

## Project Completion Report Validation

### Livestock Marketing and Resilience Programme Sudan

Date of validation by IOE: April 2023

## I. Basic project data

|   |   |   | Approval (US\$ m)                     |     | Actual (US\$ m) |     |
|---|---|---|---------------------------------------|-----|-----------------|-----|
| Region  | Near East and North Africa  | Total project costs                               | 119.19                                |     | 50.11           |     |
| Country   | Sudan   | IFAD grant and percentage of total                | 24.47                                 | 21% | 22.90           | 46% |
| Grant number                                    | 200000775   | ASAP grant  | 7.00                                  | 6%  | 6.40            | 13% |
| IFAD project ID                                 | 1100001732  | GEF grant   | 8.50                                  | 7%  | 7.51            | 15% |
| Type of project (subsector)                     | Rural development   | Borrower  | 9.54                                  | 8%  | 2.83            | 6%  |
| Financing type                                  | Grants  | Beneficiaries                                     | 9.04                                  | 8%  | 5.02            | 10% |
| Lending terms*                                  | Ordinary term loan  | Other sources:                                    |                                       |     |                 |     |
| Date of approval                                | 16/12/2014  | Bank of Sudan                                     | 3.00                                  | 3%  | 1.19            | 2%  |
| Date of loan signature                          | 16/02/2015  | Local banks                                       | 20.79                                 | 17% | 4.24            | 8%  |
| Date of effectiveness                           | 31/03/2015  | PPP partners                                      | 36.85                                 | 31% | 0               | 0%  |
| Grant amendments                                | 0   | Number of beneficiaries                           | 142,000 direct beneficiary households |     |                 |     |
| Grant closure extensions                        | 2   |   |                                       |     |                 |     |
| Country programme managers                      | Rasha Omar<br>Nadir Yousif<br>Hamdan<br>Hani Abdelkader<br>Elsadani | Loan closing date                                 | 30/09/2022                            |     |                 |     |
| Regional director(s)                            | Dina Saleh<br>Khalida Bouzar  | Mid-term review                                   |                                       |     | 11/02/2020      |     |
| Project completion report reviewer              | Maria Donnat  | IFAD grant disbursement at project completion (%) |                                       |     | 94%             |     |
| Project completion report quality control panel | Ernst Schaltegger<br>Fabrizio Felloni                               | Date of the project completion report             |                                       |     | 01/03/2023      |     |

Source: Project Completion Report (PCR) 2023.

\* There are four types of lending terms: (i) special loans on highly concessional terms, free of interest but bearing a service charge of three fourths of one per cent (0.75 per cent) per annum and having a maturity period of 40 years, including a grace period of 10 years; (ii) loans on hardened terms, bearing a service charge of three fourths of one per cent (0.75 per cent) per annum and having a maturity period of 20 years, including a grace period of 10 years; (iii) loans on intermediate terms, with a rate of interest per annum equivalent to 50 per cent of the variable reference interest rate and a maturity period of 20 years, including a grace period of 5 years; (iv) loans on ordinary terms, with a rate of interest per annum equivalent to one hundred per cent (100 per cent) of the variable reference interest rate, and a maturity period of 15-18 years, including a grace period of three years..

