



EXECUTIVE SUMMARY

GOVERNMENT PERFORMANCE

IN IFAD-SUPPORTED OPERATIONS

2010-2020

Executive summary

I. Introduction

1. **Rationale.** IFAD was established to mobilize resources for agricultural development in developing Member States.¹ IFAD-supported programmes are owned, managed, and executed by governments and their agencies in collaboration with other stakeholders. Government, as a borrower or recipient of an IFAD loan or grant, assumes responsibility for providing the required financial and staff resources as well as the supporting policies and procedures. It should also make diligent use of management processes to ensure their effective deployment in delivering project outputs.
2. Both the Report on IFAD's Development Effectiveness (RIDE), prepared by Management, and the Annual Report on Results and Impact of IFAD Operations (ARRI), prepared by the Independent Office of Evaluation of IFAD (IOE), have consistently noted government performance as an area where IFAD's operations underperform. Relatively weak and worsening government performance ratings have raised concerns about the efficiency, effectiveness, sustainability and, ultimately, the impact of IFAD projects. Therefore, the issue of government performance and how it relates to other performance dimensions requires heightened attention. However, IFAD corporate data and analysis are not yet sufficient to identify performance bottlenecks, which would enable IFAD to prioritize and focus its support to government partners.
3. **Objectives.** The objectives of this synthesis are to:
 - (i) Develop a conceptual framework for evaluating government performance, with particular focus on institutional efficiency;
 - (ii) Synthesize pertinent evidence of government performance, identifying the dynamics and factors contributing to good or poor performance; and
 - (iii) Identify critical areas for IFAD to focus on to support enhanced government performance.
4. **Scope.** The synthesis focused on the performance of government in IFAD-supported operations. It covered the period 2010–2020, when government performance deteriorated. For this decade, performance data were available from 421 evaluations, including 57 country strategy and programme evaluations (CSPEs) and 364 project-level evaluations. The synthesis selected 15 countries as case studies. These drew evidence from 38 CSPEs and project performance evaluations (PPEs), together with 46 project completion report validations (PRCVs) and three impact evaluations (IEs) covering 71 IOE-evaluated programmes or projects since 2010. The case studies also reviewed the project supervision ratings on selected indicators closely linked to government performance. In addition, the synthesis conducted a series of focus group discussions (FGDs) and an e-survey targeting government partners, IFAD staff and consultants.
5. **Government performance as an evaluation criterion.** IFAD assesses government performance through a stand-alone performance criterion, which confronts government (and for that matter, IFAD), with its respective responsibilities as a partner in project design and execution. The advantage is that it assigns accountability for project performance to government partners. In practice, government performance affects a broader range of issues that require a more explicit framework to be properly assessed. Government has a critical function in project performance which also reflects on broader project effectiveness and sustainability aspects. Furthermore, successful performance also depends on both

¹ [Agreement Establishing the International Fund for Agricultural Development.](#)

sides playing their part. As such, government and IFAD have mutual responsibilities, for example, during design, and monitoring and evaluation (M&E).

6. **Synthesis approach.** This synthesis takes a broad approach to review government performance in the context of IFAD projects. It looks at government actions in terms of its institutional efficiency, prevailing enabling conditions, and the structures, capacities and processes that should be in place to successfully transform financial and non-financial resources into operational results. The conceptual framework for this synthesis identifies the variables of government performance, and the links between those variables, together with the dynamics and contextual factors driving performance. The focus is on the inner workings of government action, together with the underlying dynamics and drivers. To assess government performance, the synthesis applied standard evaluation criteria such as relevance, efficiency and effectiveness. This framework offered a useful avenue for delimiting government performance by distinguishing the factual (what government actually did) from the assumed or motivating factors (what may be behind it).

