



Enabling poor rural people
to overcome poverty

Independent Office of Evaluation

Rural differentiation and smallholder development

EVALUATION SYNTHESIS



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Abbreviations and acronyms

| | |
|----------|--|
| APPR | Annual Portfolio Performance Review |
| ARRI | Annual Report on Results and Impact of IFAD Operations |
| CDD | community-driven development |
| COSOP | country strategic opportunities programme/paper |
| CPM | country programme manager |
| DFID | Department for International Development (United Kingdom) |
| FAO | Food and Agriculture Organization of the United Nations |
| IOE | Independent Office of Evaluation of IFAD |
| LAC | Latin America and the Caribbean Division (IFAD) |
| M&E | monitoring and evaluation |
| MDG | Millennium Development Goal |
| MTR | midterm review |
| OECD/DAC | Development Assistance Committee of the Organisation for Economic Co-operation and Development |
| PCR | project completion report |
| PMD | Programme Management Department (IFAD) |
| PRA | participatory rural appraisal |
| PTA | Policy and Technical Advisory Division (IFAD) |
| QA | quality assurance |
| QE | quality enhancement |
| RIMISP | Latin America Center for Rural Development |
| RIMS | Results and Impact Management System |
| SEPS | socio-economic and production survey |
| SLA | sustainable livelihoods approach |
| SOAS | School of Oriental and African Studies (University of London) |
| TRC | Technical Review Committee (IFAD) |
| WCA | West and Central Africa Division (IFAD) |

Rural differentiation and smallholder development

Evaluation synthesis

I. Introduction

1. In 2009, the external peer review of the effectiveness and usefulness of the Independent Office of Evaluation of IFAD (IOE) recommended, inter alia, that IFAD further strengthen the use of evaluation findings, learning and the feedback loop. Among other things, this involves IOE contributing more actively to IFAD's work on knowledge management by producing evaluation syntheses and by adding to the forums for disseminating evaluation findings. In this context, the synthesis report brings together relevant evaluation experience and lessons learned, as well as external knowledge on specific themes. Synthesis reports employ limited resources compared with fully-fledged project, country or corporate-level evaluations.
2. IOE's decision to prepare a synthesis report on Rural Differentiation and Smallholder Development was initially triggered by a debate that took place within IFAD and its Executive Board on *targeting*, in the context of the development of the *IFAD Strategic Framework 2011-2015* (IFAD 2011a). On approval of the Strategic Framework, IOE then decided to use this synthesis paper as the instrument for an internal discussion on what are considered among the most strategic issues for IFAD – whom to work for, and how.
3. The 'whom to work for' is largely understood in IFAD as the founding mandate of the agency: to focus on poor rural people. Nevertheless, categorizing the rural population, and specifically poor people, and identifying their differing potential 'pathways out of poverty' remain major development challenges.
4. The 'how' question is possibly an even greater challenge. Theory offers only limited guidance: there is no single accepted theory of how agricultural and rural development takes place for the greatest benefit of poor rural people. That is largely a function of the complexity and diversity of rural areas, their physical environment, economies and societies. The interconnectedness of rural livelihoods in turn requires IFAD to look not only at direct targeting of poor rural people and their specific segments, but also at how best to maximize the pro-poor multiplier effects of actions and policies that may not always directly target poor people (value-chain projects are a good example of such a challenge).
5. This synthesis report is based on two main sources of information: (a) a review of current external literature; and (b) IFAD sources (a review of IOE evaluations, Programme Management Department (PMD) documentation on targeting, and IFAD policy and strategy documents. Section II draws examples from the development literature of analyses of differences among rural populations, and potential pathways for the development of various rural groups. It then relates these to a consideration of the policies that might facilitate the progress of groups along these paths. Section III focuses on IFAD's experience in targeting.¹ The final section summarizes the key issues and IFAD's options for strengthening its impact on poverty and hunger through approaches that address rural diversity and maximize the pro-poor benefits of rural and smallholder agricultural development. The annex contains a more in-depth analysis of the potential of different types of rural and agricultural development policies to benefit diverse categories of rural people, and IFAD's potential role in relation to those policies.
6. The report does not deal with the trade-offs between achieving impact among poorer people – whether directly or indirectly – and efficiency (at least in the short and even medium term). Nor does it deal with the risks of 'dilution' of IFAD's focus on poor rural people: (a) when field-tested approaches are scaled up; or (b) when

¹ A brief history of IFAD's evolving approach is also presented in annex 1.

IFAD cofinances with other international financial institutions. The paper assumes as a given, established throughout IFAD's existence and restated in the Strategic Framework, that IFAD's "unique mandate is improving food security and nutrition, and enabling poor rural women and men to overcome poverty". It is for IFAD to make a clear decision on these trade-offs; to negotiate with its Member States what 'efficiency' means for an institution with a mandate to work with poorer and more-marginalized people; and what should be non-negotiable, as regards IFAD's focus on poor rural people, when cofinancing and scaling up.

7. Neither does the paper deal with geography. The question of what to do in areas that are marginal owing to poor physical access or low potential natural resources, or both, is not addressed. Given the continued importance of geographical targeting in IFAD's experience, this topic would require a separate discussion.
8. Finally, a clarification of 'rural differentiation' and 'targeting', which in this paper are used almost as synonyms. 'Rural differentiation' is used more in section II to refer to the higher, policy-level process of categorizing rural people and implementing diversified rural and agricultural development actions. 'Targeting' relates more to IFAD's own experience and refers to more-localized efforts to analyse the diverse situations of rural people, and to reach and benefit specific categories. IFAD's current definition of targeting is broader than the conventional meaning of the term (eligibility-criteria-based). Nevertheless, when the Policy Reference Group developing IFAD's targeting policy discussed terminology, it was decided to retain the term IFAD has used since its early years to indicate that it makes a focused effort to reach poor rural people and their specific subgroups.

II. Rural differentiation: A literature review

9. Drawing from current development literature, this section examines ways in which socio-economic differences have been seen in rural areas by various agencies, the possibilities for growth and development of diverse groups of rural households and the likely trajectories for these groups through time.

A. Differentiating rural areas and people

10. There are many ways in which rural populations and areas can be differentiated. Table 1 shows ways in which IFAD and other development agencies have made these distinctions in strategy documents in the last 10 or so years.

Table 1
Differences seen in selected development agency strategy documents

| | |
|--|---|
| IFAD 2007 | <p><i>The IFAD Strategic Framework 2007-2010 sets out those groups to whom IFAD will direct its efforts and resources. Social differences are implicit in the groups targeted: those living on less than a dollar a day; those vulnerable to external shocks; women; households headed by orphans and children; ethnic minorities and indigenous peoples.</i></p> <p><i>Those targeted expected to vary by country and geographical regions within countries.</i></p> <p><i>Gender roles are another highlighted distinction.</i></p> |
| IFAD 2010 | <p>Concept note for the <i>IFAD Strategic Framework 2011-2015</i> makes the following distinctions:</p> <p>By country: low-income, fragile state, middle-income country</p> <p>Targets by social differences:</p> <ul style="list-style-type: none"> • Those with capacity to take advantage of economic opportunity • Women, youth • Very poorest, indigenous, landless |
| Department for International Development (DFID) 2005 | <p>Little on differentiation by geography or population.</p> <p>Instead, distinguishes by sequences. In early stages of development, the focus should be on labour-intensive farming, with strong state action to provide infrastructure and services to resolve market failures. Agriculture may play a role in lagging regions of fast-growing countries.</p> |
| European Community 2002 | <p>“Strategies to combat rural poverty ... should also reflect the diversity of rural areas, and socio-economic differences in the population. At the global scale there are major differences in the problems faced by rural areas in different regions</p> <p>“At the national level there are large variations between rural areas reflecting differences in access to markets, the agricultural potential of the land, and the way of life and traditions of the local population. It is also important to take account of differences between socio-economic groups within a given community, and to provide adequate assistance to the most vulnerable groups, which include the landless, pastoralists, ethnic minorities, indigenous groups, female-headed and AIDS-affected households, the elderly, refugees and internally displaced people.</p> <p>“The problems faced by women deserve special attention in rural poverty reduction strategies. Women are particularly disadvantaged in rural communities because they tend to suffer worse nutrition, higher workloads, lower access to health and education, exclusion from social and economic opportunities and marginalisation in decision making and key rural institutions.”</p> |
| Development Assistance Committee/ Organisation for Economic Co-operation and Development (OECD/DAC) 2006 | <p>Mention of geographical diversity, but mainly concerned with economic and social differences across households as encapsulated in the five rural worlds:</p> <p>Rural World 1 – large-scale commercial agricultural households and enterprises;</p> <p>Rural World 2 – traditional agricultural households and enterprises, not internationally competitive;</p> <p>Rural World 3 – subsistence agricultural households and microenterprises;</p> <p>Rural World 4 – landless rural households and microenterprises;</p> <p>Rural World 5 – chronically poor rural households, many may no longer be economically active’.</p> <p>These distinctions are carried through strongly in all subsequent considerations of agricultural development policy.</p> |
| Oxfam, A. Fraser & R. Gomes 2009 M. Smale & E. Alpert 2009 | <p>In <i>Harnessing Agriculture for Development</i> (2009), Fraser and Gomes acknowledge that:</p> <p>“... context matters. And the contexts on which this paper is based – those in which Oxfam supports campaigning on rural livelihoods – are incredibly diverse, encompassing agricultural labourers in the United States to maize farmers in Central America to fisher-folk in East Asia”</p> <p>Sees the world increasingly split between commercial producers and the marginalized:</p> <p>“For the poorest farmers and labourers to prosper, a different set of policies and practices often needs to prevail”</p> <p>Also uses the five rural worlds [see above, OECD/DAC] to distinguish diverse social groups.</p> <p>In <i>Making Investments in Small Farmers Pay</i>, Smale and Alpert look at policy for marginal lands. They identify three groups of small and poor farmers: those with some potential, those neglected by humans, and those neglected by nature.</p> |
| World Bank 2007, 2009 | <p>Intends to differentiate “the mix of support across the ‘Three Worlds of Agriculture’ (agriculture-based, transforming and urbanized countries,^a as described in <i>World Development Report 2008</i>)” – a country and location distinction.</p> |