## II. Project outline

|   |   |
|---|---|
| <b>Country &amp; Project Name</b>               | Sudan<br>Livestock Marketing and Resilience Programme   |
| <b>Project duration</b>                         | Total project duration: eight years; Board approval: 16/12/2014; Loan/grant signing: 16/02/2015; Original completion date: 31/03/2022; Actual completion date: 31/10/2022; Original loan closure: 30/09/2022; Actual loan closure: (not provided); Extensions: Two; Effectiveness lag: three months.  |
| <b>Project goal, objectives, and components</b> | <p>The overall goal of the Program was to increase food security, incomes and climate resilience for poor households in pastoralist communities.</p> <p>The development objective was to increase earning opportunities and improve living conditions in livestock-based communities.</p> <p>Component 1 ("<i>Livestock business development</i>") aimed to improve value-addition and market access for small-scale pastoralists and agro-pastoralists, by addressing their constraints; through the promotion of pro-poor livestock business development; and by attracting ten substantial entities in selected livestock value chains.</p> <p>Component 2 ("<i>Community-led natural resource management [NRM] and enhanced adaptive capacities</i>") aimed to promote the sustainability of the livestock system and reducing the vulnerability of settled and nomadic pastoralists by supporting measures to install response systems and innovative solutions for climate risk mitigation; through the promotion of community-based natural resource management practices; and through the establishment of robust information and response systems to increase the resilience of natural resource users to environmental shocks.</p> <p>Component 3 ("<i>Rural enterprise and social development</i>") aimed at upscaling viable business plans with further technical support and access to affordable loans from microfinance institutions through the creation of Savings &amp; Credit Groups (SCGs); and at strengthening the rural finance delivery structure through the development and expansion of finance models.</p> |
| <b>Project area and target group</b>            | <p>The project was to operate in 1,000 villages from 16 localities in five States, to be selected on the basis of multiple criteria including livestock density, poverty levels, low level of previous assistance, high incidence of conflicts, vulnerability to climate change and proximity to secondary markets.</p> <p>The project was further expected to reach out to 100,000 poor households residing in selected pastoralist and agro-pastoralist communities. It was expected that at least 20,000 direct beneficiaries would be involved in improved backyard fattening of small ruminants and cattle; another 20,000 direct beneficiaries would benefit directly from general advisory service; and that another 35,000 households would be involved in other micro-, small- and medium-scale enterprises. Targeted individuals and households were expected to be characterized by a lack of physical assets, land and livestock, and underemployment in extensive livestock systems with low productivity. Households were expected to benefit from one or more activities.</p>  |
| <b>Project implementation</b>                   | Project implementation was managed by a dedicated Project Management Unit (PMU) and five State Implementation Units. The Federal Ministry of Animal Resources was the Lead Agency. In total, 14 supervision or implementation support missions were organized by IFAD.  |
| <b>Changes during implementation</b>            | The main changes that the Mid-term Review (MTR) recommended were that a new organizational framework be established and to reduce PMU staff. Project outreach target was increased to 142,000 households, and a few logframe indicators changed.  |
| <b>Financing</b>                                | At appraisal, the total approved budget was US\$119.19 million. The project was to be financed by an IFAD grant of US\$24.47 million), a GEF grant of US\$7.51 million, and a grant from the Adaptation for Smallholder Agriculture Programme (ASAP) of US\$6.40 million. The Government of Sudan counterpart financing was estimated at design at US\$9.54 million. Co-financing was also foreseen from beneficiaries for a total of US\$9.04 million, from the Bank of Sudan (US\$3.00 million), from local banks (US\$20.79 million) and from Public Private Partnerships (PPP) partners (US\$36.85 million). At completion and given that the expected contributions from banks and private partners did not materialize, the total available budget ended up being twice as small than anticipated at design.  |

Table 1

**Project costs (US\$ '000)**

| <i>Funding source</i>              | <i>Appraisal</i> | <i>% of appraisal costs</i> | <i>Actual</i> | <i>% of actual costs</i> | <i>% disbursed</i> |
|------------------------------------|------------------|-----------------------------|---------------|--------------------------|--------------------|
| IFAD grant and percentage of total | 24 471           | 21%                         | 22 902        | 46%                      | 46%                |
| ASAP grant                         | 7 000            | 6%                          | 6 404         | 13%                      | 13%                |
| GEF grant                          | 8 500            | 7%                          | 7 512         | 15%                      | 15%                |
| Borrower                           | 9 542            | 8%                          | 2 838         | 6%                       | 6%                 |
| Beneficiaries                      | 9 040            | 8%                          | 5 024         | 10%                      | 10%                |
| Other sources:                     |                  |                             |               |                          | 0%                 |
| Bank of Sudan                      | 3 000            | 3%                          | 1 192         | 2%                       | 2%                 |
| Local banks                        | 20 793           | 17%                         | 4 241         | 8%                       | 8%                 |
| PPP partners                       | 36 851           | 31%                         | 0             | 0%                       | 0%                 |
| <b>Total</b>                       | <b>119 197</b>   | <b>100%</b>                 | <b>50 112</b> | <b>100%</b>              | <b>42%</b>         |

Source: Project Completion Report (PCR) 2023.

Table 2

**Component costs (USD '000)**

| <i>Component</i>                           | <i>Appraisal</i> | <i>% of appraisal costs</i> | <i>Actual</i> | <i>% of actual costs</i> | <i>% disbursed</i> |
|--|------------------|-----------------------------|---------------|--------------------------|--------------------|
| A. Livestock business development          | 74 166           | 62%                         | 13 239        | 26%                      | 18%                |
| B. NRM and enhanced adaptive capacities    | 19 800           | 17%                         | 16 629        | 33%                      | 84%                |
| C. Rural enterprise and social development | 17 665           | 15%                         | 11 703        | 23%                      | 66%                |
| D. Programme management, M&E               | 7 566            | 6%                          | 8 541         | 17%                      | 113%               |
| <b>Total</b>                               | <b>119 197</b>   | <b>100%</b>                 | <b>50 112</b> | <b>100%</b>              | <b>42%</b>         |

Source: PCR 2023.

