance the development effectiveness of IFAD-funded operations. The 2018 ARRI also includes a learning theme chapter which provides a deeper analysis of targeting strategies for reaching rural poor people.
2. **Context.** The 2018 ARRI draws its qualitative findings from evaluations conducted in 2017 of projects that reached completion between 2012 and 2016. It is important to note that analysis of performance in the ARRI does not cover recently designed projects and initiatives. In 2017, IFAD initiated major business model changes through the Operational Excellence for Results (OpEx) exercise and a number of new strategic directions are being pursued as a result of the Eleventh Replenishment of IFAD's Resources (IFAD11) commitments. These include: (i) resource mobilization – assembling development finance to maximize impact; (ii) resource allocation – focusing on the poorest people and poorest countries; (iii) resource utilization – doing development differently; and (iv) transforming resources into development results – embracing a culture of results and innovation.
3. Evaluation plays a critical role in analysing the issues these commitments address and provides insights based on past experience and performance. Therefore, while the 2018 ARRI does not assess performance against the new IFAD11 targets, it provides

guidance on how IFAD can better “focus on the poorest people and the poorest countries” through the learning theme on poverty targeting. Furthermore, the 2018 ARRI highlights facilitating and constraining factors affecting IFAD’s performance, to enable it to increase effectiveness, achieve its strategic objectives and contribute to the 2030 Agenda vision of “leaving no one behind.”

4. **Age of the portfolio.** The 2018 ARRI also presents a quantitative and statistical analysis of ratings from 320 evaluations of completed and closed projects and 45 country strategy and programme evaluations (CSPEs). Of the 36 newly evaluated projects included this year, 17 reached completion from 2012 to 2014 and 19 from 2015 to 2016. The average project duration was 6.9 years, including five projects with implementation periods of 10 years or more.
5. **Methodology.** IOE uses a six-point ratings scale<sup>1</sup> to assess performance in each evaluation criterion. The ratings, which are the foundation of performance reporting in IOE evaluations, are aggregated and used in ARRI analyses to report on IFAD’s operational performance. These ratings are recorded in an independent evaluation database which is publicly available online and includes ratings from independent evaluations carried out since 2002.

6. Project performance is assessed and rated across 10 evaluation criteria: rural poverty impact; relevance; effectiveness; efficiency; sustainability of benefits; gender equality and women’s empowerment (GEWE); innovation; scaling up; environment and natural resources management (ENRM); and adaptation to climate change. In addition to two composite criteria that assess project performance (an average of relevance, effectiveness, efficiency and sustainability) and overall project achievement (all 10 criteria), each project is evaluated for how IFAD and the government perform as partners.
7. CSPEs assess and rate: (i) overall project portfolio achievement (based on the 10 criteria); (ii) performance of partners (IFAD and government); (iii) non-lending activities; and (iv) country strategy and programme performance (relevance and effectiveness). The ARRI focuses on the latter two points and presents ratings by the year in which the CSPE was conducted.
8. Project evaluation ratings are presented by year of completion in two data series in the ARRI: (i) all evaluation; and (ii) project completion report validation/ project performance evaluation (PCR/V/ PPE) only. The former presents project ratings from 320 evaluations from 2002; the latter contains only project-level data from

<sup>1</sup> Projects rated moderately satisfactory or better are in the “satisfactory” zone (4-6), while projects rated moderately unsatisfactory or worse are in the “unsatisfactory” zone (1-3).

a total of 189 PCRVs, PPEs and impact evaluations. The main trends in performance are explained through an analysis of the percentages of projects rated moderately satisfactory or better on a moving three-year basis to highlight long-term trends and smoothen short-term fluctuations.