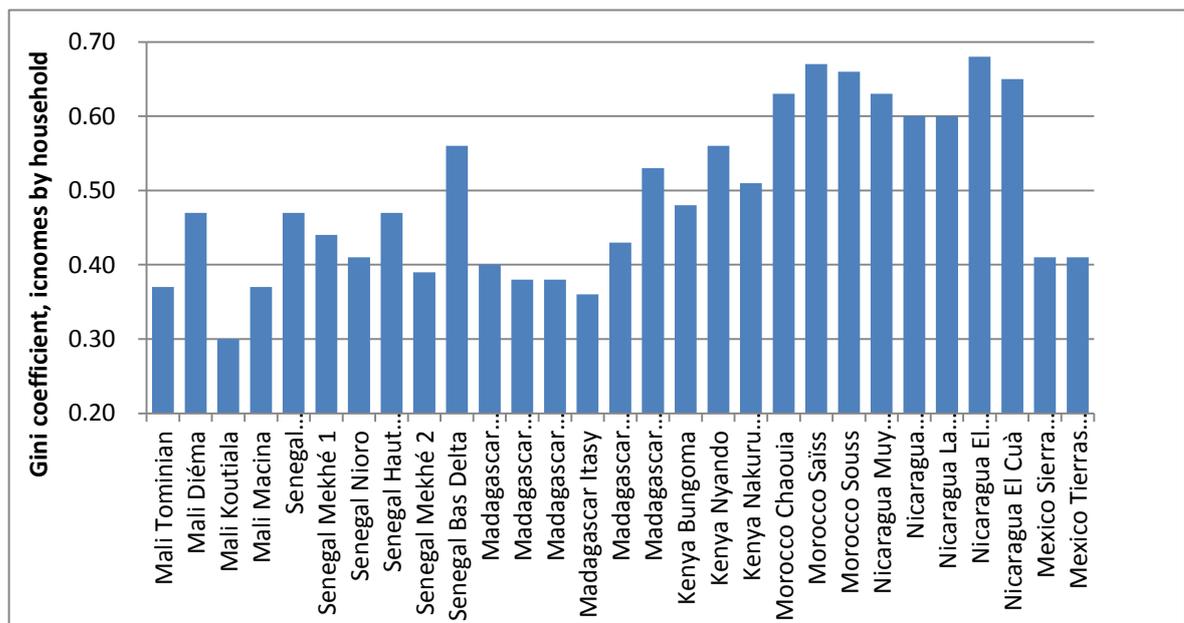
Sources: IFAD (2007a); DFID (2005); European Community (2002); OECD/DAC (2006); Fraser and Gomes (2009); Smale and Alpert (2009); World Bank (2007, 2009).

^a World Bank terms

11. How much economic and social differentiation exists in rural areas between households? While for some of the distinctions outlined above there are few if any ready indicators, estimates of income (where available) provide a statistic that can

be compared across cases. In surveys, rural incomes are frequently found to be unequally distributed, although the extent of this inequality varies. Under the World Bank's rural structure study (Losch 2009), for example, surveys of 28 regions in seven countries carried out in late 2007 and early 2008 showed Gini coefficients – a measure of inequality on a scale from zero as perfect equality to one as extreme inequality – to be in excess of 0.60 for households in Morocco and Nicaragua, above 0.40 for households in Mexico and Senegal, and only in Mali and Madagascar were there regions with coefficients below 0.35 (figure 1). Only 8 of 28 regions showed Gini coefficients of household incomes of less than 0.40. Similar high levels of income inequality were found at the village level in central Mexico as well (Wiggins et al. 1999). Economic differences thus tend to be quite marked among households in rural areas of developing countries.

Figure 1
Income inequality among households, selected regions, 2007-2008



Source: Losch 2009, table 6.

Classifying differences among rural households

- Given all the ways that rural households might be differentiated, it is not surprising to see schemes being devised that try to capture the main variations, so that differences can be sufficiently aggregated to allow policy options to be identified for diverse groups, without the categories becoming so many as to be impracticable. The schemes of the World Bank, the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD/DAC), the School of Oriental and African Studies (SOAS) of the University of London, and the Latin America Center for Rural Development (RIMISP) are summarized here.

World Bank

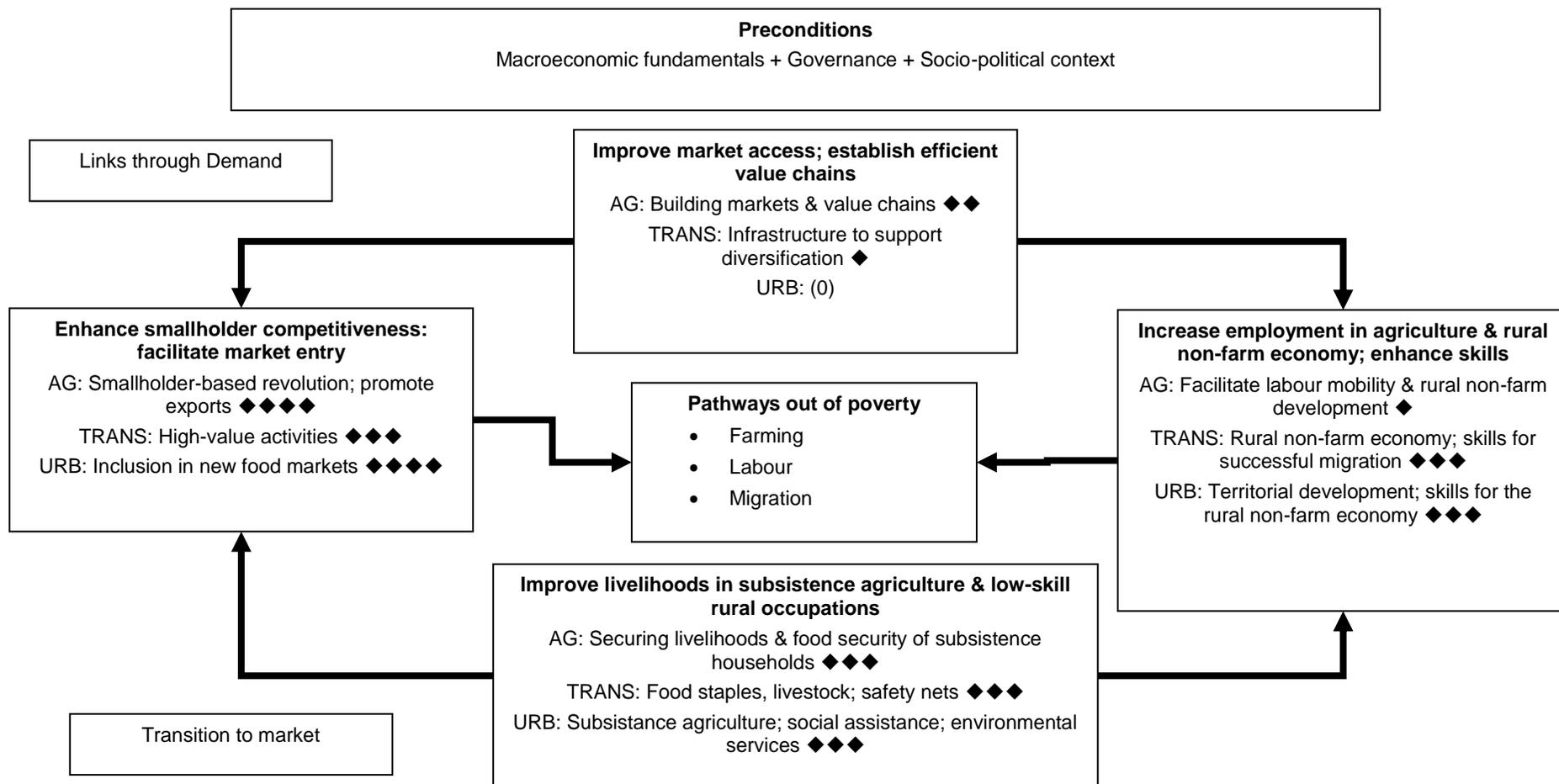
- The *World Development Report 2008* (World Bank 2007) presents the scheme developed by the Food and Agriculture Organization of the United Nations (FAO) for differentiating households based on three prime sources of income:

- Agriculture, divided into income from market sales and implicit income from subsistence production;
- Wage labour; and
- Migration.