### III. Review of findings

#### A. Evaluation criteria

##### Relevance

1. The PCR highlights that the project design was fully consistent with government policies - however failing to pinpoint the exact policy documents concerned - and with the Interim Poverty Reduction Strategy Paper that calls for a particular focus on youth, women, and communities mostly at risk of environmental hazards. The PCR notes that the only policy document mentioned in the project design document is the *Country Programme Paper to end Drought Emergencies in the Horn of Africa* endorsed by the Inter-Governmental Authority on Development in October 2012 and which recognized that the livestock sector constitutes the livelihood gear for food production, credit, savings, and nutrition for vulnerable households.
2. The PCR further highlights that the project design was well aligned with IFAD policies or strategies on rural finance, private sector, targeting, climate change and environment. PCR mission's discussions with project beneficiaries confirmed that the proposed project activities were fully relevant to address their needs, in particular their needs for water for human and animal consumption, and for a more efficient management and use of the

over-exploited natural resource base. Moreover, targeted beneficiaries and communities were able to express their needs during the formulation of Climate Resilience Community Village Plans (CRCVP), which were the basis for the selection of the types of interventions that the project would support in each locality.

3. As designed, the activities aimed at the promotion of pro-poor livestock business and small rural enterprises development, as well as the envisioned priority NRM investments, were commensurate with project objectives and available resources. However, the PCR noted that the project design was too ambitious in terms of the role expected to be played by the private sector and the banks in a country that has been consistently ranked among the most fragile States since 2014.<sup>1</sup> Also, the design had underestimated the time required to recruit PMU staff, which should have been made a condition of entry into force of the IFAD loan as noted in the first supervision report, and it did not anticipate inflation or exchange rate fluctuation as a risk for the economic and financial analysis.
4. Based on the above, the PCR suggests a PCR rating of ***moderately satisfactory (4)*** for the relevance criterion, in line with the rating provided in the PCR.

### **Effectiveness**

5. Despite the initial delays and implementation challenges faced until the MTR, the PCR concluded that most project objectives, except for one, were met at completion.
6. Under Component 1, the objective of enhancing pastoralists' access to quality advisory and vaccination services and improved technologies was mostly met, with a reported outreach figure of 30,821 persons receiving advisory services (62 per cent of design target), of whom 21,578 are now engaged in calf, sheep, or goat fattening (256 per cent, 44 per cent and 316 per cent of targets, respectively). The final impact survey showed that 98 per cent of supported pastoralists will continue to use the technologies and practices promoted by the project. The important objective of establishing 10 PPPs for the sustainable development of selected livestock value chains was, however, not achieved due to project's inability to complete the procurement process launched for six PPPs during the extended project implementation period. This prevented the project from successfully engaging the private sector to support the development of selected livestock value chains and mobilizing private resources, thereby reducing the project's value for money.
7. Under Component 2, the objective of reducing the vulnerability of targeted pastoral communities was reasonably well achieved through the rehabilitation of 236 water structures benefiting 97,099 households (97 per cent of design target), the improvement of 84,910 hectares of rangelands and the demarcation of 992 km of livestock routes. The final impact survey showed that 24 per cent of beneficiary households have now adopted climate risk management practices and that the support to conflict resolution centres along the demarcated livestock routes has resulted in a drastic reduction of conflicts among resources' users (by 70 percentage points). The objective of establishing a robust information and response system was, however, not met, the only result being the completion of a feasibility study that could not be implemented for lack of time.
8. Under Component 3, data from the Operational Results Management System (ORMS) show that 86,572 persons were reportedly trained in income-generating activities or business management (118 per cent of design target), of whom 47,147 accessed credit<sup>2</sup> through the 3,808 SCGs established, all of these contributing to the objective of income diversification through income generating activities. The objective of strengthening the rural

<sup>1</sup> Source : States of Fragility, OECD, 2022.

<sup>2</sup> Conflicting data are being reported in paragraph 91 (74,030 accessing rural finance services) and Annex 1 (47,143 persons accessing financial services). Paragraph 204 mentions a results of 74,030 persons accessing financial services, but for a target of 240,000 persons (which is not correct given that the overall target is 100,000 persons), against the logframe target of 60,000 mentioned in Annex 1 (which seems more relevant). According to the PCR, the fact that the final impact survey has found that 35 per cent of sample households have accessed financial services means that the figure of 47,143 persons receiving services reported in ORMS seems more plausible, while the other figures may not include only unique beneficiaries (i.e., a beneficiary who is only counted once, in the total outreach figure reported, even though he/she may have received multiple support throughout the years).

finance delivery structure was partly met with the successful operationalization of a loss default guarantee mechanism through the piloting of two financial models which resulted in attracting banks' financing, thereby expanding the financing available to targeted beneficiaries, but the sustainability of which is not yet guaranteed.