9. **Updated methodology and analyses.**

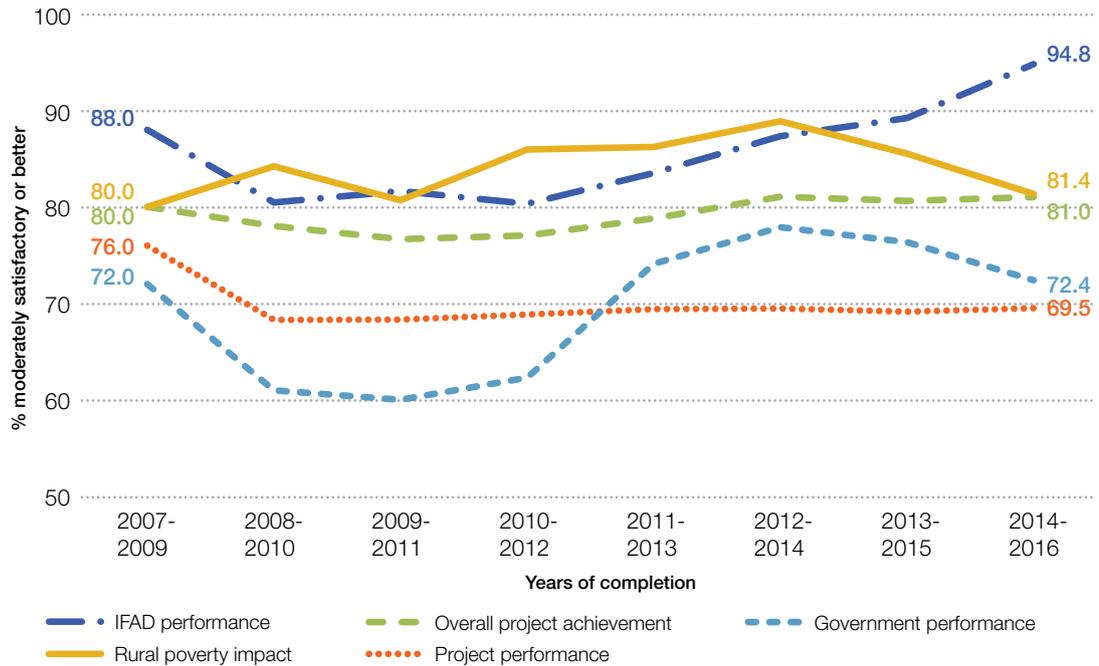
In line with the Harmonization Agreement part I, the 2018 ARRI reflects the following additional change to the criteria for project-level evaluations: the separate rating of the two criteria, innovation and scaling up. In conducting a trend analysis of the separate criteria, the 2018 ARRI assigns the rating given for the original combined criteria for past evaluations. At the country programme level, evaluations placed greater emphasis on portfolio performance and the performance of non-lending activities when assessing the performance of country strategic opportunities programmes (COSOPs).

10. For the first time, the qualitative analysis was conducted using NVivo, an advanced data management tool allowing deep-dive analysis. The 2018 ARRI also includes t-tests to compare data sets for statistical significance and correlation analyses to test for interrelationships among evaluation criteria.

## Portfolio performance

11. Overall, from 2007 to 2016, 76 per cent of project evaluation ratings are positive. When comparing performance between the periods 2007-2009 and 2014-2016, IFAD's performance as a partner shows good performance and improvement, while project performance has declined, as indicated in chart 1. Following a decline from 2009 to 2011, performance across the criteria improved up to the 2012-2014 period, after which rural poverty impact and government performance as a partner began to decline. In the period 2014-2016, only IFAD performance as a partner shows continuing improvement, having overtaken rural poverty impact as the strongest performing criterion since 2013-2015, while trends in overall project achievement and project performance are flat, and declining in rural poverty impact and government performance as a partner.
12. A closer examination of performance by project-level evaluation criteria is provided in table 1. A comparison of changes in the percentage of positive ratings in the 10-year period between 2007-2009 and 2014-2016 indicates that the decline in project performance can be attributed to declines in relevance (from 96 to 90 per cent), effectiveness (from 80 to 76 per cent) and efficiency (from 64 to 53 per cent) as well as flat performance in sustainability.

**Chart 1 Overview of the key project portfolio evaluation criteria**  
 Percentage of projects rated moderately satisfactory or better, 2007-2016  
 (year of completion)



Source: IOE evaluation database, May 2018.

13. When comparing the period 2013-2015 with 2014-2016, performance has declined for seven criteria: sustainability, innovation, efficiency, GEWE, government performance as a partner, rural poverty impact, and scaling up. Only three criteria show sizeable improvement of 4-6 percentage point increases, namely IFAD performance as a partner, adaptation to climate change and ENRM. Relevance and effectiveness rose

slightly by 1-2 percentage points, while overall project achievement and project performance are flat. Notably, within the 2014-2016 cohort of projects, 19 per cent have been implemented in countries with fragile situations which may be contributing to the flat and declining trend in performance.

