



26 March 2021



Investment trends

IFAD strategy and capacity

Infrastructure performance

The challenges ahead

Agenda

## Synthesis objectives and scope

- Objectives of the evaluation synthesis:
  - Review IFAD's strategic positioning and partnerships
  - Assess performance of infrastructure investments in sample projects
  - Identify good practices and lessons learned
- Timeframe: 2001 [IFAD5] to 2019 [IFAD11]
- Sources:
  - Evaluations of 35 infrastructure-heavy projects; relevant IOE evaluations
  - 10 case studies on (ongoing and closed) projects; related impact assessments
  - E-survey (300 responses); Interviews and focus group discussions
  - Relevant studies from other international finance institutions (lessons)

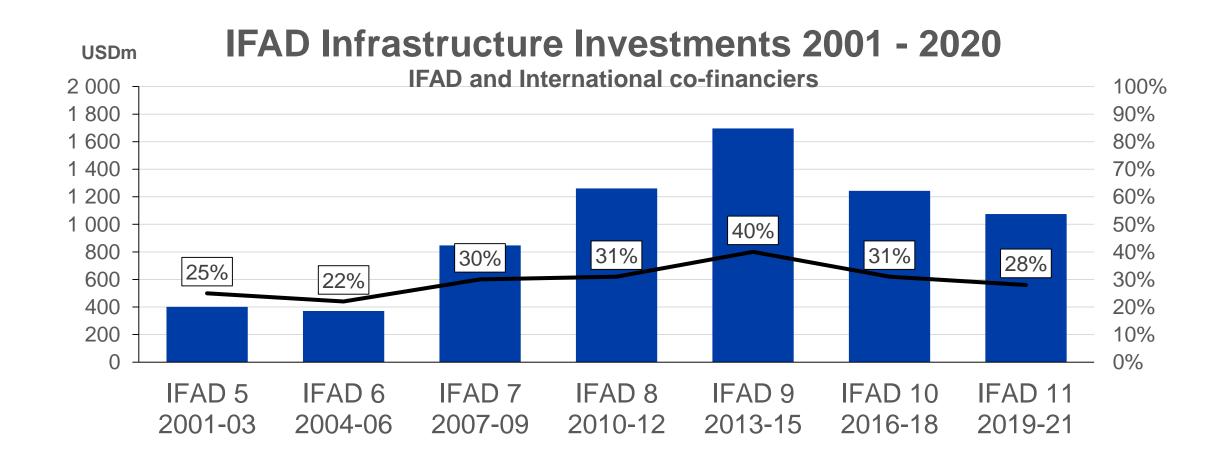




Investment trends

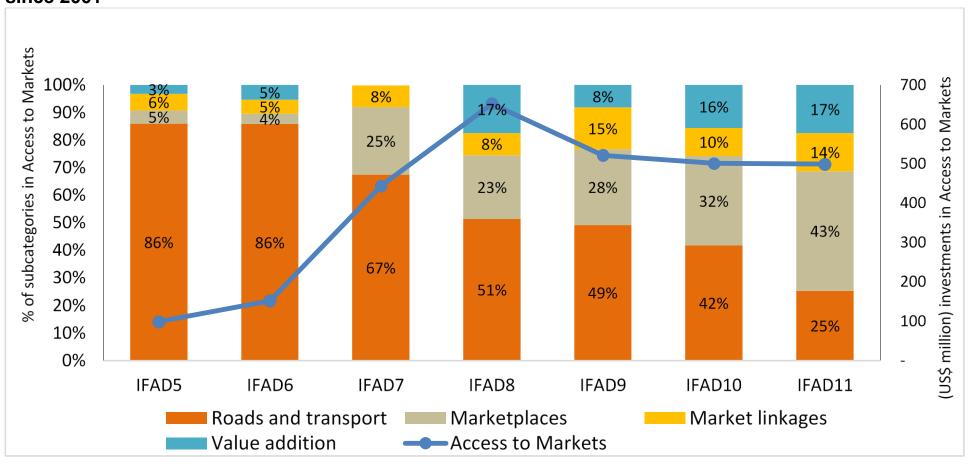


#### **Investment trends** (1/2)



#### **Investment trends** (2/2)

#### Market access over time: investments by infrastructure subcategory by replenishment period since 2001



Source: PMI database (accessed April 2020).