14. These three income sources become three options – ‘pathways out of poverty’ – by which farm households might develop. To stimulate these options, four sets of policies and programmes are envisaged:
 - Improve market access, establish efficient value chains;
 - Enhance smallholder competitiveness, facilitate market entry;
 - Increase employment in agriculture and the rural non-farm economy, enhance skills; and
 - Improve livelihoods in subsistence agriculture and low-skilled rural occupations.

15. The specific nature of these, and their importance, is then differentiated across a three-way country classification of ‘agriculture-based’, ‘transforming’ or ‘urbanized’. Figure 2 reworks the three charts presented in World Bank (2007) into a single diagramme.

Figure 2
World Bank policy diamond for agricultural development



Source: Aggregated from Figures 10.1 to 10.3 in World Bank (2007).

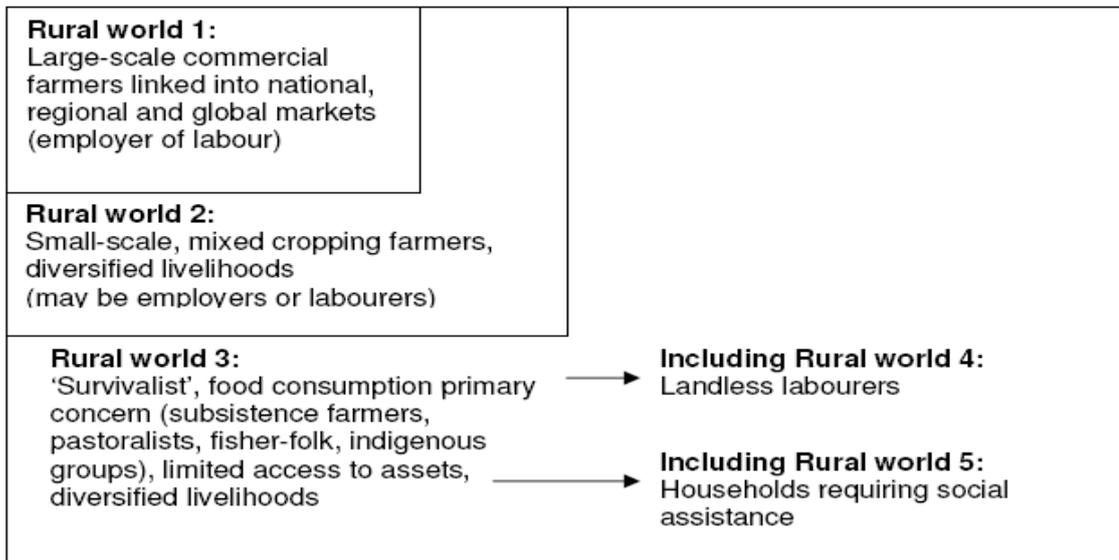
Note: Diamonds indicate the weight assigned to this policy area in different country circumstances: AG = agriculture-based; TRANS = transforming; URB = urbanized.

OECD/DAC

16. The 'rural worlds' framework adopted by OECD/DAC classifies households by their development possibilities (figure 3). The first two rural worlds consist of large-scale farmers and smallholders that produce commercially, most of whom are not poor. There are then three rural worlds where households have limited access to land or other natural resources, and are for the most part living in poverty. The scheme thus emphasizes the extent of poverty and its differing dimensions. Rural world 5 represents those households in chronic poverty and with little hope of working their way out of it, as they have very few assets. Above all, they have little or no labour resource, as the adults of the household are elderly, disabled, chronically sick¹ or suffer from addiction to alcohol or other drugs.

Figure 3

The five rural worlds



Source: Adapted from OECD/DAC (2006).

Editorial changes: delete colons; hyphenate 'mixed cropping'; 'Rural' lowercase after 'Including'.

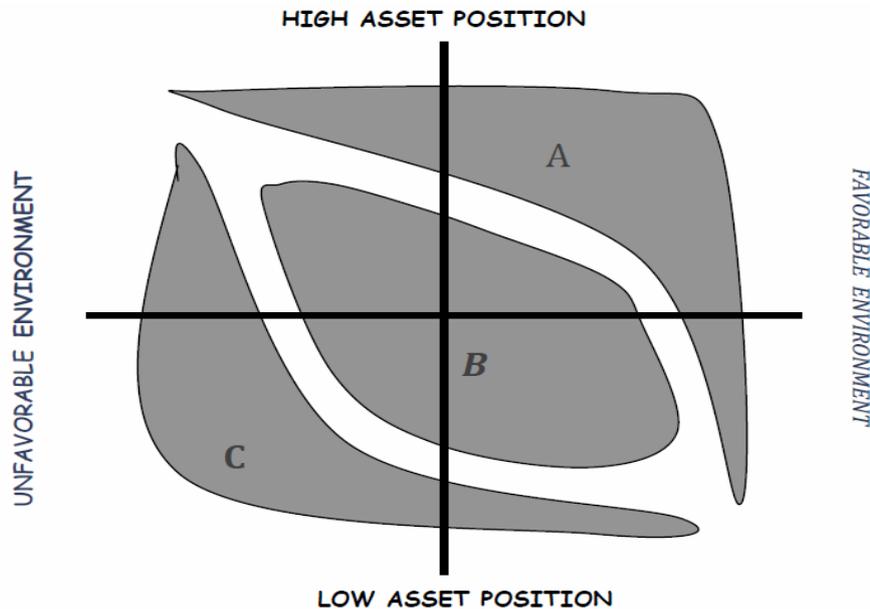
17. A simpler scheme is that proposed in Dorward (2009), where three options are envisaged for different rural households, based primarily on their access to land and labour. This can be seen as a way of setting out the options for the diverse households in the five rural worlds:
- **Stepping up.** For those households with land and labour: intensify farming through improving transport, facilitating access to inputs and credit, investing in technology and through farmer organization;
 - **Stepping out.** For households with labour, but not necessarily land: move into the non-farm economy through more education and skills, better health care, and providing potential migrants with information on opportunities, conferring transferable rights on them as citizens and facilitating remittances; and
 - **Hanging in.** For chronically-poor households that lack labour: provide social protection for those that have few assets and options, invest in technology for staple foods to allow them to make the best use of their small plots, and ensure that the next generation gets a better start than their parents through primary health care, infant nutrition, and schooling.

¹ This is not to suggest that all elderly, disabled and chronically sick cannot work. Some can. But some cannot. Nor is this to suggest that their condition cannot be improved: clearly some chronically sick will return to health, especially if they get treatment, while some disabilities can be considerably mitigated by prosthetics and specially designed equipment and facilities. Sadly, in rural areas of the developing world, some of the chronically sick and disabled will not get the assistance they need.

RIMISP

18. Berdegúe and Fuentealba (2011) identify three groups of family farmers in Latin America – other than large-scale commercial enterprises. They are defined by two chart axes: household assets and the environment of the household – the latter a combination of market access and physical farming conditions. Using these axes, RIMISP identifies three groups of farmers, as seen in figure 4:

Figure 4
RIMISP types of family farms



Source: Berdegúe and Escobar (2002), reprinted in Berdegúe and Fuentealba (2011, 9, fig. 1).

Note: A = consolidated household farms; B = transitional household farms; C = subsistence household farms.

19. Class A farmers – consolidated households – have the assets, access to markets and natural resources to produce more, commercialize and escape poverty in the short term. Class C farmers – subsistence households – in contrast, are in dire straits: they have neither the assets, nor access to markets, nor natural resources to farm their way out of poverty: most of their income comes from off-farm wage labour, migration and transfers. That said, for this group, farm production might be critical to survival, especially when opportunities off the farm are scarce.
20. In between are the Class B farmers – households in transition – a group that RIMISP believes may escape attention because the cases of the other two groups are so much more obvious. These farms have some assets and their environments are not that unfavourable. Hence, while they may find it difficult to make progress unaided, owing to difficulties in accessing markets, or lack of assets, given some public support they can progress. Indeed, they “represent the best opportunity in LAC [the Latin America and the Caribbean Division] for strategies and public policies aimed at revitalizing rural societies and for promoting socially inclusive economic growth.” (Berdegúe and Fuentealba 2011).

Comparing household schemes

21. The household classifications that these schemes use – omitting the World Bank schemes, which do not draw sharp distinctions by household – are not that different: indeed, to a considerable degree they align, as seen in table 2.