14. In the period 2014-2016, the criteria with the highest positive ratings are IFAD performance

as a partner, relevance, ENRM, innovation, and scaling up. While the first three criteria have also shown improvement, the newly separated criteria of innovation and scaling up have declined slightly. Efficiency remains

the weakest performing criterion due to high project management cost ratios, frequent staff turnover, and delays in project start up and implementation. While sustainability of benefits shows slight improvement since

Table 1 **Changes in percentage of projects rated moderately satisfactory or better by criteria over time**

Criteria	Baseline		Recent periods		Changes		
	2007-2009	2013-2015	2014-2016	2014-2016/ 2007-2009		2014-2016/ 2013-2015	
IFAD performance	88	89	95	7	▲	6	▲
Adaptation to climate change	75	76	81	6	▲	5	▲
ENRM	75	80	85	10	▲	4	▲
Relevance	96	88	90	-6	▼	2	▲
Effectiveness	80	76	76	-4	▼	1	—
Overall project achievement	80	81	81	1	—	0	—
Project performance	76	69	69	-7	▼	0	—
Sustainability	60	64	61	1	—	-3	▼
Innovation	72	89	86	14	▲	-3	▼
Efficiency	64	56	53	-11	▼	-3	▼
GEWE	88	81	77	-10	▼	-4	▼
Government performance	72	76	72	0	—	-4	▼
Rural poverty impact	80	86	81	1	—	-4	▼
Scaling up	72	89	84	12	▲	-5	▼

Source: IOE evaluation database, May 2018.

2007, performance in 2014-2016 declined as a result of recurrent issues of implementation delays, tenuous results at completion, limited beneficiary ownership and the absence of clear project exit strategies. Government performance as a partner, which is strongly correlated with efficiency and sustainability, was also underperforming in 2014-2016, due to insufficient government ownership of projects to scale them up.

15. Rural poverty impact has recently declined partly due to significant gaps in targeting strategies and a lack of long-term strategies to enhance beneficiaries linkages to institutions and enhance their legitimacy. Evaluations also identified some facilitating factors for greater rural poverty impact including: (i) building the capacity of public institutions and staff at central and local levels; (ii) decentralizing services to enhance target groups' access to resources, technologies and services; and (iii) providing business development services and improving access to markets. Training and follow-up support, group development and leadership skills are considered positive elements for successful performance in human and social capital empowerment.
16. Performance in the criterion of gender equality and women's empowerment has also declined in 2014-2016 to 77 per cent. In some cases, evaluations found that both at design and during implementation there was limited understanding of women's specific needs, with consequential non-alignment with the project's operational strategy on gender. To improve performance, the 2017 evaluations highlight these good practices: (i) gender-sensitive project designs; (ii) awareness campaigns and training on gender equality, women's rights and domestic violence; (iii) income-generating activities for women; and (iv) promoting women's leadership in groups.
17. The 2007-2016 overall average disconnect between IOE and the Programme Management Department (PMD) ratings is -0.30, which is only slightly higher than the 2007-2015 disconnect of -0.29. The highest disconnect between the mean IOE and PMD ratings is for relevance -0.55, while the lowest is in rural poverty impact -0.17.
18. **Internal benchmarking.** Internal benchmarking is done against the targets included in the Tenth Replenishment of IFAD's Resources (IFAD10) Results Management Framework (RMF) to draw attention to areas requiring special consideration. However, a more accurate picture of performance against the IFAD10 targets can only be provided after the close of 2018, therefore in the 2019 ARRI. That said, the IFAD10 RMF only includes IOE ratings for tracking purposes. Achievement of targets is based on Management's self-

assessment data, namely project completion report (PCR) ratings presented in the Report on IFAD's Development Effectiveness (RIDE). Notably, the IFAD11 RMF includes an indicator – Overall project achievement – which will be assessed for the first time against IOE ratings.