II. Findings

(i) The broader picture

7. **Deteriorating government performance.** Government performance deteriorated over the review period. The share of moderately satisfactory or better ratings dropped from a high of 75 per cent (2012–2014) to a low of 58 per cent (2016–2018), after which it slightly improved (2021 ARRI). The decline in ratings cannot be explained by performance in either low-income countries or countries with fragile situations, which has been stable.
8. **Performance of lead agencies.** Deteriorating government performance can be linked to the increasing share of projects led by ministries of agriculture, which reflects IFAD's closer focus on agricultural and value chain projects. The share of satisfactory government performance in Ministry of Agriculture-led projects has fallen steeply and continuously, from a high 67 per cent of ratings deemed satisfactory in 2011–2013 to a low of 45 per cent in 2016–2018, after which it slightly improved. At the same time, the performance of local governments – the “traditional” IFAD partners for local development projects – remained consistent, but their share in the overall portfolio decreased.
9. The great majority of poorly performing projects led by the ministry of agriculture (MoA) were in West and Central Africa, and Latin America and the Caribbean countries characterized by fragility or political change. They displayed low government ownership, scarce interest in projects, political instability and insufficient engagement and presence. The case studies noted common institutional weaknesses for MoAs, such as limited flexibility, insufficient sector funding, weak capacities at decentralized level and weak stakeholder coordination.
10. **IFAD country presence.** While country presence can be a contributing factor, it cannot alone explain good or weak government performance. Its influence on government performance also depends on the technical qualifications and seniority of IFAD staff, as well as other “soft” factors shaping the relationship with government partners. The out-posting of a senior IFAD staffer as country director has enhanced oversight and contributed to improved implementation in countries such as Ghana, Nepal and Sudan. But there are also countries that perform well with limited or no IFAD presence (e.g. Moldova and Niger). Furthermore, IFAD presence was usually insufficient in programmes stretching into remote locations and with weak decentralized capacities. In such cases, posting a country director in the capital was not sufficient.

(ii) Relevance. Ownership, leadership and accountability

11. Government ownership, leadership and accountability are closely connected. Together they are key drivers of government performance. Ownership, together with knowledge and information, is what drives project decisions and activities. It derives from societal norms and structures, including accountability structures, and project-specific – typically contract-based – organizational arrangements.
12. **Government ownership.** According to the Paris Declaration on Aid Effectiveness (2005), government ownership is a combination of government commitments: to exercise leadership; to achieve development results; and to coordinate development partners. Ownership provides an incentive for government to perform. Government ownership may be lower at the decentralized level, where government is often constrained by lack of resources and weak communication, which influence the quality and level of engagement.
13. Varying degrees of government ownership were observed in case study countries. Strong ownership was identified as a driver of government performance in five cases (Burundi, India, Moldova, Niger and Turkey). Government involvement was rather low in three countries (Democratic Republic of the Congo [DRC], Ecuador and Mexico).
14. IFAD has supported government ownership through long-standing partnerships with some ministries and agencies or through responsive programme design and integration of government staff into management units. Reliable support and partnerships were particularly important in fragile situations. For example, in Burundi, Niger and Sudan national authorities' trust and engagement with IFAD country teams facilitated information transfer and strong alignment of portfolios with national strategies and priorities. Additionally, they were very active participating in oversight and implementation.
15. **Leadership.** Government assuming leadership in IFAD-supported operations is usually seen as an expression of ownership and responsibility for project interventions (Burundi, Moldova). Broader ownership (systemic ownership) within government at different institutional levels is built when high-level government representatives engage in, and are committed to, a project. It can range from high-level government commitment to facilitate coordination among agencies and development partners, to the presence of government officials in oversight structures.
16. In half of the case studies, governments set up steering committees and other oversight structures for projects and programme implementation. While oversight functions existed in most programmes, their precise role was not always clear. Their ability to work effectively was often hampered by insufficient participation of key stakeholders and weak leadership capacities (e.g. Democratic Republic of the Congo, Pakistan).
17. **Accountability.** The presence of a well-defined institutional structure and a functional accountability system is the most important perceived enabler of government ownership. A robust accountability system includes transparent responsibility allocation and a culture of administrative answerability. Accountability systems included fiduciary oversight at decentralized levels and the operational efficiency of programme management units (PMUs). Fiduciary oversight was strong, for example, in Ecuador, Ghana, Kenya, Mexico, Peru and Sudan. Countries with efficient fiduciary management and control systems were able to accelerate disbursement.
18. **Effective provision and use of knowledge** required supportive policies and planning as well as technology and capacity. Weak M&E systems and limited use of information for decision-making have been identified as key hindrances to using knowledge as a driver of government performance. Conversely, good knowledge

systems and M&E, complemented by reliable data, have been positive drivers (e.g. in Madagascar, Moldova, Niger and Peru).

19. **Institutional arrangements.** The institutional arrangements for project implementation, agreed during project design, include the choice of lead agency and implementing partners as well as the set-up for project management. Integration of IFAD projects in country structures has enhanced ownership; it enables national government and decentralized authorities to provide oversight, coordination and other types of support to ongoing projects and programmes (e.g. in Madagascar and Niger).
20. **Programme management units.** PMU structure, roles and responsibilities vary depending on the country and the project/programme. PMUs are often a way for IFAD to mitigate fiduciary risks and ensure that staff capacities are fully committed. But this often comes at the cost of undermining capacity development and ownership in government institutions. Setting up PMUs within government is a compromise that maintains some ownership and helps build government staff capacities. In fragile situations, with limited government presence and capacity to build on, IFAD often resorted to setting up autonomous PMUs outside the administration. Such PMUs were particularly affected by delays in recruitment and higher-than-expected operating costs. They scored lower on efficiency.

