Independent Office of Evaluation
IFAD
Investing in rural people
Number 153, May 2021

profile

© Arjumand Nizami

Islamic Republic of Pakistan
Country Strategy and Programme Evaluation

IFAD started its operations in Pakistan in 1979. Since then, IFAD has approved the financing of 27 projects[1] for a total cost of US$2.58 billion, with IFAD financing of US$780 million.[2]

In 2020, the Independent Office of Evaluation of IFAD (IOE) conducted a Country Strategy and Programme Evaluation (CSPE) in Pakistan, covering the period from 2009 to 2020. This corresponds to the strategy and operations supported by IFAD under the framework of two country strategic opportunities programmes (COSOPs), dated 2009 and 2016. The total cost of the seven investment projects covered by the CSPE is approximately US$520 million,[3] of which US$362 million were financed by IFAD.

Main evaluation findings

Overall, IFAD support has been aligned with the Government of Pakistan's development strategies, with a strong poverty focus. IFAD embraced the use of the poverty scorecard as a main targeting tool with the aim of reaching the extremely and vulnerable poor, and promoted community institutions inclusive of these households. By including the Government's cash transfer recipients in the target group, the portfolio's efforts complemented the Government's social protection and poverty alleviation programmes.

While IFAD's proactive and flexible approach to portfolio management (e.g. dropping non-performing interventions during implementation) had positive effects on the indicators of portfolio delivery efficiency, the lending portfolio has become skewed towards asset transfer and skills training targeted at individual households. Meanwhile, strategic investment to leverage rural economic growth in the agriculture, livestock or fisheries sectors has declined, and priority issues such as climate resilience, natural resource management (especially water) and nutrition have not been systematically integrated.

At the operational level, various targeted interventions were relevant to the rural poor's needs and had positive impacts on their living conditions and livelihoods. Project results were particularly visible in the context of investment in infrastructures, which mostly positively impacted on human capital and, to a varied extent, on household incomes. The provision of productive assets (mostly livestock) and skills training improved livelihoods and the portfolio made achievements in the area of women's social and economic empowerment. Support for community institutions has contributed to the effectiveness and sustainability of community-level infrastructures, but the approach has largely remained project-centred, whereas different development programmes supported by IFAD and other partners have made substantial investments in forming or reactivating these organizations over the decades.

Notwithstanding cases of positive results on the ground, a critical shortcoming has been the limited consideration of how best to leverage systemic and sustainable changes. Project interventions have often lacked an effective strategy to address meso-level and structural constraints, such as access to advisory and other services or legislative and regulatory environments. Asset transfer and skills training following poverty-scorecard-driven targeting have overlooked a broader perspective on the opportunities for leveraging changes in the local economy around agriculture and food systems. Reliance on the poverty scorecard alone for targeting has also not reflected the fact that many households move in and out of poverty. Furthermore, the project efforts have mostly concentrated on delivering goods and services according to the targets, rather than on improving the institutions, policies and systems to create enabling conditions for pro-poor solutions beyond the project period.

In general, the country programme has not demonstrated strong strategic coherence, synergy or linkages between different elements, nor visible learning and capitalization efforts, thus curtailing the potential for greater influence and impact. The point for critical reflection is how the country programme could become more than a mere collection of stand-alone projects in different areas. In essence, there has been insufficient strategic consideration of how to obtain the best value from its relatively small size of programmes, in terms of an effective strategy to promote innovations and scaling-up for greater influence and impact reflecting IFAD's strengths.

1 This figure does not include two which projects cancelled after approval

2 Seventy-five per cent on highly concessional terms, 17 per cent on intermediate terms and 8 per cent on blend terms.

3 The actual cost for closed projects and planned costs for ongoing projects.

PAKISTAN AT A GLANCE

Population[a]: **216.6 million (2019)**

Rural population[a]: **63% (2019)**

Gross domestic product growth[a]: **0.99% (2019), 5.8% (2018), 5.6% (2017), 5.5% (2016)**

Population below national poverty line [a]: **24.3% (2015)**

Multidimensional poverty headcount ratio[b]: **39% (2014/15)**

Life expectancy at birth[a]: **67.1 years (2018)**

Human development index[b]: **0.557 (2019), in the medium human development category (ranked at 154 out of 189 countries and territories)**

Number of IFAD loans approved (1979-2020)[c]: **27 (not including the cancelled loans)**

IFAD investment financing approved (1979-2020)[c]: **US$780 million (not including the cancelled loans)**

Sources: [a] World Bank, [b] United Nations Development Programme, [c] IFAD

Key recommendations

- **Place greater emphasis on inclusive market systems development with due attention to climate resilience and natural resource management.** There should be a careful consideration of potential thematic foci and value chains/market systems in agriculture, livestock, fisheries and forestry sectors that are most relevant to the rural poor (on- and off-farm). Where relevant, it would be important that such investment be accompanied by support for addressing basic needs.

- **Articulate a strategy to promote innovations and scaling-up for greater rural poverty impact.** IFAD, in consultation with the Government, should better articulate how it plans to add greater value for a country programme with a deliberate focus and synergy. Rather than financing the scaling-up of initiatives or repeating similar approaches in consecutive projects, there should be a stronger emphasis on introducing innovations, with a strategy to promote scaling-up by the Government and other partners.

- **Place more emphasis on strengthening and linking with institutions, policies and systems for a greater likelihood of sustainability.** Working with, strengthening and preparing the institutions, policies and systems that will continue to exist after the projects should be prioritized. IFAD should also develop a strategy for closer involvement and stronger oversight by project steering committees.

- **Adopt a more flexible and differentiated approach in targeting and programming.** Depending on the nature of interventions, consideration should be given to diversifying the basis for household targeting from strictly relying on the poverty scores, also recognizing the dynamic and transitory nature of poverty. There should be continued attention to institutions' inclusiveness of the targeted population, based on an analysis of sociocultural contexts and power relations, but leaving flexibility for adapting the forms and approaches.

- **Broaden and strengthen partnerships with other development agency partners and non-governmental actors while upgrading the IFAD country office and its support systems.** IFAD should seek out opportunities for exchange, coordination and collaboration with other development partners, and for diversifying non-governmental partners. These would also require strengthening of the IFAD country office in terms of human resource capacity and/or the technical support systems from its subregional hub or the headquarters.

Further information:

Islamic Republic of Pakistan, Independent Office of Evaluation of IFAD, Via Paolo di Dono, 00142 Rome, Italy | www.ifad.org/evaluation | e-mail: evaluation@ifad.org | www.twitter.com/IFADeval | www.youtube.com/IFADevaluation