Table 2
Schemes for classifying rural households

| <i>Five rural worlds</i> | <i>SOAS three options</i> | <i>Three groups in LAC</i> | <i>No. of rural households in Latin America and the Caribbean</i> |
|---|--|---|--|
| Rural world 1: large-scale commercial agricultural households and enterprises | (Not included) | (Large-scale commercial farmers – not included in scheme) | In 15 LAC countries, about 500,000 corporate farms, controlling about 55% of farmland (Chiriboga 1999) |
| Rural world 2: traditional agricultural households and enterprises, not internationally competitive | Stepping up | Class A – but many may be internationally competitive | 1.68 million in 12 countries, ^a 12% of 14 million farms in all |
| | Most stepping up, some may choose to step out | Class B | 3.92 million farms, 28% of 14 million farms in all |
| Rural world 3: subsistence agricultural households and microenterprises | Some may step up, most will step out and some will hang in | Class C | 8.4 million farms, 60% of 14 million farms in all |
| Rural world 4: landless rural households and microenterprises | Stepping out | (Landless not included) | 4.95 million households in 12 countries ^b |
| Rural world 5: chronically poor rural households, many no longer economically active | Hanging in | Some Class C, those lacking labour | Includes some of the previous two categories |

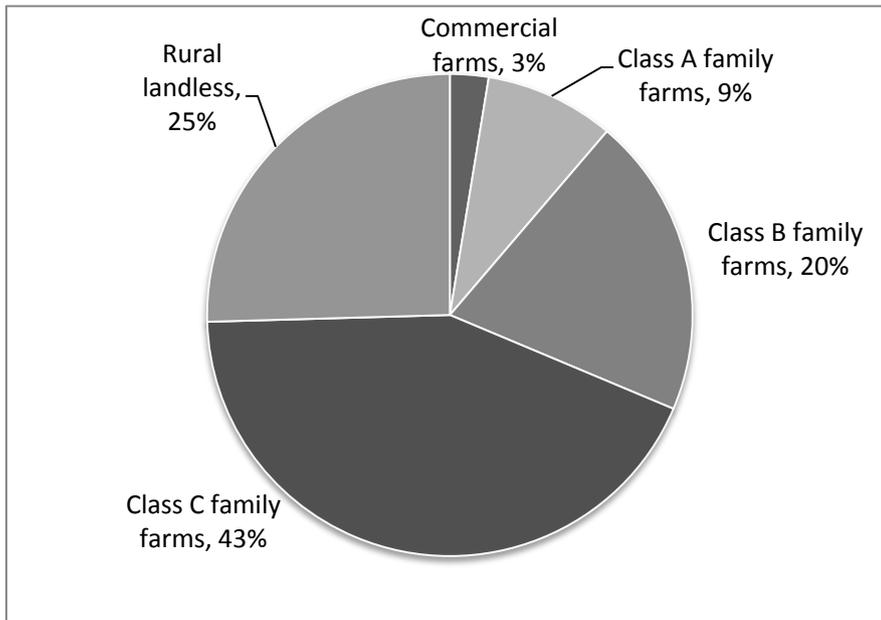
^a Schejtman (2008) added data for Argentina, Bolivia, Guatemala, Paraguay, Peru and Uruguay to the study by Soto Baquero et al. (2007) that included Brazil, Chile, Colombia, Ecuador, Mexico and Nicaragua.

^b In 2008 the 12 countries had a combined rural population of 97.2 million (FAOSTAT); assuming an average rural household of five people, this gives 19.45 million rural households. Subtracting the 14 million estimated in categories A to C, plus the 0.5 million in commercial farms, leaves a residual number of 4.95 million households.

22. Table 2 includes estimates for Latin America of the fractions of the rural population that may lie in the diverse categories. This shows a striking fact: of the nearly 19.5 million rural households living in 12 Latin American countries in 2008, it seems that only 1.68 million are in Class A; while 3.92 million are in Class B – these being the two categories in which a future in farming that may lift them out of poverty looks feasible. The rest, 13.84 million or about 70 per cent of the total population, are probably not going to be full-time farmers and will leave poverty thanks to jobs on the farms of others, or in non-farm enterprises, or by migrating to towns and cities – and probably in many households through a combination of these options.
23. Figure 5 shows this information graphically. It is clear that no more than one third of rural households have a reasonable prospect of leaving poverty as full-time farm households. Most of those in the other two thirds need other options to complement whatever farming they do.

Figure 5

Estimated distribution of rural households in 12 Latin American countries, 2008



Source: Data from Berdegue and Fuentealba (2011); FAOSTAT data on rural populations.

24. Similar estimates of numbers for the different categories have not been found for other parts of the developing world, and yet such categories are useful at a practical level only if they can be quantified and thus monitored in their evolution. It is known, however, that the distribution of arable land and livestock is notably unequal in Africa and Asia, even within communities without large-scale landowners – as are also differences in the environments farmers face.

Changes through time: possible trajectories for diverse households

25. At this point, the discussion turns to dynamics: to possible trajectories through time that diverse households might take. What may happen to the various groups of rural households?
26. Class A smallholders are mostly expected to develop their small farms as commercial enterprises, producing an ever-larger fraction of output for the market. Some may be able to acquire additional land, especially when their neighbours in Class B and C migrate to towns. Some may also use their farm earnings to develop other businesses, thus diversifying household income.
27. An awkward but important question concerns the extent to which small farmers in Class B are able, or prefer, to stay in farming, as opposed to seeking work off the farm or migrating to town. There are very different perspectives on migration as a tool for rural development, as emigration is often viewed as a failure of rural development and may contribute to overburdening cities with slums and unemployment. When Berdegue and Fuentealba (2011) argue that Class B farmers “represent the best opportunity in LAC for strategies and public policies aimed at revitalizing rural societies and for promoting socially inclusive economic growth”, they have a vision that most of the Class B farm households should step up their farming, rather than step out into the rural non-farm economy or migrate to towns and cities.
28. Whether or not Class B households stay in farming has major implications for the rural economy and the rate of migration out of rural areas. If it is assumed that for every 10 households that work full-time on the farm, or nearly so, there will be another seven households in the rural non-farm economy gaining a livelihood through linkages to the farm economy – estimates of rural multipliers typically report a factor of 1.7 – then whether the farm household population is made up of

12 per cent (the current share in large-scale commercial and Class A farms in Latin America) or 32 per cent (adding in the 20 per cent in the Class B households) makes a big difference to the size of the rural population in the medium term, and hence to the numbers likely to be leaving the countryside for the cities: 20 per cent versus 54 per cent of the current rural population.

29. Class C farming households will not necessarily abandon their farms, even if they are insufficient in size, productivity or location to provide the household with a living. Most likely they will farm what little land they have, using most of it to grow staples, vegetables, perhaps produce some milk, eggs, and chicken from a few cows and chickens – all largely for household consumption. As and when incomes rise from off-farm work, these households will be increasingly likely to sell off or rent out their land to neighbours that are full-time farmers.²
30. The single striking conclusion, then, is that – while it may still be that agricultural development is a highly effective way to relieve poverty, and that broad-based agricultural development is more effective than a narrower focus on larger-scale commercial farms – most of the rural population, and an even larger fraction of poor rural people, will depend on the indirect effects of agricultural development for their livelihoods – above all through the multipliers that this may generate in rural economies. The multiplier effects of agricultural development will be discussed further in the next section.

Two qualifications: geography and change in rural areas

31. It is necessary to consider two queries to the classifications examined in this section. One concerns geography. Surely, runs the question, the schemes presented cannot apply across so many different contexts? Hence they would need to be defined by region. Yes, geography makes a difference: it would be possible to create a wide range of classifications that take account of specific regional features. But would it change the basic conclusion of the argument: that only some of those currently farming will be able to earn their livelihoods full time from agriculture?
32. The classifications reviewed are derived from general criteria that apply in most situations: household assets, and the environment – physical and social – in which they can use them. Local differences come into play when we define how many assets can be considered high or low, or what makes an environment favourable or unfavourable. Local analyses show (as in IFAD project design documents that include such analysis) that the shares of family farms falling into the diverse types will vary by location. But it is likely that types will also vary by assets and environment. Above all, given the observed unequal distributions of assets across rural households seen repeatedly in surveys, in most cases the fraction of households with prospects for full-time, commercial small farming comprises a minority of rural households.
33. The implication of geographical difference is not that the classifications do not apply, but rather that for those designing and implementing policies in the field, there is work to do to identify which households may belong to which group, and what may be appropriate policies and programmes for them. These classifications then provide a frame for thinking through the issues, in the light of relevant local information.
34. The other issue is whether the classification is static, losing sight of often quite rapid change in rural areas. Yes, through time, the fractions of households in different groups will change. The previous section, however, sets out potential

² This follows some of the changes that have been seen in Europe, where although average farm sizes have steadily grown as farmers have left agriculture, there remain many small, residual farms worked during weekends and holidays by rural households that gain most of their income off their land, but who maintain a very small holding as much for the social satisfaction of working the land, as for the marginal income it provides. Some farm support programmes, of course, pay farmers for whatever land they have, thus adding another reason to retain at least part of the farm.

trajectories of change – with implications for a policy that aims to guide change towards desirable outcomes.

Working with one category to benefit the others – maximizing multiplier effects

35. Central to the discussions related to IFAD's Strategic Framework and the focus on commercialization of smallholder farmers was a concern that agricultural growth concentrated among a minority of farmers would not create sufficient benefits for their neighbours. The question to answer here concerns the economic linkages in production and consumption from intensified farming to the rest of the local rural economy. Are these strong enough to benefit landless and marginal farmers that may be unable to take full advantage of the opportunities for commercialization? Strong linkages have been observed, for example in Tamil Nadu in the 1980s, as a result of the 'green revolution' (annex 1).
36. This debate indicates that multipliers will not always be strong. Linkages between farm and non-farm rural economies can create extra work and incomes, but strong links are not inevitable. They depend on conditions such as the extent to which activities in production are labour intensive, on how much of the additional income farmers spend on locally produced goods and services, on how readily local businesses can respond to such demand, etc.