19. According to IOE ratings, currently only one out of the 10 outcome indicators has reached the IFAD10 RMF targets: adaptation

to climate change (indicated in green in table 2) is 31 percentage points above the target based on the limited number of ratings from the past two years.<sup>2</sup> Five indicators are within 10 percentage points (blue) below the RMF targets namely, innovation, scaling up, rural poverty impact, ENRM and government performance. Two indicators (effectiveness and GEWE) are 15 points (orange) below target, while efficiency and sustainability are over 20 points (red) away from 2018

<sup>2</sup> Moving averages in the 2014-2016 cohorts include 44 projects in all evaluation data and 36 projects in the PCR/PPE data series in which adaptation to climate change was rated separately.

Table 2 **Internal benchmarking – against RMF targets**

Percentage of projects rated moderately satisfactory or better

Outcome indicators	Baseline tracked IOE ratings (2011-2013)	PCR/PPE 2014-2016	2018 targets from IFAD10 RMF – 2016-2018	Difference between PCR/PPE and 2018 target
Innovation	79	86	90	-4
ENRM	73	85	90	-5
Scaling up	79	84	90	-6
Rural poverty impact	86	81	90	-9
Adaptation to climate change	NA	81	50	31
GEWE	80	77	90	-13
Effectiveness	75	76	90	-14
Government performance	66	72	80	-8
Sustainability	65	61	85	-24
Efficiency	57	53	80	-27

Source: IOE evaluation database, May 2018.

Table 3 **External benchmarking – Project performance**

Percentage of agriculture and rural development projects completed rated moderately satisfactory or better, 2002-2016 (year of completion)

	World		Africa		Asia and the Pacific		Latin America and the Caribbean		Near East, North Africa and Europe	
	IFAD	WB	IFAD	AfDB	IFAD	AsDB*	IFAD	WB	IFAD	WB
Percentage of projects rated moderately satisfactory or better	71%	74%	70%	48%	86%	62%	77%	77%	70%	79%
Number of agriculture projects evaluated	391	538	153	135	107	103	48	88	60	141

WB: World Bank; AfDB: African Development Bank; AsDB: Asian Development Bank. \*Data refers to 2002-2015

Source: AfDB Independent Development Evaluation Unit, AsDB Independent Evaluation Department, World Bank Independent Evaluation Group and IOE (all evaluation data series).

targets. The underperforming indicators will require special attention for the successful completion of IFAD10.

20. **External benchmarking of project performance.** Overall, IFAD's project performance remains positive based on the benchmarking analysis of IFAD operations with the performance of other development organizations' agriculture sector operations (table 3). At the regional level, IFAD maintains a higher share of positive ratings for project performance when comparing IFAD-funded projects in Africa, and Asia and the Pacific regions with the African Development Bank

(AfDB) and the Asian Development Bank (AsDB) respectively. IFAD-funded projects in Latin America and the Caribbean perform as well as those of the World Bank in the region, whereas they have a lower share of positive ratings in the Near East, North Africa and Europe region. At the global level, the World Bank shows a slightly higher percentage than IFAD when looking at projects rated positively among the agriculture sector operations. This reflects a decline in IFAD project performance compared to last year from 75 to 71 per cent in 2002-2015, rather than an improvement in World Bank performance.