9. **Innovation.** The two key project innovations were the first loss default guarantee piloted to reduce Micro Finance Institutions' (MFIs) resistance to lending to pastoralists in targeted areas, and the PPPs in favour of small pastoralists. For the former, the project was successful in leveraging banks' financing to a much larger extent than anticipated at design, but there is no indication that the model will be replicated or maintained in the future. The second innovation could never be tested as the planned PPPs were not established.
10. Despite some good results and given that the project has not achieved all of its objectives, including related to innovation, the PCR concurs with the PCR rating of ***moderately satisfactory (4)*** for the effectiveness criterion and with the ***moderately satisfactory (4)*** rating for the innovation criterion proposed in the PCR.

### **Efficiency**

11. At completion date, the overall disbursement rate, all financiers included, reached only 42 per cent, due to several reasons, including delays in obtaining Government counterpart funds until the MTR, freezing of funds for eight months due to a Ministerial Order to freeze all foreign-funded projects, high turnover of staff in the PMU and among Government executives, poor planning, and delayed procurement. A major contributor to the low budget utilization was, however, the fact that the expected contributions from banks and private partners, which accounted for 48 per cent of the Program Deputy Director budget, did not materialize. Externally, the context was marked by political instability, high inflation, the devaluation of the national currency and economic disruptions due to the COVID-19 pandemic. The high inflation and currency devaluation, coupled with high costs for vehicle maintenance and unclear salaries bylaws, which led to high salaries costs and per diem expenses, also resulted in higher-than-expected recurrent costs (see Table 2). Although program management costs absorbed a much larger proportion of actual expenditures (17 per cent vs. 6 per cent expected at design), this is largely due to the overall budget reduction.<sup>3</sup> A seven-month no-cost extension of completion date was granted in April 2022 to allow for the finalization of the procurement for six PPPs' contractors, but delays caused the procurement process to fail.
12. Notwithstanding these difficulties, the ex-post financial and economic analysis shows, at project completion, a positive economic internal rate of return (+21.2 per cent), slightly above the rate expected at the design stage (+20.4 per cent). The net present value estimated at completion (US\$17.8 million) is, however, much below the one estimated at design (US\$48.8 million), mainly due to project's failure to establish the important, planned PPPs. The PCR concludes that the project, as implemented, remains economically viable, albeit bringing about lower benefits than could have been achieved.
13. Notwithstanding some of the good project results recorded at completion and given the low rate of budget utilization despite inflated recurrent costs, the lower-than-expected net present value, and the fact that the extension of the implementation period has not allowed the completion of the important PPP activities, the PCR concurs with the ***moderately unsatisfactory (3)*** rating provided in the PCR.

### **Rural poverty impact**

14. As recognized by the PCR, there is limited data on project impact, the only source being the final impact assessment report.<sup>4</sup> The PCR concludes that the project has had a positive impact on **beneficiaries' income**, with a reported increase of 30 percentage points in gross household income from agricultural production and by 37 percentage points for non-

<sup>3</sup> In actual facts, there was a moderate 13 percentage point increase in programme management costs compared with design estimates.

<sup>4</sup> The impact survey report seems to have followed the methodology recommended by IFAD and included a control group, but the quality or the reliability of its findings are not discussed in the PCR.

agricultural activities. The impact survey further shows a 16 per cent increase in **household assets**, and a significant increase in the average number of goats owned by beneficiaries (50 per cent higher than the control group).

15. An improvement in **crop productivity** was measured for sorghum, sesame, and groundnut, possibly linked to the improved availability of water resulting from the rehabilitation of water points, a much-appreciated project activity. Although the project had a strong focus on livestock and rangeland management, no data is available to estimate improvement in livestock productivity.
16. A significant improvement in the **food security situation** of beneficiary households was also measured, with an increase in the availability of food supplies from five to eight months at baseline to 10-12 months, and in the number of meals consumed each day (from two to three on average). There is also some evidence of diversification in the food consumed by beneficiary households, with an increase in the consumption of vegetables and milk.
17. The PCR concludes that project **impact on human and social capital** was satisfactory given the scope and types of capacity building activities undertaken, however failing to provide concrete evidence other than the percentage of impact survey respondents reporting an improvement in their ability to influence the decisions taken by local authorities or their associations.
18. Due to the project's inability to implement the planned PPPs, the project did not lead, as expected at design stage, to an improvement in the **enabling legal and regulatory environment** for the expansion of livestock as a pro-poor enterprise or to policy reforms.
19. The limited impact data available nevertheless pointing to an improvement in beneficiary households' incomes, assets, and food security, compared with control group households, the PCR concurs with the PCR rating of **moderately satisfactory (4)** for the impact criteria.