Policy options for diverse categories

37. What are the policy options most suited to the diverse categories of poor people – in terms of both general policies impacting rural people and of policies specifically focused on the agriculture sector – and where does IFAD's work fit in?
38. Measures needed to stimulate agricultural and rural development fit into the following categories:
 - (a) Measures to improve the rural investment climate (macroeconomic stability, interest rates, etc.);
 - (b) Measures to provide public goods, education, health, infrastructure, etc.; and
 - (c) Measures to remedy failures in rural markets (e.g. better access to inputs, stronger rights to land, access to financial capital, etc.).
39. Some of these measures benefit all categories; some may benefit one category more than another. For example, farmers may need little more than a favourable macroeconomic environment to be able to invest, innovate and raise their incomes. But as one moves towards the least-favoured groups, the range of measures that may be needed increases. It is interesting to note that IFAD's actions tend to focus on Class C, but with a strong investment in some areas of B.
40. If Class C farms are to remain in farming, as many will, what policies do they require? In large part, the same as apply to other smallholders: a favourable investment climate, public goods and mitigation of market failures. But they would also benefit from a public supply of appropriate technology – to develop staples and small-scale animal-raising – that preferably requires little capital, and in some cases economizes on labour as well.
41. And women farmers will also require specific additional policies, given their gender-specific roles and constraints (e.g. policies that take into account their generally weaker land rights; extension modalities that take their time and mobility constraints into account).

Table 3
Policies mapped against household groups

| | Large-scale commercial farms | Class A family farms | Class B family farms | Class C family farms + landless | Chronically poor |
|--|------------------------------|---------------------------|----------------------|---------------------------------|------------------|
| Rural investment climate | | | | | |
| Rural public goods | | | Applies to all | | |
| Correction of market failures | | Private-sector approaches | | Private or state action | |
| Transfer of working or investment capital to producers | | | | | |
| Transfers to consumers | | | | | |

Source: Wiggins, for this study.

Summarizing

- Frequently, rural households differ significantly from one another, as consistently recognized in IFAD policies and its *Rural Poverty Reports*. Geographical differences that determine the natural resources and access to markets that households face, and their possession of assets such as land, labour and capital are key factors that differentiate rural households.
- The OECD/DAC and RIMISP categories described in this section are not explicitly related to poverty, but rather to levels of vulnerability and types of livelihood options. However, they can easily be linked to the qualitative poverty categories, which IFAD projects intend to use, as the factors included are similar. There are cases, mainly in Latin America, where the design of IFAD projects uses categories similar to the ones that have been described. However, it is often necessary to further disaggregate these categories, especially in very poor areas and where inequalities are great.
- Several of the classifications proposed by development agencies and specialists focus on smallholder households and their prospects for becoming full-time commercial farmers. They suggest that not all can become full-time farmers. Estimates for Latin America show that only 9 per cent of rural households may readily do so, although another 20 per cent may join them, given some support. Adding these to the 3 per cent of households that have large commercial farms, means that less than one third of rural households in Latin America have a reasonable chance of becoming full-time commercial farmers. This is of relevance to IFAD, as a large part of its work is likely to be in the non-farm sector, and on the lower category of farms.
- What, then, are the prospects for the other two thirds that lack land, market access, capital, or labour and have fewer chances? Their options may be better in the rural non-farm economy, or else migrating to towns and cities. IFAD-supported skills-development programmes, in particular those targeted at rural youth, may help create better opportunities for migrants.
- For many of these households, this doesn't mean that they will cease farming altogether, but that their smallholdings will be part-time enterprises, probably used first and foremost to produce staples, vegetables and some animal produce for home consumption. In time, and especially if they can obtain decent work in the non-farm economy, they may increasingly rent out or sell off their holdings to neighbours who are full-time farmers. They remain a major focus for IFAD, given its mandate for reducing food and nutrition insecurity and vulnerability, and for women, who are often marginal farmers.

- Thus, while agricultural development may be an excellent way to stimulate growth and development, especially in the early stages, for many rural people the prime benefit may well come from the indirect effects of agricultural development as rural development is stimulated through linkages. IFAD needs to gain a better understanding of how such linkages can be pro-poor.

III. Rural differentiation and targeting: IFAD's experience

42. The concept of social and economic differentiation – among rural people and among poor people – is embedded in IFAD's approach to targeting. At least for the last 25 years of the Fund's history, a targeted approach to poverty reduction has been widely recognized as an IFAD 'specificity' – together with participatory approaches and, increasingly since the early 1990s, attention to gender issues and subsequently to indigenous peoples. The complexity of poverty and of rural societies, and hence the need for differentiated approaches, were highlighted in IFAD's sequence of Strategic Frameworks (2001, 2007 [IFAD 2007a] and 2011 [IFAD 2011a]) and in its *Rural Poverty Reports* (2001 [IFAD 2001], 2011 [IFAD 2010a]).
43. This section describes IFAD's actual experience in targeting and rural differentiation on the ground, and how IFAD addresses socio-economic targeting in general. Its experience in targeting two major subgroups (i.e. women and indigenous peoples) is widely established and documented,³ and will not be reviewed here. Neither does this section specifically address geographical targeting, which, as mentioned earlier, would require a specific study.

A. Findings from evaluations

44. The comprehensive desk review of IFAD's experience on targeting comprised 27 project evaluations,⁴ 19 country programme evaluations (IFAD 2004-2010a), 6 corporate-level evaluations,⁵ and 6 Annual Reports on Results and Impact of IFAD Operations (ARRIs) (IFAD 2007-2012); a selection of recent country strategies;⁶ and project designs approved from 2009 to 2012, covering all five geographical regions.⁷ Some main findings follow.
45. **Identifying whom to work with (the target group).** Overall, the review found that most projects (17, representing 63 per cent of the total) do not feature well-differentiated targeting in terms of identifying and characterizing target groups and capturing their diversity and specificity. General terms such as 'poor', 'poorer' or 'poorest' are often used to identify different groups. Of the remaining 37 per cent of projects that tend to differentiate the target population more explicitly, targeting is often done on the basis of demographic criteria (gender, youth and indigenous peoples), rather than on socio-economic criteria (income, assets).
46. Evaluation recommendations recognize the weakness in targeting and often highlight the importance of more clearly identifying target groups at the project design stage. This finding is mentioned in 47 per cent of project evaluations and 60 per cent of country programme evaluations. Twenty-seven per cent of project evaluation reports recommend retaining the focus on poorer segments of the rural population. An unclear definition of the target group reduces the likelihood of a project's interventions reaching that group (often poorer households).

³ IFAD (2003); IFAD (2009a); and IFAD's gender and indigenous peoples websites: www.ifad.org/gender/ and www.ifad.org/english/indigenous/.

⁴ This includes completion and interim evaluations. Five of these were still in draft form at the time of review (Benin, Rwanda, Uganda, United Republic of Tanzania and Yemen) (IFAD 2004-2010b).

⁵ Corporate-level evaluations: Rural Finance Policy, Gender, Private Sector, Regional Strategy for Asia and the Pacific, Innovation, and the African Development Bank/IFAD joint Africa evaluation (AfDB and IFAD 2010).

⁶ Country strategic opportunities programmes (COSOPs): Azerbaijan, the Dominican Republic, Ivory Coast, Malawi and the Philippines.

⁷ Project designs: Armenia, Bangladesh, Honduras, Kenya and Mali.

47. There is some evidence that better targeting contributes to better results. A review of the ratings for project performance⁸ shows that projects featuring differentiated targeting achieved a higher average score (4.5) compared with ones that did not differentiate (4.0). Careful targeting apparently contributed to better performance. That may not, however, be the result of targeting itself: it could be that both better targeting and performance result from more-careful planning. They can also result from a generally people-focused, participatory approach, coupled with flexibility, which enables the project to adjust to the needs of certain categories that may not have been identified in design.
48. It is important to recognize that the decision of who to target is not only a design issue, but requires a process of consensus-building during implementation. In this regard, the methodology of involving local communities in the identification of poor households – through wealth ranking, participatory rural appraisal (PRA) activities or other methods – has proven effective in ensuring flexibility in the selection of poverty criteria and ownership of decisions about who to prioritize during project implementation.
49. One singular example comes from Cambodia, where the Community-Based Rural Development Project in Kampong Thom and Kampot introduced a new targeting approach during the midterm review (MTR). The approach focused more explicitly on identification of the most vulnerable families, with support from commune councillors and village representatives. These families were then provided with special identity cards to ensure them free access to government services and donor support activities.⁹
50. **Choosing the development intervention.** Closely related to the choice of ‘whom to work with’ is how to support them. The importance of devising appropriate development strategies to meet the respective needs of target groups is a common thread in the recommendations of evaluation reports with regard to targeting. There is often a disconnect between a project intervention’s activities and the ability of target groups to take advantage of them fully. The 2008 and 2009 ARRIs observed that poorer and vulnerable groups are likely to have benefited less than wealthier groups from project interventions.
51. In view of these findings, it appears that IFAD does not sufficiently tailor its strategies to enable the poorest people to participate in activities and consequently to benefit. An emerging hypothesis would be that it uses a ‘one-size-fits-all’ approach, based on an inclusive targeting approach that strives to reach different groups with the same intervention. Deploying stereotypical responses for particular groups, e.g. women, can be seen as a variation on this untailed approach.
52. However, the review also shows more-positive results when dealing with clearly identified social differences. In the case of indigenous peoples, for example, projects have helped transform cultural differences into an advantage that contributes to economic benefits. Similar findings can be found, although from a small number of evaluations, when supporting rural youth, particularly regarding linking them to the non-farm economy. Clearly, socio-economic differences are less clear-cut and harder to identify and monitor.
53. While the choice of intervention aligns to some extent with the choice of beneficiaries and their expressed needs, poverty reduction among beneficiaries may also result from actions not targeted at this group. In limited situations, examples have been found in which migration and non-farm employment are the main opportunities for IFAD’s target group. In such cases, IFAD can support them

⁸ IOE measures project performance by evaluating the criteria of relevance, effectiveness and efficiency. Project performance is subsequently calculated as an arithmetic average of the ratings for these three criteria, applying a six-point rating scale: 1 = highly unsatisfactory, 2 = unsatisfactory, 3 = moderately unsatisfactory, 4 = moderately satisfactory, 5 = satisfactory, and 6 = highly satisfactory.