IFAD
strategy &
capacity



## IFAD strategy and capacity



No dedicated policy or strategy for infrastructure in IFAD



Infrastructure key to achieve IFAD's strategic objectives

- Low in-house capacities for infrastructure planning, implementation support and supervision.
- Weak corporate data systems for infrastructure M&E and follow-up.
- Application of environmental and social safeguards less stringent.
- Rights of smallholder farmers, the poorest groups and indigenous peoples need to be protected in infrastructure projects.
- IFAD mainly finances community-based and "last mile" infrastructure
- Depends on collaboration with others to provide infrastructure at scale.





Investing in rural people

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Infrastructure performance

#### Areas of good performance

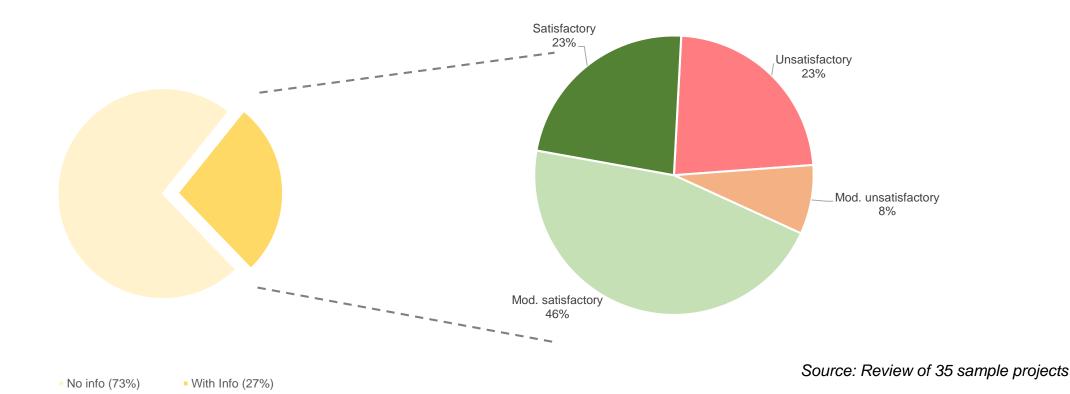
- ✓ Effectiveness: overall good.
- ✓ Community-driven projects achieved targets for (social and productive) infrastructure.
- ✓ Mixed results in production- and market-focused projects; Market infrastructure often ineffective.
- Targeting: Satisfactory for all community-based projects.
- ✓ Irrigation and road projects: "placement biases," risk of excluding the very poor.
- ✓ Gender focus: Focus on women satisfactory for community-based projects; less positive for market infrastructure.

#### Areas of weak performance

- Technical quality. Mostly low.
- Unsatisfactory for most production- and marketfocused projects.
- Efficiency. Delays in start-up; slow delivery and procurement.
- Sustainability. Not satisfactory in most projects.
- O&M committees set up too late; not sufficiently capacitated beyond project.
- Government partners. Technical capacities weak; coordination and oversight insufficient.