### **Sustainability of benefits**

20. **Sustainability.** There seem to be positive prospects of sustainability for a number of project's results and benefits. Thus, the much-appreciated water resources points rehabilitated by the project are being managed by trained Water Management Committees, and the sales of water are sufficient to cover maintenance and operating costs. The livestock routes were demarcated with the participation of concerned communities and users, and their legalization is under process, which should help ensure that the established Community Based Natural Resources Management Committees will be able to protect and enforce users' rights. Even though not all established SCGs are yet formally registered, the prospects of sustainability appear good for a majority of them,<sup>5</sup> given the high degree of transparency in their management, the very low members' drop-out rate (2 per cent) and the high repayment rate (100 per cent) recorded so far, overall. The prospect that the MFIs will continue to service SCG members beyond project completion, however, depends on the ability and willingness of the two participating banks to continue the first loss default guarantee model piloted by the project. Finally, the PCR reports that chances are slim that the six PPPs envisaged to sustainably link producers to markets will ever be established.
21. **Scaling-up.** The PCR reports that a few initiatives or approaches successfully implemented by the project have already been adopted by others, including the adoption of the CRCVP process by the Gums<sup>6</sup> for Adaptation and Mitigation in Sudan, a project funded by the Green Climate Fund, and the integration of the co-management local team established for one of the livestock routes into the structure of the Al-Rahad Centre for Peace building and Conflict resolution. The PCR also concludes that a strong potential exists for the replication of the first loss default guarantee model piloted by the two

<sup>5</sup> Only 17 per cent of supported SCGs are considered "weak", 31 per cent are considered "average" and 52 per cent are considered "strong".

<sup>6</sup> Refers to Gum Arabic harvested from Acacia trees.

participating banks, for the mobile application that was also piloted to expand financial service delivery in rural areas, and for the Gum Arabic community-processing model piloted in three communities. The most innovative feature of the project design, the planned PPPs, could however not be scaled-up given that the partnerships could not be established.

22. **Natural resource management and climate change adaptation.** The PCR mission noted a strong community involvement and participation in NRM Committees, and vast superficies of rangeland and pastures (84,910 ha), as well as forests (42,445 h), were restored through ASAP and funding from the Global Environment Facility (GEF). The distribution of Liquid Petroleum Gas for cooking purposes was very popular among beneficiaries and the activity initially helped reduce pressure on local forests, until the rising costs of gas ultimately caused the established, dedicated revolving fund to cease functioning. All water points were equipped with solar energy pumps. Another key achievement was the development of a roadmap for each of the five targeted States, as well as a national roadmap, for the management and sustainable governance of natural resources.
23. The development of 527 CRCVPs helped prioritize community activities within an integrated NRM approach and considering climate risks. The subsequent rehabilitation of water points, introduction of a package of climate-smart agricultural practices and improved varieties have allowed the project to bring some 21,512 ha of cropland under climate-smart practices.
24. In view of the above, the PCRV concurs with the **satisfactory rating (5)** provided in the PCR for the criteria natural resources management and climate adaptation in a country where these issues are most pressing, and with the **moderately satisfactory (4)** rating provided for both the sustainability and scaling-up criteria.

### **Gender equality and women's empowerment**

25. The PCR presents confusing data in terms of outreach to women,<sup>7</sup> but it seems that women accounted for a large proportion of project beneficiaries, representing 82 per cent of the livestock producers trained and about 92 per cent of total people trained. The PCR mission noted a significant involvement of women in project activities and women reportedly account for 33 per cent of Village Development Committees' members. Among others, the distribution of Liquid Petroleum Gas as a substitute for fuelwood and the rehabilitation of water points helped reduce women's drudgery; according to the impact assessment survey, at least 63 per cent of women claimed a reduction of the time spent collecting wood or fetching water. There are also indications that the project helped increase women's incomes and brought about other benefits, including an enhanced voice of women in the community, but these outcomes have been insufficiently documented. Overall, the PCR reports that project implementation lacked a truly transformative approach and that the Gender Action Plan developed in 2021 was never implemented.
26. Given the above results, the PCRV concurs with the score of **moderately satisfactory (4)** provided to the gender equality criterion in the PCR.