(iii) Efficiency, Resources, delivery and adaptation

21. Governments and IFAD agree on the organizational arrangements for project management during design. The capacities and resources mobilized by government are key variables determining the performance of project management. Government staff capacities still are the main bottleneck to sound management, according to the case studies and e-surveys. Staff capacities are often better where IFAD relies on a wider range of implementing partners.
22. **Poor government staff capacity** was often the reason for implementation delays and weak results. Insufficient technical capacity was usually the result of late recruitment, high staff turnover or, in the case of government staff – part-time availability. Difficulties in recruiting and retaining qualified staff were common. Implementation was commonly weak in remote areas where IFAD typically works, regardless of income or fragility status, (e.g. in DRC, Ecuador, India, Mexico and Pakistan). Provision of staff training and capacity-building did not resolve these constraints as long as incentives for performance were missing.
23. **Counterpart funding.** Availability of counterpart funding was closely linked with the economic situation and government priorities. Positive examples were India, Kenya, Moldova and Peru – where government gave all necessary support to programme redesigns, including reallocation of funds. In countries with weak economic situations, IFAD was flexible in accepting non-monetary forms of counterpart funding to ensure implementation continuity, although this did not resolve the broader budgetary constraints. Providing financial resources was sometimes challenging for governments in fragile situations (Burundi, DRC and Madagascar).
24. **Adaptive management.** Governments have demonstrated their ability to respond to crises and unexpected events in cooperation with IFAD. Situations of political instability, crisis or change required flexibility to adapt, which IFAD was generally noted for. Positive cases were found in fragile situations, where IFAD had nurtured long-standing partnerships, earning the government's trust. IFAD is noted for its ability to continue operating in fragile contexts, even when other organizations leave or suspended their portfolios. Examples of IFAD's flexibility were reported for Burundi, Ecuador, Ghana, India and Moldova where funds from slow-disbursing projects were allocated to better-performing initiatives.

(iv) Effectiveness, sustainability and scaling up

25. Programme effectiveness, sustainability and scaling up strongly correlate with the choice of the lead agency. Many lead agencies have exhibited exemplary ownership and commitment, often nourished through long-term partnership with IFAD. Others, however, have demonstrated persistent weaknesses, such as lack of technical assistance, limited capacities at decentralized level and high staff turnover. The performance of the lead agency, with the mandate and capacity to coordinate relevant stakeholders, is pivotal to ensuring effective service delivery and outreach to IFAD's target groups, and for putting in place the required resources and institutional mechanisms for sustainability and scaling up.
26. **Effectiveness.** Results were better where there was strong evidence of oversight guidance. The case studies indicated a positive correlation between oversight and delivery of goods and services, a finding also confirmed by IFAD respondents to the survey. Low efficiency and implementation delays have hampered the achievement of results in a number of cases. Common issues include problems in personnel recruitment and retention, inadequate planning and management leading to uncompleted activities, and delayed approvals during start-up and implementation. Projects had modest achievements in strengthening decentralized structures, a finding confirmed by government respondents to the e-survey, who also noted that governance at the local level continues to be an issue hampering project implementation and outcomes.
27. The performance of the lead agency was critical to programme effectiveness. Outreach to IFAD's target groups was better where government and IFAD priorities were well aligned. Some countries (Kenya, Madagascar and Sudan) achieved beneficiary targets but had limited outreach to vulnerable groups. In countries with fragile situations, outreach was rather uneven among projects. Outreach to women was strong in countries such as Kenya, India and Niger.
28. **Sustainability.** Government ownership contributed to sustainability and scaling up in some countries (India, Kenya and Moldova), but not in others (Niger and Burundi). However, in many cases, government ownership was narrowly focused on design and implementation; there was less commitment to post-project issues of sustainability and scaling up, which are more broadly influenced by institutional, political and budgetary factors.
29. Institutional weaknesses of lead agencies often translated into insufficient stakeholder coordination and resources to ensure institutional and financial sustainability. Exit strategies were often weak or missing, and institutional responsibilities for follow-up and funding were unclear (Ecuador, Mexico, Nepal and Niger). Other issues reported were: missing institutional support and ownership by local authorities (Nepal); limited resources of local administrations (Burundi, Madagascar); the need for additional capacity-building (Burundi, Democratic Republic of the Congo, Nepal); and issues related to the geographical isolation of some structures (Madagascar).
30. **Scaling up.** Government commitment to scaling up was uneven. The case studies confirmed that the level of ownership also influenced government's commitment to scaling up. In a number of cases, government had made little or no effort to scale-up across the country's portfolio. Government's limited capacity for engagement and coordination with other actors was a common factor limiting scaling up,. Insufficient resources from government also undermined scaling up initiatives.
31. **Government's multiplier functions.** IFAD's development effectiveness hinges on a government fulfilling its multiplier function: to enlarge or multiply the project's outreach and results. Sustainability and scaling up rely on an enabling environment (e.g. institutional and policy frameworks) provided by government. The choice of the lead agency plays a critical role in effectiveness; however, this choice has often been led by assumptions about the potential role that a lead agency could play, based on