⁹ Project performance assessment (PPA), October 2012, paragraph 40.

in these endeavours and can address the impact on agricultural production and community resilience for those residents left behind in the community. In this context, working with various stakeholders and partners may become increasingly relevant to IFAD's future interventions.

54. **General findings on project implementation.** The review shows that a well-designed project targeting strategy may increase the likelihood that a focus on participation by poor and marginalized people is not lost during implementation – provided the menu of activities matches target group needs. It also reports that pro-poor criteria may be a necessary condition for implementing the strategy, but are not sufficient on their own to optimize the poverty reduction potential.
55. Another important element is adequate monitoring, which makes possible identification of issues and prompt corrective action. This is particularly important in rapidly changing environments, e.g. in post-conflict scenarios or areas with rapid economic growth. It is also necessary to adjust to situations affecting specific target groups that may not have been identified in design. Ensuring that project management teams demonstrate due diligence with regard to targeting during implementation is one part of the equation, with attention during direct supervision to targeting performance being the other.
56. **Findings on pro-poor value-chain and rural private-sector development.** Over the years, IFAD has built up experience in promoting more-commercial farming through private-sector development and public/private partnerships. Value chains are often used as a way to address these issues. As mentioned previously, a major challenge is to demonstrate that these approaches can bring substantial benefits to poor people. The following paragraphs draw evidence from past evaluations.
57. All five randomly selected COSOPs reviewed make reference to markets and/or value chains as part of their strategic objectives. At the project level, the Fund has financed 78 projects that have value chain components or are value chain projects, of which 87 per cent were approved from 2004 to 2009 (IFAD/PTA 2011b). No less than half the projects approved in 2008 were considered to have some component or aspect of value chain development (IFAD 2010b). Some major issues arise from evaluations of this work.
58. **To work directly with poor people, target them indirectly, or both?** IFAD has faced difficult choices between working with poor people or those that are more able to take advantage of the opportunities provided by the programmes. In some cases, a programme had been targeted at poor people, but it was felt that this contributed to disappointing performance – for example, several savings and credit cooperative societies and producers' groups in the United Republic of Tanzania had bleak prospects for sustainability. In Kenya, the country programme evaluation reported the high cost of trying to design dairy and horticultural development for poor people, when most of those engaged in those enterprises were not poor.
59. In Albania, the Mountain Areas Development Programme started by targeting poor people. Disappointed by the results, at midterm this was changed to focus on those producers that had potential and could mobilize resources. This group was not only engaged in agricultural production, but also in agroprocessing and trade. The evaluation concluded, not surprisingly, that fewer poor people had been impacted by the project (through employment and backward linkages) than had been anticipated at appraisal.
60. In other cases, the approach was to provide services generally, with the expectation that poorer households would take up the opportunities. The Roots and Tubers Development Programme in Benin, evaluated in 2010, reported that project designers had overestimated the ability of poor producers to obtain access to land, inputs, services and markets, and had underestimated the risks from fluctuating

prices. Moreover, it was thought that roots and tubers would only be of interest to poor rural people, so the programme would be self-targeting. This proved not to be the case; the benefits of the programme went to the better off and the rural elites.

61. In these cases, it seems that the cash-earning enterprises promoted either demanded more resources than most poor households had, involved risks that they could not bear, or were too novel and, once again, poor people were unwilling to take a chance on them.
62. On the other hand, the Microfinance and Technical Support Project in Bangladesh, evaluated in 2012, effectively targeted poor households by focusing on income-generating activities tailored to their needs, such as small livestock activities. It thus enhanced the probability that targeted households would increase their incomes, while at the same time retaining the option to sell part of the livestock assets easily in case of an unexpected need for cash.¹⁰
63. The issue has been recognized in IFAD. Based on analysis of the Pakistan country programme evaluation, the Mountain Areas Development Programme in Albania and the Western Mindanao Community Initiatives Project in the Philippines, the 2008 ARRI suggested an increased focus on commercial, market-oriented agricultural enterprises, rather than on subsistence production alone. While recognizing that these findings may be more applicable to 'transforming' economies, it questioned the assumption that support for subsistence agriculture is necessarily always the best way to help the poorest households. IFAD's Management responded, stating that:

"... such an 'increased focus on commercial, market-oriented agricultural enterprises' may lead to less success in reaching the most vulnerable households. While the extent and the nature of the trade-off between a more growth-oriented approach and appropriate targeting aimed at the poorest groups vary from one context to another, the fact that this often involves a difficult balancing act must be better recognized."
64. Still in the Philippines, but this time for the Northern Mindanao Community Initiatives and Resource Management Project, the 2012 evaluation reported that – because of the high level of poverty prevailing in the project area – the targeted communities themselves did not consider the spread of benefits to be an issue, preferring project activities to be non-exclusive, thereby enabling all interested community members to participate.¹¹
65. A different situation took place in Zambia, where the 2012 evaluation of the Forest Resource Management Project supported the analysis and view of the MTR that a more-differentiated targeting approach, including both the most vulnerable poor people and emergent entrepreneurs, might have been a better strategy for the FRMP.¹²
66. In any case, the decisions to be made with regard to the proposed targeting approach are context-specific. There can be no general prescription that reducing poverty can be best achieved either by working directly or indirectly with the poorest people. As the 2012 ARRI reported, "the only universal lesson is that the specific objective and specific target groups need to be explicitly and clearly defined," while, at the same time, "a clear definition of poverty for IFAD as a whole is also required in order to guide programme design and to facilitate results-based management and reporting".
67. **Mediating relations between smallholders and large companies.** A practical approach would be fair distribution of benefits between the companies investing capital and poor people.

¹⁰ PPA, November 2012, paragraph 37.

¹¹ PPA, November 2012, paragraph 49.

¹² PPA, November 2012, paragraph 51.

68. In Uganda, for example, the Vegetable Oil Processing Project established a trust – representing the interests of farmers, national and local government, local NGOs and the project – to defend, promote and represent the interests of the beneficiaries and to perform a brokering role between farmers, government and the private company. The farmers bought 10 per cent of share capital. They benefited from a pricing formula linked to the world price – agreed between government and the investor – that expected to give farmers 85 per cent of the world price. The company also provided seedlings and fertilizer at cost to smallholders so they could benefit from the economies of scale and logistic organization implicit in modern production.
69. In Rwanda, on the other hand, farmers were organized in cooperatives for the Smallholder Cash and Export Crops Development Project. While they obtained 15 per cent of share capital, the evaluation considered this insufficient. It was difficult to see whether the smallholders and their cooperatives got a fair deal with the company: cooperative leaders would need considerable competence in technical and financial aspects to negotiate effectively.

Findings from project completion reports (PCRs)

70. The 2009-2010 Annual Portfolio Performance Review (APPR) assessed IFAD's performance in targeting based on project completion and supervision reports (main report, pp.75-77, and annex 4). After a period of declining ratings in targeting performance from 2006 to 2008 (most likely due to stricter assessment criteria following introduction of the IFAD Targeting Policy), ratings have progressively improved (90 per cent of projects scored 4 and above for targeting in 2010). The RPP cited specific project examples to illustrate:
- Continued importance of geographical targeting of poor areas as a targeting measure, although in some projects the assertion that households are uniformly poor has led to lack of consideration of inequalities existing in project areas;
 - Successful use by some projects of participatory wealth ranking;
 - Importance of self-targeting measures, choice of activities and products (including financial products) tailored to target group needs;
 - Importance of participation and empowerment directed at specific target groups; increased involvement in project activities;
 - Better targeting performance of projects that also have strong gender strategies;
 - Strength in participatory monitoring and evaluation (M&E), poverty analysis and monitoring of targeting performance.

Trends in project design

71. The reviews of evaluation findings and PCRs refer mainly to projects designed before introduction of the targeting policy. Thus it is interesting to assess trends in project design regarding targeting as a predictor of potential implementation issues.¹³
72. The Policy and Technical Advisory Division (PTA) has monitored these trends over the years, using a checklist aligned to the targeting policy, in use since 2005 (IFAD 2007b). Following introduction of the targeting policy, the following strengths and weaknesses have been identified in design:

¹³ The analysis is based on products of IFAD's quality enhancement and quality assurance (QA) processes, as reviewed by the Policy and Technical Advisory Division (PTA); in particular, it is based on lead advisory memos and reviewers notes, as well as on QA wrap-up session notes: <http://workspaces/qepilot/default.aspx>.

Strengths

- Almost all project design documents contain a working paper on targeting and gender, with gender and poverty analyses of varying quality and depth;
- Projects contain generally more-robust targeting strategies, developed using all or some of the categories identified by the targeting policy.