### **Overall project performance summary**

27. The lack of reliable data on outputs, outcomes, impact, and outreach is an obstacle to getting a real sense of true project performance. On the positive side, the results presented in the PCR suggest that the project has successfully enhanced targeted pastoralists and rural producers' productive capacities through the adoption of climate-smart practices and technologies and enhanced access to investment capital. The project was also successful in promoting sustainable, community-based management of

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<sup>7</sup> Paragraph 124 mentions that the project " (...) reached to 493,046 female beneficiaries (59 per cent of total beneficiaries reached) (...)", which is not possible given that the overall outreach target was only 100,000 households. This error is also reported in the Logframe annexed to the PCR and in IFAD's ORMS system, and probably originates from a confusion between outreach indicator 1 (which refers to the individuals actually receiving services, e.g. attending training) and outreach indicator 1.b (which refers to the total number of persons in beneficiary households). This confusion was also made in all supervision reports and the MTR

rangeland and pastures, thus contributing to enhancing the resilience of livestock systems and of targeted communities. Further, the rural finance models tested have demonstrated their suitability to attract banks' financing and mitigate MFIs' reluctance to lend to rural or livestock producers. Evidence of positive project impact is found in the measured increases in incomes and improvement in food security.

28. On the other hand, however, the project failed to support the demand side of the selected livestock value chains, thereby failing to expand market and business opportunities for livestock producers, while there is no certainty that the finance models tested will be continued or expanded beyond project completion.

### **Performance of Partners**

29. **IFAD.** The PCR reports that IFAD has provided adequate support through supervision and implementation support, but the PCR notes that, although the quality of monitoring and evaluation (M&E) and reliability of M&E data have been a persisting issue, only the 2019 supervision mission included a dedicated M&E Expert. Moreover, the changes in outreach indicator targets recommended by that mission have introduced confusion and errors in subsequent ORMS reporting. The PCR is further of the view that the quality of the MTR report and of the MTR process were sub-standard. Nonetheless, the PCR reports that IFAD's flexibility, responsiveness, and pro-activity in responding to implementation challenges were instrumental to the acceleration and improvement of project implementation performance after the MTR.
30. In view of the above, the PCR concurs with the ***moderately satisfactory (4)*** score provided in the PCR for this criterion.
31. **Government.** As reported by the PCR mission, Government counterparts have consistently joined IFAD supervision missions and followed their recommendations, the project Steering Committee appears to have played its role and competent staff were assigned at State level. However, delays in the release of counterpart financing, the eight-month freeze of funds ordered for all foreign-funded projects, delayed procurement processes, coupled with the high turnover of staff among Government executives, have caused delays and disruptions in implementation.
32. Given the above, this criterion is rated ***moderately satisfactory (4)***, in line with the score provided in the PCR.

## **B. Assessment of PCR quality**

### **Scope**

33. The report is comprehensive and covers all required issues and sections, including mandatory annexes, in line with standard IFAD PCR Guidelines. However, the Logframe presented in Annex 1 does not include all required data and few indicators, including output indicators, are actually informed. Further, the chapter on conclusions is too short (one paragraph) and does not provide a final overview of project implementation performance and results, and a similar comment applies to the Executive Summary. A table of contents would make the document more user-friendly.
34. The PCR rates the scope of the PCR as ***moderately satisfactory (4)***.

### **Quality**

35. The PCR process appears to have been inclusive, as shown by the categories of stakeholders met by the PCR mission. While most sections of the report, in particular the analysis of effectiveness and impact, present clear conclusions based on available evidence (e.g., presenting impact survey data cross-validated by mission's observations or interviews in the field), others lack clear opinions or in-depth explanations on specific issues (in particular the sections on quality of project management, M&E and procurement). The biggest issue concerns the quality and reliability of the output and outreach data used in the report: the PCR has not reviewed the validity of ORMS figures, despite some obvious errors or confusion in reporting on the total number of persons in



beneficiary households instead of the number of actual producers supported,<sup>8</sup> which results in an inflation of the reported number of producers supported in ORMS. Similarly, and although all impact data are derived from a single source (the project final impact survey report), the quality of the latter is not discussed in the PCR. Moreover, some impact data presented are not clear and would have deserved more explanations, while control group data is not systematically presented.<sup>9</sup>

36. Given some of the above weaknesses, the PCR rates the quality of the PCR as ***moderately unsatisfactory (3)***.

### **Lessons**

37. The lessons learned presented are comprehensive and clearly formulated, and they are properly linked with the problems or opportunities discussed elsewhere in the report. Several lessons learned from project implementation appear relevant and useful to improve the design of future, similar interventions.
38. For lessons criterion, the PCR rating is ***satisfactory (5)***.

### **Candour**

39. Overall, the assessment of project performance and results appears well balanced, and the report presents both positive and negative aspects of implementation. Missing is however a critical assessment of the quality of available output and impact data, and of the reliability of the outreach data presented. The ratings provided to the various evaluation criteria are largely in line with the narratives provided.
40. The PCR rates the candour criteria for the PCR as ***moderately satisfactory (4)***.