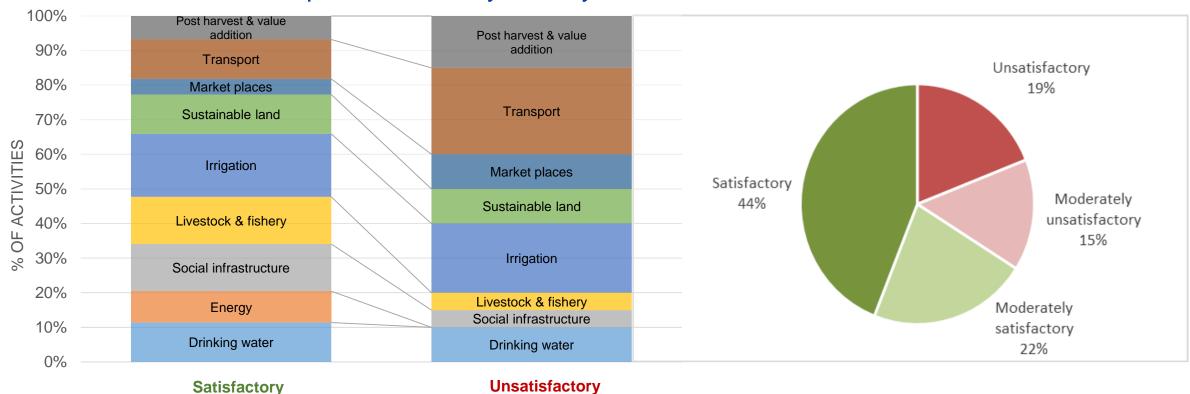


## Good focus on poor people



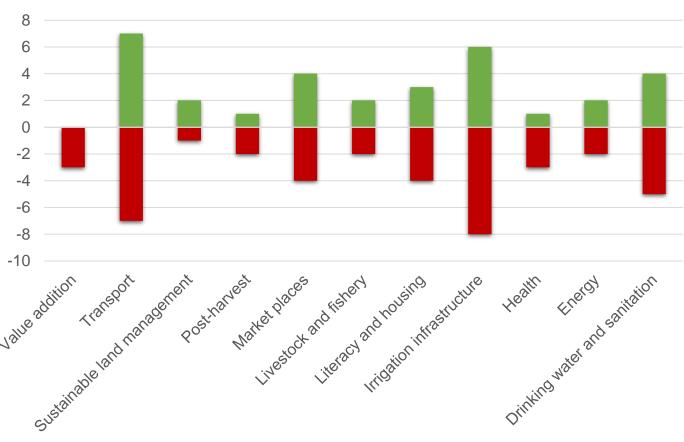
#### Good focus on women

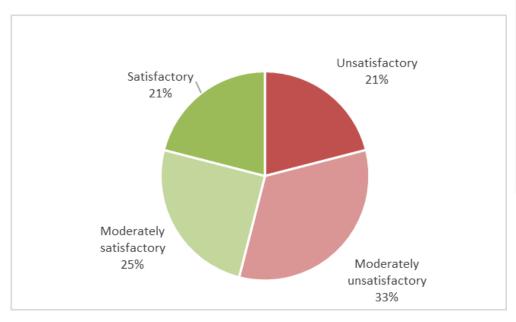
#### Gender performance by activity



Source: review of 35

#### Poor technical quality





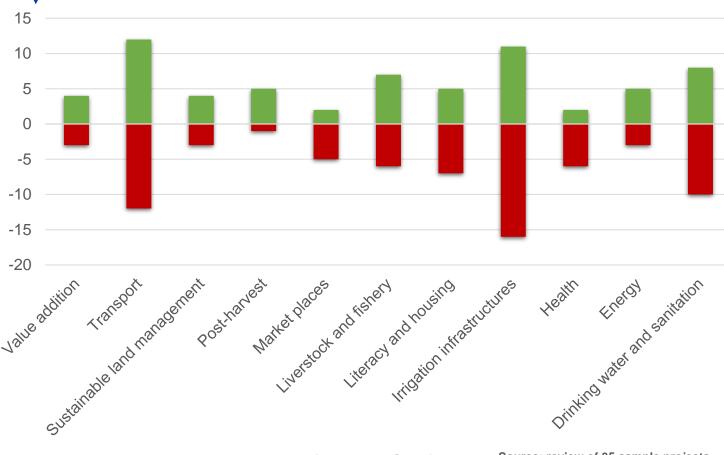
Source: review of 35 sample projects

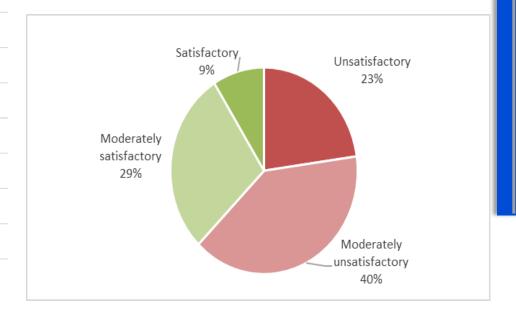
■Unsatisfactory ■Satisfactory

Evaluation synthesis — Infrastructure at IFAD



#### Poor sustainability





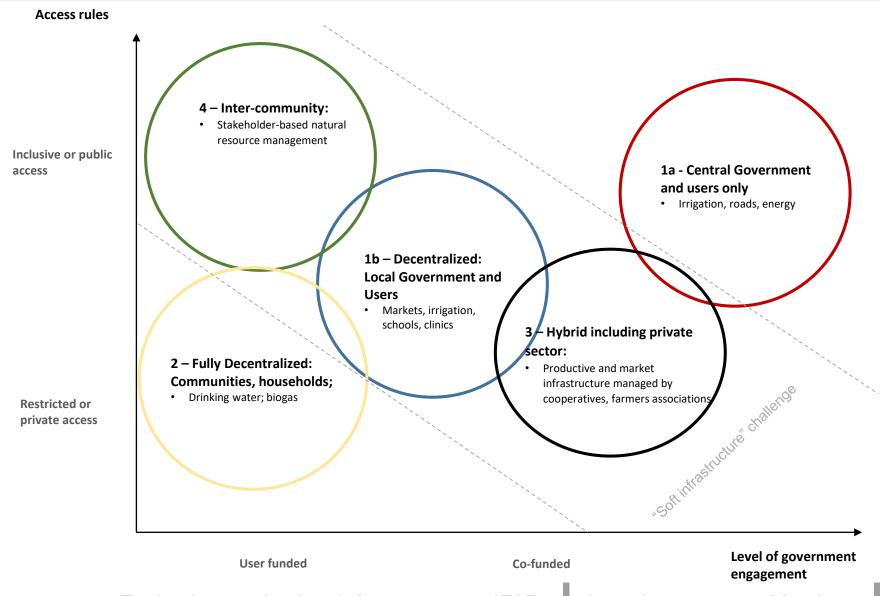
■ Unsatisfactory ■ Satisfactory Source: review of 35 sample projects



#### Inclusive governance for sustainability

- Decentralized governance arrangements:
  - Community projects; participatory approach supports ownership and sustainability.
  - User groups: insufficient capacities and funds for operation and management
  - Sustainability depends on local governments' ability to raise O&M funds.
- Private sector participation:
  - Market and value added infrastructure
  - Requires functioning farmers' organizations, cooperatives and enterprises
  - User fees: good for sustainability; but may create barriers for the poor and for women
- Inter-community governance
  - Positive for watershed infrastructure, larger soil and water conservation schemes
  - Participatory; require awareness-raising, capacities and technical knowledge;