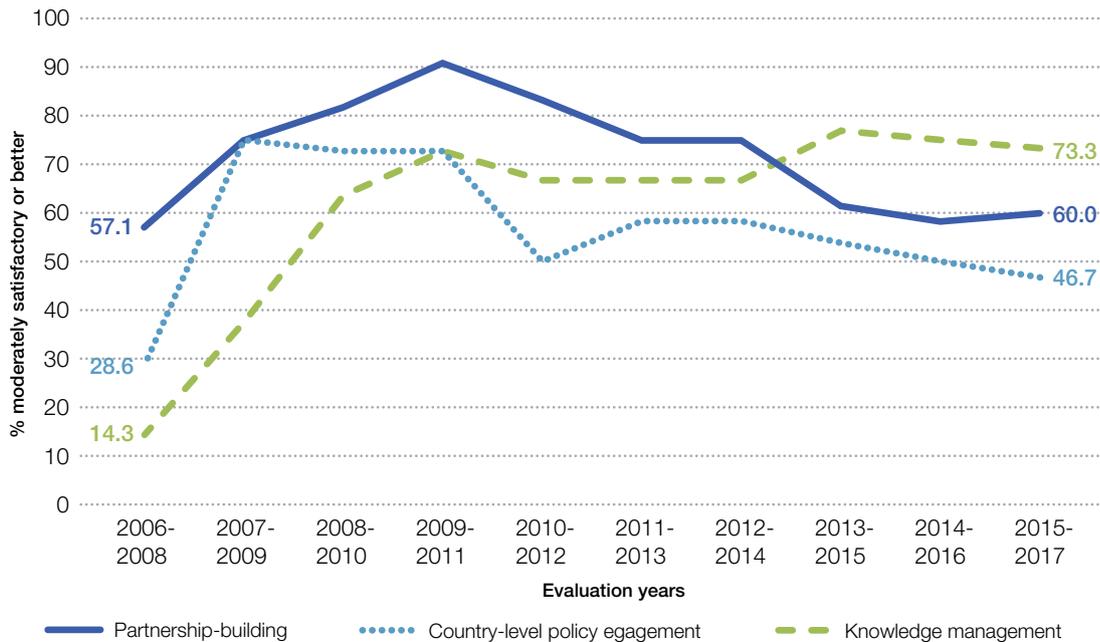
### Country programme performance

21. CSPEs analyse and report on performance beyond the project level and identify lessons that cut across IFAD country programmes. They assess portfolio performance, non-lending activities (i.e. country-level policy engagement, knowledge management, and partnership-building). This year's ARRI includes five new CSPEs carried out in Egypt, Cambodia, Cameroon, Georgia and Peru.

22. From 2006 until 2017, overall performance of non-lending activities improved, particularly for knowledge management. Significant improvement occurred for all three activities until 2009-2011, after which performance began to decline for partnership-building and country-level policy engagement. The period 2012-2014 marks another shift in performance, with improvement in knowledge management and a steady decline in partnership-

Chart 2 **Performance of non-lending activities, 2006-2017 (year of evaluation)**

Percentage rated moderately satisfactory or better by criteria



Source: IOE evaluation database, May 2018.

building which ceases to be the strongest performing non-lending activity.

23. Examining each activity individually, knowledge management began as the weakest performing area to then surpass country-level policy engagement in 2009-2011 and partnership-building in 2013-2015, becoming the strongest non-lending criterion with 73.3 per cent of positive ratings. Country-level policy engagement has shown fluctuations in performance and in 2015-2017 declined to only 46.7 per cent of positive ratings, the lowest of the three. These recent declines in performance raise concerns in view of the IFAD10 targets for 2018, which are 85 per cent for policy engagement and 90 per cent for partnership-building.
24. Twenty-seven of the total 45 CSPEs were conducted in middle-income countries (MICs) and 18 in low-income countries (LICs); all of the 2017 CSPEs were for MICs. While average ratings across non-lending criteria are similar, MICs received a higher percentage of positive ratings for country-level policy engagement and knowledge management. LICs have more positive ratings for partnership; this is consistent with past evaluation findings that there is more opportunity for partnership in LICs where a greater number of bilateral and multilateral agencies operate.

## 2018 learning theme on targeting strategies to reach the rural poor

25. Targeting is one of IFAD's principles of engagement and is central to its mandate of rural poverty reduction. Evidence suggests that strengthening targeting strategies is important for raising the overall performance of IFAD's portfolio. Five findings emerge from the evaluative evidence on IFAD's targeting.
26. **Finding 1. Although IFAD has a perceived advantage as an organization that focuses on poor rural people, there is a lack of agreement within the Fund on the target group and strategies needed. This is particularly important given the trend towards more market-oriented value chain projects.** The trend towards market-oriented projects as well as IFAD's increased focus on the need for greater attention in targeting to gender equality, indigenous peoples and youth calls attention to the possible need to re-examine and clarify IFAD's target group and strategies.
27. **Finding 2. Effective targeting requires robust poverty analysis and well-informed targeting strategies to meet the needs of poor rural people.** The second finding is based on evidence indicating the need for, and benefits of, rigorous poverty analysis and differentiated targeting strategies to meet the needs of different target groups.

It draws attention to the importance of developing targeting strategies and designing and implementing projects on a foundation of strong contextual understanding. There is also the need for realistic and flexible targeting to allow for modifications in a rapidly changing world, particularly in fragile or post-conflict contexts.