## **IV. Final remarks**

### **Issues for IOE follow up (if any)**

The analysis of the problems related to the quantification of project beneficiary households in IFAD systems (ORMS) and supervision reports, in terms of the number of unique<sup>10</sup> producers reached/supported, highlights the need for IOE to review outreach estimation in PDRs and outreach monitoring and reporting in IFAD systems and documents (ORMS, supervision reports and PCR). The PCR reviewer has observed very similar issues in numerous PDRs in other countries, and this problem appears to have worsened in recent years. This, in turn, raises issues in terms of the credibility of IFAD's design quality assurance process (that does not capture the problems and inconsistencies in new PDRs and Logframes) and the quality of IFAD's supervision missions (that do not identify or fix the issues).

<sup>8</sup> As mentioned in footnote 4, a confusion was systematically made between ORMS outreach indicator 1 (which refers to the individuals actually receiving services, e.g., attending training) and outreach indicator 1.b (which refers to the total number of persons in beneficiary households), resulting in an inflated reported number of beneficiaries (836,840 individuals), when the project target was only 100,000 producers.

<sup>9</sup> For example, paragraph 56 mentions that only 36.4 per cent of survey households accessed services and technical support for livestock production, which is strange given that the table in page 10 mentions that 60.821 persons received training or advisory services, representing 62 per cent of the overall outreach target.

<sup>10</sup> Refers to a producer only being reported once, as it should be, in the total outreach figure, although he/she may have received multiple types of project support over several years. Unless a proper M&E system is in place, total outreach figure may be inflated by counting one person receiving three types of project support, or supported for three years, as three different persons supported.

## Definition and rating of the evaluation criteria used by IOE

| Criteria   | Definition  | Mandatory   | To be rated   |
|--|---|-------------|---------------|
| Relevance  | The extent to which: (i) the objectives of the intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies; (ii) the design of the interventions, the targeting strategies adopted are consistent with the objectives; and (iii) the intervention has been (re-) adapted to address changes in the context.  | X           | Yes           |
| Effectiveness  | The extent to which the intervention/country strategy achieved, or is expected to achieve, its objectives and its results at the time of the evaluation, including any differential results across groups. A specific sub-domain of effectiveness relates to:   | X           | Yes           |
| • Innovation   | Innovation, the extent to which interventions brought a solution (practice, approach/method, process, product, or rule) that is novel, with respect to the specific context, time frame and stakeholders (intended users of the solution), with the purpose of improving performance and/or addressing challenge(s) in relation to rural poverty reduction. <sup>11</sup>   | X           | Yes           |
| Efficiency   | The extent to which the intervention or strategy delivers, or is likely to deliver, results in an economic and timely way<br><br>"Economic" is the conversion of inputs (e.g., funds, expertise, natural resources, time) into outputs, outcomes and impacts, in the most cost-effective way possible, as compared to feasible alternatives in the context. "Timely" delivery is within the intended timeframe, or a timeframe reasonably adjusted to the demands of the evolving context. This may include assessing operational efficiency (how well the intervention was managed).   | X           | Yes           |
| Impact   | The extent to which an intervention/country strategy has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects.<br><br>The criterion includes the following domains:<br>-changes in incomes, assets and productive capacities<br>-changes in social / human capital<br>-changes in household food security and nutrition<br>-changes in institution and policies<br><br>The analysis of impact will seek to determine whether changes have been transformational, generating changes that can lead societies onto fundamentally different development pathways (e.g., due to the size or distributional effects of changes to poor and marginalized groups) | X<br><br>NO | Yes<br><br>NO |
| Sustainability   | The extent to which the net benefits of the intervention or strategy continue and are scaled-up (or are likely to continue and be scaled-up) by government authorities, donor organizations, the private sector and others agencies.  | X           | Yes           |
| • Environment and natural resources management and climate change adaptation | Note: This entails an examination of the financial, economic, social, environmental, and institutional capacities of the systems needed to sustain net benefits over time. It involves analyses of resilience, risks and potential trade-offs.  | X           | Yes           |
| • Scaling-up   | <u>Specific domain of sustainability:</u><br><u>Environment and natural resources management and climate change adaptation.</u> The extent to which the development   | X           | Yes           |

<sup>11</sup> Conditions that qualify an innovation: newness to the context, to the intended users and the intended purpose of improving performance. Furthermore, the 2020 Corporate-level Evaluation on IFAD's support to Innovation defined transformational innovations as "those that are able to lift poor farmers above a threshold, where they cannot easily fall back after a shock". Those innovations tackle simultaneously multiple challenges faced by smallholder farmers. In IFAD operation contexts, this happens by packaging / bundling together several small innovations. They are most of the time holistic solutions or approaches applied or implemented by IFAD supported operations.