  - · Mediation of diverging interests often needed





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The challenges ahead



## The challenges ahead

- **Demand** for infrastructure expected to increase
  - Higher demand for productive investments needs to balanced with social infrastructure for the poorest
  - Water-related infrastructure: efficiency and sustainability issues
  - Sustainable energy and climate-smart infrastructure: will become more important
- Inclusive governance for sustainability:
  - Enabling policy, legal and regulatory frameworks, and capacities
  - Exit strategies from the start
  - User groups' capacities and links with existing institutional and policy frameworks
- Careful assessment of public and private partnerships and the associated costs and risks

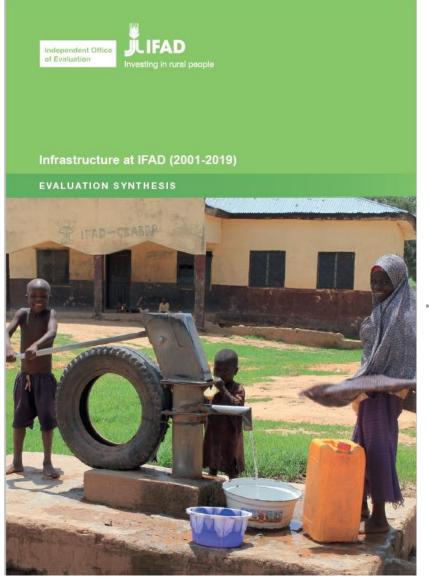


#### Questions for discussion

- What are common challenges and trade-offs in IFAD's infrastructure investments?
- What should IFAD do more, and what less?
- How should IFAD scale up its infrastructure investments?
- How could IFAD enhance its performance on efficiency and sustainability?
- How could IFAD ensure that focus on its core target groups will be maintained and no one will be left behind in the process?



#### Slide title



# Thank you

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