its mandate in the sector, without sufficient consideration of the broader institutional and policy context that would determine institutional efficiency and effectiveness of key government partners.

III. Conclusions

32. **Government is the key player in IFAD's development effectiveness.** IFAD-supported programmes are owned, managed and executed by governments and their agencies in collaboration with other stakeholders. Government has a critical function in project performance: more narrowly, its responsibility is to provide the resources required to achieve intended results; more broadly, it is expected to ensure that key stakeholders are involved, that IFAD's target groups are reached and that results are sustainable and can be scaled up. Since government performance is crucial to IFAD's development effectiveness, the Fund has a dedicated criterion to monitor it. The data show, however, that government performance has been lagging for many years and that there are no signs of improvement.
33. **The reasons for lagging government performance are not well documented and understood, and there are significant knowledge gaps with regard to the factors driving government performance.** The rather static criterion for measuring government performance does not reveal how the various elements involved are interconnected and how they influence other dimensions of programme performance. Corporate M&E systems do not report on important criteria influencing government performance (e.g. oversight and non-financial government resources). Concepts such as adaptive management are recognized as important but are not yet well operationalized. Finally, the dynamics and drivers of government performance are not well understood either. Indicators derived from global governance dashboards have proved unsuitable to explain why and how government performs in the context of IFAD-supported interventions. Poor analysis and data have led to common assumptions about government performance that are not supported by this synthesis.
34. **Situations of political instability, crisis and fragility, together with the, often, slow progress on governance reforms, have contributed to the heterogeneity of situations, which were challenging for IFAD to track, respond and adapt to.** The synthesis was not able to detect an overall pattern of government performance. In most countries, there were positive performance drivers such as ownership, leadership and resources committed, but they were often offset by instability, weak capacities and unfavourable policies, and institutional processes. The synthesis identified a smaller number of countries² that have shown consistently good performance, driven by strong government ownership and leadership. For these countries, the institutional and policy contexts are very different. IFAD has responded well by handing over responsibilities in situations where institutional capacities and systems were strong, and by providing "handholding" and support to governments in situations of fragility. However, IFAD's ability to respond and adapt has not been as strong everywhere.
35. **On IFAD's side there were also positive and negative factors affecting government performance.** On the positive side, there was good alignment with government priorities. Long-term partnerships and continuous support – together with increasing country presence – have built sustained government trust and ownership over many years. Institutional efficiency is likely to be improved through recent reforms and developments, such as decentralization of technical support and senior IFAD staff, and enhanced procurement and financial systems. However, some factors on IFAD's part also had a negative effect on government performance. They included insufficient consideration of government capacities and institutional and policy frameworks; and lack of suitable incentives to keep government staff engaged. The last 10 years have seen projects grow more complex (with the transition to value

² Burundi, Kenya, Republic of Moldova, Niger and Peru.

chain approaches) and an increasing reliance on ministries of agriculture, which often did not have the capacities and resources to act as an implementing agency. In some countries the transition from decentralized implementation to national PMUs/programme coordination units (PCUs) has overstretched existing government capacities and systems. And finally, frequent turnover of staff and disbursement caps have negatively affected government engagement and trust.

36. **On balance the simultaneous presence of positive and negative drivers has led to an overall flattened trend in government performance**, as noted in recent editions of the ARRI and the Report on IFAD's Development Effectiveness (RIDE). There is no panacea to reverse the trend at corporate level. IFAD has to build on its strength to identify and address drivers of government performance after careful analysis of institutional and policy frameworks at country level. The organization must become an enabling environment for country management by providing critical support for effective engagement with government, such as technical advice, predictable resources and incentives for durable relationships. Country managers have a pivotal role to play, nurturing ownership and trust, enhancing institutional performance and supporting learning from experience. For IFAD to better understand why and how government performs in certain situations it must close important gaps in M&E, like those highlighted by this synthesis.