Weaknesses and misinterpretations

- The term 'active poor' has often been misinterpreted: although intended by the policy to exclude those that can only be assisted through humanitarian aid and social welfare (being outside IFAD's mandate), it has been used to refer more to the 'less poor', for example, to smallholder farmers already connected to markets.
 - The policy was defined as 'inclusive' to indicate that exclusionary eligibility criteria were no longer the main instrument, and that the less poor were not excluded a priori, provided their inclusion would bring benefits to IFAD's target group. 'Inclusive' has sometimes been interpreted as 'permissive'.
 - The policy stressed that good poverty analysis and target group differentiation were essential conditions for the design and implementation of an effective targeting strategy: the level of poverty analysis remains weak, with some exceptions.
73. A major concern raised not only in the quality enhancement (QE) process, but also, repeatedly, in quality assurance (QA),¹⁴ is the mismatch between the often careful analysis of what different groups of poor people need, and the types of activities the project intends to undertake, which are frequently unsuited to or unaffordable by the target groups. The impression is that in most cases a larger preconceived project concept (government and IFAD design-team-led) is 'retrofitted' to poor people, rather than designed around the needs and situation of poor people themselves.
74. Using the words of the 2012 ARRI, "... a clear lesson of evaluations is that the choice of targeting strategy, and the choice of project activity, need to be informed by a careful analysis and understanding of poverty and its causes for each specific target group."

B. IFAD experience in rural differentiation¹⁵

75. Finally, we look at methods currently used by IFAD to assess poverty and differentiate the target population – as discussed in section II – as this is critical to the design of effective projects capable of delivering benefits to different segments of the population. These methods are reviewed below, making a rough distinction between quantitative and qualitative data, although most design documents contain a mix of both.
76. **Differentiation based on quantitative data.** As with the methods cited in section I, IFAD project designs generally use qualitative criteria. Quantitative data on poverty in IFAD project design are scarce. National income and expenditure surveys are generally not sufficiently disaggregated, and local surveys are costly to implement. Moreover, they fail to capture the multidimensionality (and thus non-income-related features) of poverty.
77. According to IFAD's targeting policy (and implicitly the Strategic Framework), the absolute majority of those benefiting from IFAD-funded operations should be under the poverty line at project start-up (the national poverty line, as the 'dollar-a-day'

¹⁴ Reference to IFAD QA reports.

¹⁵ Source materials for this section are PTA-led QE reviews and documents from IFAD's targeting website: www.ifad.org/targeting.

measure is only a global indicator). For the majority of projects, there are no data to confirm that this is the case.

78. In 2005, in the context of its Results and Impact Management System (RIMS), IFAD introduced a set of anchor indicators of impact, consisting of an asset index and child malnutrition data as a poverty proxy. IFAD developed and tested a relatively simple and cost-effective survey methodology (IFAD 2005a). As this system disaggregates the target group by quintiles, changes in distribution between quintiles could be an indicator of targeting effectiveness (one would expect the asset increases to be greater in the lower quintiles). This requires repeater surveys to be undertaken. Potentially, RIMS level 3 indicators could provide a quantitative base to assess poverty trends if regularly conducted repeater surveys were implemented and qualitative research undertaken to assist in interpreting the data and understanding causality. RIMS surveys are not mandatory, but are recommended for area-specific projects. Recorded baseline impact information is currently available for some 100 projects; interim or follow-up data have been recorded for 43 and completion data for 17. This represents close to two thirds of the effective projects approved from 2004 to 2010.
79. The extent to which national statistics on income and expenditure (such as from living standards surveys) are used in IFAD projects depends on the level of geographical disaggregation of such data, which is generally not sufficient to be of use in area-based projects. Countries with poverty-based welfare and social protection measures use poverty indexes that combine income and expenditure with other criteria: examples include the Below Poverty Line system in India and several in Latin America: SISBEN [Sistema de Identificación de Beneficiarios de Subsidios Sociales] in Colombia, Bolsa Familia in Brazil, PROGRESA [Programa Nacional de Educación, Salud y Alimentación] in Mexico, to mention just a few.¹⁶ As these systems categorize people by poverty levels, they could be useful for targeting in IFAD-supported projects. However, the systems are often unreliable. The Indian system, for example, presents major inclusion and exclusion errors; other systems may involve some degree of community validation of categorization and appear to be more effective. In cases where IFAD uses such systems, it generally validates the data at the community level.
80. **Differentiation based on qualitative data.** As mentioned above, most design documents contain some kind of poverty and livelihoods assessments, generally more of a qualitative nature. On this basis, they generally disaggregate the population into socio-economic categories, although there is rarely an indication that such categories should continue to be used to monitor targeting performance during implementation – and limited evidence to that effect from evaluation and supervision.
81. In actual fact, the quality and level of geographical and social disaggregation of such analyses varies very considerably, as do also the extent and ways in which such information is used to select project focus, target groups and activities. Also variable is the extent to which secondary data are the main source, or original fieldwork is undertaken (more common in area-based projects than in national programmes). Better-quality field assessments combine both quantitative data from secondary sources and PRA techniques. The most-effective cases are where the socio-economic and poverty assessment is undertaken prior to the main design mission (ex-formulation).¹⁷
82. PRAs using wealth-ranking and social mapping exercises conducted in the design phase generally identify three to five socio-economic categories (depending on the extent of inequalities in the area), ranging from extremely poor to non-poor and

¹⁶ www.ilo.org/public/english/protection/secsoc/projects/latin.htm.

¹⁷ An example of best practice poverty and livelihoods assessment is the On-Farm Irrigation Development Project in the Old Lands (OFIDO), Egypt, designed in 2009.

combining various criteria identified through community consultation (assets, demographics, health and main livelihood sources). Given the difficulty (and cost) of assessing income and expenditure, the most commonly used criterion for differentiation is landholding, but this works better in countries where formal land titling is more common (e.g. Latin America). In some cases, the categories resemble those described in section II, but with further disaggregation of the lower categories.¹⁸

83. When professionally conducted with proper triangulation, PRA-based wealth-ranking methods do allow reasonable estimates to be made of proportions of people in different categories. They can also be used to identify which types of interventions would benefit one group or another and for community-level participatory monitoring purposes. Evidence of the extent to which PRA methods are actually used in IFAD-supported projects remains to be collected.

Summarizing

- A targeted (differentiated) approach to poverty reduction is widely recognized as an IFAD 'specificity' and established as a principle of engagement in the *IFAD Strategic Framework 2011-2015*.
- Within this framework, operational approaches have evolved on the basis of experience and shifts in IFAD's development paradigms (participation, community-driven development [CDD], household food security, sustainable livelihoods and, most recently, value chains).
- Based on over 25 years of experience, IFAD has developed an approach that defines targeting more broadly than in the past, requires attention to who actually benefits and not just who is directly targeted, identifies a set of targeting measures to guide design and implementation, and de-emphasizes use of eligibility criteria.
- IFAD's target group is defined in its policies as poor and food insecure people, with specific, targeted subgroups (women, indigenous peoples, the landless, smallholders, etc.); the extent and ways in which IFAD should work with the extremely poor remain a matter of debate.
- The old and new development challenges addressed by IFAD's current Strategic Framework require it to improve targeting effectiveness, not only in directly targeting identified categories, but also by maximizing benefits to poor people from actions that may involve non-poor actors (e.g. in value chains and projects involving the private sector).
- Overall, the pre-targeting policy projects covered by the evaluation lack well-differentiated target populations. Of the 37 per cent of projects that identify target populations more explicitly, the criteria are generally demographic (gender, youth and indigenous peoples), rather than economic (income, assets).
- Targeting of households is associated with better project performance: whether that stems from the targeting itself, or whether it reflects more-careful preparation that leads to better performance or to greater focus on people and participation is not clear.
- In working on commercialization and with the private sector, IFAD's tendency has been to work with better-off small farmers, rather than poorer households. Owing to lack of assets, knowledge and the ability to bear risks, the latter may effectively be excluded even from programmes that were expected to benefit them.

¹⁸ For example, the Sustainable Rural Development Programme in El Quiche, Guatemala, designed in 2009.

- Project design documents subsequent to the introduction of the targeting policy contain diverse types of categorizations (mainly qualitative) of the rural population, using different methods, mainly qualitative. However, project design is often not consistent with this analysis. The evaluation review confirms that IFAD does not sufficiently tailor its strategies to enable the poorest people to participate in activities and consequently benefit from interventions.
- The quality of and investment in pre-design poverty and livelihoods analysis has declined significantly over the years, and there is considerable variability in the extent and quality of such analysis in design.
- Few data are available on the actual poverty levels of IFAD project 'beneficiaries', either pre- or post-project, and on benefits as they accrue to different categories. Nor is there evidence that categories established in design are subsequently used in implementation.