28. **Finding 3. Robust data, monitoring, and supervision and implementation support (SIS) are crucial for good poverty targeting in design and implementation and require substantial investment in related systems and to develop capacity.** Effective targeting depends on strong data, monitoring and SIS to assess relevance and make adjustments where needed. In part, this requires institutional capacity on the part of implementing partners, IFAD and others responsible for design and implementation.
29. **Finding 4. Reaching the poorest people and the “last mile” is costly but essential, particularly given IFAD’s mandate and international commitments.** There is a risk that the trend towards projects that have shorter implementation periods and quicker disbursement may drive IFAD’s targeting focus away from the poorest people. This pursuit of efficiency may shift the targeting focus away from the poorest and

most vulnerable and towards poor people who have the resources and capacity to leverage investment. The nature of the remote, rural and often fragile areas in which IFAD works may also increase costs and require a longer project duration.

30. **Finding 5. Government commitment and partnerships are important to reach the poorest groups.** This finding 5 points to the value of policy engagement with governments to ensure the poorest and most vulnerable are a priority. Meeting the needs – including the basic needs – of the most vulnerable groups may best be accomplished through partnering with other organizations better positioned to address those needs (e.g. non-governmental organizations [NGOs], other United Nations bodies such as the World Food Programme, the United Nations Children’s Fund [UNICEF], etc.).
31. In sum, project performance is linked to well-defined targeting strategies and differentiated analysis at design is crucial to good targeting. Ambiguous or overly ambitious targeting is a constraint, particularly in fragile and post-conflict situations. Furthermore, realistic, clear and flexible targeting strategies are important, particularly in rapidly changing contexts.

## Conclusions

32. **The broad picture of performance emerging from the 2018 ARRI is flat with signs of deterioration.** While 76 per cent of total project ratings were in the general “satisfactory” zone between 2007 and 2016, moderately satisfactory remains the norm with very few projects rated highly satisfactory for any evaluation criterion. When comparing performance in 2007 to the most recent period, only IFAD’s performance as a partner shows continuing improvement. Performance in rural poverty impact, government performance as a partner, and overall project achievement has returned to 2007 levels after reaching peaks in 2012-2014, whereas project performance is flat after an initial decline.

### Project portfolio trends

33. Rural poverty impact, a traditional area of strength, has declined recently and the trend in project performance remains flat. Of the four criteria that determine IFAD project performance, relevance shows some improvement while effectiveness is flat. Declining in the latest period, efficiency and sustainability remain the main bottlenecks for project performance. Overall, some recurring factors are mentioned as weaknesses across evaluations conducted in 2017 with regard to project performance: insufficient consideration of country context in the design phase; inadequate recognition of appropriate

policies; weak targeting at design without sufficient focus on poor households; and the absence of long-term plans for sustainability. These inhibiting elements combined with the presence of some exceptionally long projects (over 10 years) and an unusual number of project extensions (41 per cent of projects in the 2017 evaluations were extended) may have contributed to weaker performance in the 2018 ARRI, particularly in efficiency and sustainability.

34. Delays in start-up and implementation combined with high staff turnover of programme management drove the negative performance in efficiency. Thus, when low staff turnover is combined with no project extensions, high disbursement rates and/or high financial returns, efficiency ratings are strong and positive.
35. The declines in scaling up and sustainability can be overcome with the assurance of a valid exit strategy. The absence of a long-term plan, often paired with late disbursements that result in projects remaining operational until their closing dates, limits the potential for scaling up project results. These areas of challenge, while not being new to IFAD, undermine sustainability, which continues to be constrained by limited beneficiary engagement and ownership in the planning, implementation, maintenance and oversight of project activities.

36. The decline in a number of IOE ratings is corroborated by similar trends in PMD ratings for selected criteria. This finding may suggest that IFAD has become more stringent in project evaluation and/or that project performance has worsened. In both cases, monitoring project performance in future ARRI will confirm what are the main drivers for the underperforming criteria, should the deterioration continue.
37. On the positive side, performance in ENRM has improved since 2011. Undertaking specific actions towards the conservation of natural resources and supporting organizations by creating awareness and providing guidance are effective in protecting sensitive ecosystems and fragile environments in targeted areas. This improved performance may be the result of the increased attention and resources devoted to ENRM since 2011 with the creation of the Environment and Climate Division and issuance of the Social, Environmental and Climate Assessment Procedures in 2014.
38. IFAD performance as a partner exhibits the highest increase in satisfactory ratings. The 2017 evaluations confirm that IFAD is valued and trusted by governments for the quality and timeliness of its support, and for its focus and responsiveness. Country-level presence facilitates the establishment

of valuable partnerships with governments, and consultations based in the IFAD Country Offices have proved effective and efficient for identifying problem-solving measures. It also may have contributed to the recent improved performance in relevance, though the high disconnect with PMD ratings remains.