| Criteria                                | Definition  | Mandatory | To be rated |
|---|---|-----------|-------------|
|   | <p>interventions/strategy contribute to enhancing the environmental sustainability and resilience to climate change in small-scale agriculture.</p> <p><u>Scaling-up*</u> takes place when: (i) bi- and multi laterals partners, private sector, communities) adopt and diffuse the solution tested by IFAD; (ii) other stakeholders invested resources to bring the solution at scale; and (iii) the government applies a policy framework to generalize the solution tested by IFAD (from practice to policy).</p> <p>*Note that scaling up does not only relate to innovations</p>   |           |             |
| Gender equality and women's empowerment | <p>The extent to which IFAD interventions have contributed to better gender equality and women's empowerment. For example, in terms of women's access to and ownership of assets, resources and services; participation in decision making; workload balance and impact on women's incomes, nutrition and livelihoods; and in promoting sustainable, inclusive and far-reaching changes in social norms, attitudes, behaviours and beliefs underpinning gender inequality.</p> <p>Evaluations will assess to what extent interventions and strategies have been gender transformational, relative to the context, by: (i) addressing root causes of gender inequality and discrimination; (ii) acting upon gender roles, norms and power relations; (iii) promoting broader processes of social change (beyond the immediate intervention).</p> | X         | Yes         |
| Performance of Partners                 | <p>The extent to which IFAD and the Government (including central and local authorities and executing agencies) supported design, implementation and the achievement of results, conducive policy</p>   |           |             |
| • IFAD                                  | environment, and impact and the sustainability of the intervention/country programme  | X         | Yes         |
| • Government                            | The adequacy of the Borrower's assumption of ownership and responsibility during all project phases, including government and implementing agency, in ensuring quality preparation and implementation, compliance with covenants and agreements, supporting a conducive policy environment and establishing the basis for sustainability, and fostering participation by the project's stakeholders.  | X         | Yes         |

## Table of the ratings

| Criterion  | PCR rating | PCRV Rating | Disconnect<br>(=PCRV rating - PCR rating) |
|--|------------|-------------|---|
| Relevance  | 4          | 4           | 0   |
| Effectiveness                                    | 4          | 4           | 0   |
| • <i>Innovation</i>                              | 4          | 4           | 0   |
| Efficiency                                       | 3          | 3           | 0   |
| Impact <sup>12</sup>                             | 4          | 4           | 0   |
| Gender   | 4          | 4           | 0   |
| Sustainability of benefits                       | 4          | 4           | 0   |
| • <i>NRM and CCA</i> <sup>13</sup>               | 5          | 5           | 0   |
| • <i>Scaling up</i>                              | 4          | 4           | 0   |
| <b>Overall Project achievement <sup>14</sup></b> | <b>4</b>   | <b>4</b>    | <b>0</b>                                  |
| <b>Partner performance</b>                       | <b>4</b>   | <b>4</b>    | <b>0</b>                                  |
| IFAD   | 4          | 4           | 0   |
| Government                                       | 4          | 4           | 0   |
| <b>Average rating disconnect</b>                 |            |             | <b>0</b>                                  |

Table 3

### Ratings of the project completion report quality

| Quality Criterion                                      | IOE PCRV rating |
|--|-----------------|
| Scope  | 4               |
| Quality  | 3               |
| Lessons  | 5               |
| Candour  | 4               |
| <b>Overall rating of the project completion report</b> | <b>4</b>        |

<sup>12</sup> Note that, in the future, Management may opt to not rate impact.

<sup>13</sup> Management may keep ratings for NRM and climate change adaptation separate. IOE will provide a single rating.

<sup>14</sup> This is a simple arithmetic average of the above ratings (relevance, effectiveness, efficiency, innovation, impact, sustainability, scaling up, NRM and climate change adaptation, gender equality).

## **Abbreviations and Acronyms**

|       |  |
|-------|--|
| ASAP  | Adaptation for Smallholder Agriculture Programme |
| CRCVP | Climate Resilience Community Village Plans       |
| GEF   | Global Environment Facility                      |
| IOE   | Independent Office of Evaluation of IFAD         |
| M&E   | Monitoring and Evaluation                        |
| MFI   | Micro Finance Institution                        |
| MTR   | Mid-term review                                  |
| NRM   | Natural Resource Management                      |
| ORMS  | Operational Results Management System            |
| PCR   | Project completion report                        |
| PCRV  | Project Completion Report Validation             |
| PPP   | Public Private Partnerships                      |
| PMU   | Project management unit                          |
| SCG   | Savings and Credit Group                         |

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