IV. Lessons from the synthesis

37. **Myths on government performance.** The analysis helped to deconstruct some commonly held beliefs, such as:
- (a) **"Financing terms are an incentive for government to perform."** The synthesis did not find a correlation between financing terms and government performance. The case studies also did not see changes in government performance after financing terms changed.
 - (b) **"Governments in fragile situations perform worse."** The synthesis saw several cases where governments performed well despite fragile situations. A strong driver of performance was IFAD's presence and engagement throughout situations of crisis, as this builds government's trust and ownership. IFAD's flexibility and follow-up has also helped to overcome critical bottlenecks, for example, with regard to resources or targets.
 - (c) **"Autonomous PMUs perform better."** Autonomous PMUs often face long delays during start-up. They may also undermine government ownership. There are situations, however, where autonomous PMUs can help, such as in navigating political crises or in maintaining stability and institutional knowledge during times of frequent change. The quality of the staff recruited is critical to improved implementation.
 - (d) **"National PMUs/PCUs can improve government performance."** National PMU coordinating decentralized PMUs/PCUs are effective in situations where central government has the mandate and capacity to coordinate stakeholders at different levels. In decentralized contexts with weak capacities at central level, local PMUs are more effective for implementation. However, they still require engagement and oversight by central government partners for sustainability and scaling up.
 - (e) **"For IFAD, MoA is the best partner for effective delivery of services and scaling up."** MoA was often judged a relevant lead agency because of its role in the sector; but MoAs have performed below average in contexts characterized by fragility, political change and/or ongoing decentralization.
 - (f) **"Counterpart funding is a reflection of government ownership."** Counterpart funding is a common proxy for the presence or absence of ownership. However, while it may reflect ownership in some cases, its presence

or absence also depends on other factors such as availability of resources and procedural bottlenecks.

- (g) **“Country presence is required to enhance government ownership.”** Government ownership is systemic and requires leadership and the capacity to remain in place. IFAD can enhance government ownership of programmes through continuous engagement, provision of incentives, and close alignment with the existing institutional and policy framework.
- (h) **“Changes in policies or procedures at headquarters will result in improved government performance.”** Government performance is intrinsically linked to government systemic capacity and influenced by a number of contextual factors that are beyond IFAD’s control.

38. **Lessons learned.** The following lessons were validated through review of similar studies by other international financial institutions.

- (a) **Programmes working in decentralized contexts can be effective if IFAD provides adequate capacity, resources, and support at local level.** Weaknesses in decentralized institutions undermine government ownership, coordination and, ultimately, the sustainability of investments. They can be compensated to some extent through complementary support mechanism, such as service providers.
- (b) **Governments perform better if they have ownership of the programme.** Ownership is an incentive to perform. IFAD can contribute to government ownership, trust and commitment through long-term partnership and engagement – aspects where IFAD has proved itself a reliable partner.
- (c) **Programmes are more effective if they are led by a relevant ministry or agency.** Relevance of the lead agency has to be carefully assessed. Lead agencies can play their oversight and coordinating roles only if this is supported by their mandate, resources and capacities. Effective oversight will ensure alignment with policy and institutional frameworks and improvements in performance over time.
- (d) **Programme designs are feasible if they match government capacities and resources.** Overly complex programme designs will cause delays and frustration, ultimately undermining government ownership. IFAD’s country presence can ensure continuous review of institutional structures, functions, capacities, and the relevant policies and coordination processes.
- (e) **Weak systemic capacities can be addressed if incentives are provided from the top (leadership).** Incentives are required to attract and retain programme staff (PMUs). Incentives for management and staff performance will enhance the efficiency of programme implementation. This requires appropriate processes for recruiting programme staff.
- (f) **Institutional arrangements and processes are more efficient if they are aligned with relevant country policies and frameworks.** Alignment with government’s operational policies, for example on procurement or disbursement procedures, improves implementation efficiency.
- (g) **Government performance improves over time if continuous learning and adaptation are adequately supported.** Adaptive management and learning require effective oversight and feedback. They also need functioning knowledge and information systems, including M&E.
- (h) **Governments can play their role even in situations of political change and/or crisis if there is continuous engagement and flexibility to build trust and ownership.** Working in fragile situations requires good contextual

analysis and continued engagement with government on issues of strategy and planning, coordination, monitoring, evaluation and feedback.