39. The declining trend in government performance as a partner is accompanied by worsening performance in efficiency and sustainability. As already indicated in the 2017 ARRI, ultimately, institutional capacity needs to be built at the national level to achieve the proper balance between short-term compliance with IFAD requirements through SIS and achieving broader prospects for development goals and sustainability. Such capacity-building will be especially important in light of IFAD's aim to expedite the project design process through, in part, greater engagement by government.

#### Targeting findings and lessons

40. **Project performance has been linked to well-defined targeting strategies.** Comprehensive targeting approaches enable operations to reach the poorest groups by combining solid livelihood and poverty analysis, based on context-specific circumstances and participatory processes. The 2018 ARRI confirms with statistically

significant results that successful projects receiving high ratings in targeting were also rated highly on rural poverty impact.

41. One of the main issues regarding targeting relates to shortcomings in differentiated poverty analyses at the design stage. An analysis of groups who are likely to be excluded or overlooked is needed, accompanied by a comprehensive understanding of the context in which targeted people live. Effective targeting also requires investment in monitoring and SIS to ensure appropriate strategies are implemented by assessing their continued relevance and making required adjustments. A key constraining factor for sufficiently differentiated analysis and proper implementation of targeting strategies has been the tightening of IFAD's budget, particularly between IFAD9 and IFAD10, which has limited the amount of funding available for project design and country programme delivery in general.
42. IFAD faces difficulties in addressing issues of inequality, which is multifaceted, multidimensional and fine-grained beyond simple geographic or socio-economic characteristics. IFAD projects often rely on self-targeting mechanisms for individual benefits without a clear targeting strategy and on trickle-down effects to poorer households. The inclusion of women is

assumed rather than ensured through mechanisms built into the intervention.

43. Gender equality and women's empowerment is an area exhibiting a slow but steady decline since 2011, though its promotion is critical to the 2030 Agenda goals of improving food and nutrition security and eradicating rural poverty. While GEWE is ranked as the fourth highest-performing criterion based on its average rating (4.18), it is ranked ninth in 2014-2016 based on its percentage of positive ratings (77 per cent). Among the key factors explaining decreasing performance in GEWE are weak gender strategies in project design, particularly regarding the participation and role of women.

#### **Knowledge management, partnerships, and country-level policy engagement**

44. **2017 evaluations still underline the need to create synergies between investment operations and non-lending activities.** A key first step in this process is building strong knowledge management platforms within and across country programmes, so as to enable IFAD to draw from project experience to influence policymaking. Focus on regional sharing, systemization of project experiences and stronger linkages between grant programmes and investment portfolios are key to innovation, scaling up and policy engagement. A frequently cited challenge is the absence of a specific budget for country-

level policy engagement, which would help create an enabling environment for project implementation and set the conditions for large numbers of rural people to move out of poverty at a scale that no single project can address. Notably, performance in country-level policy engagement is better in MICs versus LICs, reflecting their increasing demand for knowledge products and policy engagement. Effective integration of country-level policy engagement in country programmes, from design to completion, is not an end in itself, but a starting point for policy engagement and other scaling-up approaches as well as a key success factor for IFAD operations.

45. IFAD recognizes the importance of partnerships; however, more emphasis should be given to the quality and mix of partnerships that can achieve greater outreach and create synergies for scaling up. Cofinancing partnerships may boost performance in this area, and partnership with government is another indispensable element for implementing programmes and guaranteeing sustainability, in particular at the local and subnational level. A good mix of partnerships is fundamental to realize greater outreach and complementarity of results for scaling up and to create synergies.
46. In sum, as IFAD concludes IFAD10 and looks to start IFAD11 in 2019, it is critical to stem the initial deterioration exhibited

in the 2018 ARRI. Properly designed and implemented targeting strategies play a central role in improving project performance and rural poverty impact. There may be trade-offs with regard to efficiency, particularly if IFAD truly realizes its purported comparative advantage – strong targeting of extremely poor and food-insecure people in rural areas – as the implementation of good targeting requires sufficient project duration to properly engage those left behind (e.g. indigenous peoples, the disabled, marginalized women). More resources and technical specialists are especially required to target marginalized communities and individuals “experiencing famine, drought, fragility and migration.” Targeting also contributes to meeting the IFAD11 ambition to “reduce inequalities within and among Member States” which requires addressing disparities beyond income, i.e. in land resources and gender relations through policies and by securing rights. Therefore, special attention is required to clarify IFAD’s targeting approaches in different contexts and invest in their application across the project cycle.

## Recommendations

47. The Board is invited to adopt the recommendations below. Given the central importance of targeting strategies to IFAD’s mandate and their link to good project

performance, most of the recommendations focus on this learning theme for which required actions are presented along the project cycle.

48. **Recommendation 1. Conduct a systemic review of IFAD project-cycle processes and examine the resources committed to each.** In light of the overall declining trend in ratings and major business model changes introduced recently by OpEx, a holistic review of IFAD's project-cycle processes, from project design to completion, and their relation to one another is required. The review would identify critical requirements (e.g. baseline studies) and pinpoint where resources are most effectively committed for improved development effectiveness.
49. **Recommendation 2. Revise IFAD's Targeting Policy and related guidelines.** Targeting still represents a challenge in IFAD's projects due partly to the lack of agreement in the Fund on the target group and the strategies needed to reach them. Therefore, IFAD must clarify in its targeting policy and related operational guidelines who IFAD interventions target and how to cater to the needs of the "extremely poor and most vulnerable rural people" as stated in the IFAD11 Consultation Report, as well as the "economically active poor." The revised targeting policy should serve as a chapeau that gives coherence and

integrates the different policies and strategies relating to specific groups such as women, indigenous peoples, youth and people with disabilities. The revision of the operational guidelines on targeting – which is already planned – needs appropriate differentiated approaches for these specific groups, including young women and men and people with disabilities, in line with the 2030 Agenda commitment of "leaving no one behind."

50. **Recommendation 3. Develop appropriate targeting strategies based on robust and differentiated poverty and context analysis that are flexibly implemented.** During project design, interventions need to develop tailored strategies in light of the profiles of the target group and specific contexts. By conducting robust poverty and gender analysis, especially in fragile contexts, IFAD can provide the basis for identifying and reaching out to groups that are at risk of poverty and social exclusion, with a specific focus on women and youth. During implementation, targeting strategies must be monitored and adjusted to ensure that they effectively reach specific target groups and meet their different needs.
51. **Recommendation 4. Establish strong monitoring and evaluation systems and tap into local knowledge through country-level partnerships in order to capture differentiated poverty data**

**for knowledge creation, and for policy engagement and advocacy in favour of IFAD's target groups.** Logical frameworks (logframes) should include indicators, targets and means of measurement relating to the participation of and expected outcomes relating to specific target groups, including women and youth. During supervision, monitoring of these logframes will allow for data collection on specific groups, which should be aggregated and used for poverty analysis of future projects and for country-level policy engagement. Strengthening partnerships with local institutions, possibly through grants, may contribute to project data collection and advocacy efforts for policy change.

52. **Recommendation 5. Ensure sustainability of rural poverty impacts through exit strategies that are inclusive of targeted beneficiaries and through sufficient project duration.** Project sustainability is strongly linked to the planning of sound exit strategies accompanied by corresponding resources and institutional arrangements for effective implementation. However, the lack of an exit strategy is still a common feature in several projects included in the 2018 ARRI. To ensure that an exit strategy is inclusive of target groups, especially the extremely poor and most vulnerable, the project duration should be sufficient (about seven years) to implement participatory processes, ensure

that targeted populations were reached and institutions for the poor were established long enough to be included in the exit strategy.

53. **2019 ARRI learning theme.** The Board is invited to adopt the recommendation to consider quality of project design at entry as the 2019 ARRI learning theme. Many constraining issues that contribute to weaker performance need to be addressed at design (e.g. limited poverty analysis). A closer examination of the design quality of completed projects can reveal substantive factors that contribute to projects successfully achieving their development objectives.

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Cover photo  
Niger: Project for the Promotion of Local Initiatives  
for Development in Aguié

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