IV. Conclusions

Background

84. IFAD is widely perceived as a United Nations agency and international financial institution with an exclusive focus on poor rural people and their largely agriculture-based livelihoods. A targeted (differentiated) approach to poverty reduction is also widely considered an IFAD 'specificity', and when cofinancing with other international financial institutions, IFAD is expected to make a specific contribution in this domain. In IFAD projects, better targeting is often associated with overall better performance.
85. As a matter of fact, the Fund is recognized as having a comprehensive approach to targeting, which has evolved over the last 25 years on the basis of extensive field experience in working with and for poor people and on the basis of recurrent internal debate. The effectiveness of different targeting approaches in reaching diverse types of poor people has been dealt with by IOE since the first ARRI produced in 2003 and remains an issue in a number of the 2011-2012 evaluations. The most-recent emerging issues relate to the shift to a quickly increasing portfolio of value-chain projects and the question of how poverty should be defined. IFAD's current Strategic Framework was prepared in response to a global context marked both by old problems (persisting and in some places deepening rural poverty and food insecurity) and by new trends. Rural livelihoods and thus potential 'pathways out of poverty' are becoming increasingly diverse; natural resource degradation and climate change are accelerating; agriculture is becoming increasingly important, given the rapidly rising demand for food; prices are more volatile and private-sector investment in agriculture is growing (IFAD 2011a, Executive Summary).
86. In this context, the Strategic Framework reaffirmed that "IFAD's work remains focused on rural poor people and their livelihoods and food security – and on small-holder agriculture as a critical source of income and nutrition for many poor rural households, and as a driver of rural economic growth."
87. How can IFAD be more effective in pursuing its poverty and food-insecurity reduction mandate? How can the poverty reduction potential of smallholder agriculture development be maximized? How many poor people can benefit – directly or indirectly – from agricultural intensification? What strategies are needed for those that cannot benefit? What is IFAD's track record and comparative advantage in understanding and addressing the diversity of rural livelihoods? How could it do better? The following are some ideas emerging from this synthesis paper that may be used to keep the internal discussion and intellectual search alive.

Some emerging conclusions

88. **Rural livelihoods are very diverse and only a portion of rural people can benefit from agricultural intensification.** Recognition of the diversity among rural people and thus the need for differentiated approaches is required right from the design of IFAD projects and programmes. Similarly, several international agencies have put forward schemes to classify rural people to support the development of more-effective rural and agricultural development policies. Several of these classifications focus on smallholder households and their prospects for becoming full-time commercial farmers. Estimates suggest (e.g. for Latin America) that less than one third of households have a reasonable chance of their members becoming full-time commercial farmers. However, many households that do not have this potential will not cease farming. Their smallholdings will be part-time enterprises, mainly to produce staples, vegetables and some animal produce for home consumption. They remain a major focus for IFAD, given its mandate to reduce food and nutrition insecurity and vulnerability, and to target women, who are often marginal farmers.
89. **IFAD needs to formulate context-specific strategies for agricultural and rural development.** Experience shows that in IFAD-supported programmes and projects there is often a mismatch between the analysis of poverty (and the target group) and the activities designed to meet their needs. IFAD should constantly formulate development strategies based on the recognition of the likely options available to different groups of poor rural people in diverse situations. This could then become a point of reference when examining the options in given circumstances, based on context-specific analyses. The evidence of the efficacy of agricultural growth in reducing poverty is strong, but for many rural people the prime benefit may well come from the indirect effects of agricultural development through its several vertical and horizontal linkages. The key is to harness such growth and maximize multiplier effects to ensure that they will reach and benefit poor people. IFAD needs to gain a better understanding of how such linkages can be pro-poor, and how to maximize the multiplier effects of agricultural intensification to the benefit of poorer people, who cannot farm commercially on a significant scale.¹⁹
90. **Targeting and rural differentiation instruments must be improved.** There are many areas in which IFAD needs such improvement, including: implementation of high-quality livelihood and poverty analysis during the design of its projects and preparation of COSOPs; its ability to understand poverty dynamics and to capture economic and livelihood linkages that can be strengthened to benefit poor people; close monitoring of targeting performance; sharing lessons learned; and integrating targeting concerns when scaling up field-tested approaches. Moreover, the interconnectedness of rural livelihoods requires IFAD to look not only at direct targeting of poor rural people and of specific segments, but also at how best to maximize the pro-poor multiplier effects of actions and policies that may not always directly target poor people (value-chain projects are a good example of such a challenge).
91. **IFAD's advocacy role.** IFAD can be and needs to be prominent in debates on the above issues, both for the benefit of its own operations and for other agencies and governments. It can contribute – on the basis of its experience in categorization at the local level – to enriching the categorization schemes used at the national level. With a greater and more-effective investment in analytical work and knowledge management, there is a vast body of learning on targeted, developed strategies that can work.

¹⁹ PMD's Annual Portfolio Performance Review 2009-2010, annex 4, provides data on this subject from various sources. It also notes (citing studies by the International Food Policy Research Institute) that certain types of agricultural growth are more pro-poor (e.g. productivity increases in staple crops).

Evolution of IFAD's approach to targeting

1. IFAD's approach to targeting has evolved over its history. This evolution has taken place both as a result of IFAD's learning from field experience, and as an effect of donor-led changes in development paradigms. A broad-brush overview of this evolution is provided in table 1. Clearly, a specific approach cannot be rigidly ascribed to a certain period of time. The chronological breakdown proposed here serves to better identify trends.

Table 1
Evolution of IFAD's approach to rural differentiation^a

| | <i>First decade</i> <i>IFAD establishment-1985</i> | <i>Second decade</i> <i>1986-1995</i> | <i>Third decade</i> <i>1996-2005</i> | <i>Fourth decade</i> <i>2006 to present</i> | |
|-------------------------------|---|---|---|--|--|
| Characteristics of the decade | IFAD inherits project ideas from other agencies; efforts to target poor people are largely confined to IFAD-initiated projects; top-down, technician-driven project design and implementation; enclave projects; grants and subsidies to model communities and lead farmers; little concern with sustainability | Targeting becomes a cornerstone of IFAD specificity (as confirmed by the Punta Ala seminar in 1989): projects involve top-down, targeted agricultural development, with a heavy emphasis on upfront sociological diagnosis as an input to design; credit seen as a major vehicle for asset creation | Demand-driven approaches: project management units facilitate implementation by partners; participatory needs assessment; community action plans (CAPs); menu-based projects; self-selection of communities and beneficiaries; focus on empowering poor people, governance, household food security and sustainable livelihoods (mainly from 2000 to 2005); enabling measures focus on Millennium Development Goals (MDGs), poverty reduction strategy programmes and pro-poor growth | Emphasis on pro-poor market-led and value-chain approaches; greater attention to public/private partnerships; CDD approaches continue, but mainly in the WCA and LAC regions, with greater emphasis on funding of productive projects; expansion of rural finance programmes; more sector-specific and cofinanced programmes; emphasis on institutional development, including strengthening of rural people's organizations | |
| Types of projects | IFAD initiated (e.g. Grameen Bank) | Non-IFAD initiated projects | Targeted agricultural development projects (ADPs), agriculture-based poverty reduction, sustainable agriculture and natural resource management (NRM) | Demand-driven, CDD, integrated ADPs, rural finance and enterprise development, community-based NRM groups | CDD (in some regions); value-chain and market linkage projects; national-sector programmes |
| Poverty analysis | No | No. Only a short description of typical small farmers – no reflection in design | Yes. Emphasis on socio-economic and production systems studies, rapid rural appraisals, early PRAs as an input to design | Little upfront. Main emphasis on implementation (PRAs, CAPs) – limited poverty analysis across sites | Poverty and gender analysis a standard design requirement, but quality variable; mainly using secondary data |
| Targeting measures | Beneficiary selection criteria | No targeting, except to select a poor geographical area and focus on smallholders | Combination of eligibility criteria, geographical targeting, and other measures to increase pro-poor bias of projects, such as activity-based targeting, procedural measures and beneficiary selection criteria (categories subsequently systematized by the targeting policy) | Use of eligibility criteria progressively less; others continue as before | As established by targeting policy; geographical, menu-based, self-targeting, procedural; enabling and empowering measures; community-based targeting preferred over project-determined eligibility criteria |

^a Adapted from table prepared by Alice Carloni for PTA.

2. **The first decade.** IFAD was established with the specific mandate to help developing countries increase food production, reduce malnutrition and alleviate

poverty (Agreement Establishing IFAD 1976). The Fund's Lending Policies and Criteria (1978) further specified that projects and programmes should primarily benefit "the poorest groups in these countries". During its first 10 years of existence from 1976 to 1985, the Fund largely inherited project ideas from other agencies, limiting targeting efforts to selecting poor geographical areas and, within them, smallholders.¹ The latter were selected by the project on the basis of those most likely to adopt certain technological innovations.

3. **The second decade.** When IFAD – to an increasing extent – initiated its own projects during this period, it tended to establish beneficiary selection criteria in design that aimed at excluding the non-poor from participating in project activities. Several projects designed by the FAO Investment Centre conducted socio-economic and production surveys (SEPSs) in conjunction with farming systems analysis. This decade saw targeting progressively becoming a cornerstone of IFAD's specificity.
4. **The Punta Ala seminar.** A milestone event during this period in terms of defining the key features of IFAD's development approach was the 1989 seminar in Punta Ala on IFAD's Specificity and Project Processing. The seminar made a number of recommendations in several thematic areas (targeting, gender/women, credit, M&E and the project cycle). On the subject of targeting, the main conclusions were:
 - IFAD's mandate for poverty alleviation gives the institution its 'overall specificity'; nevertheless, more-focused definitions of 'poverty' and 'poor people' are needed.
 - IFAD's target group should include a broad spectrum of poor people ranging from the relatively poor to the extremely poor.
 - IFAD-financed projects are more likely to benefit the 'relatively poor', although it is necessary to make continued efforts to reach poorer people.
 - Among poor people, smallholder farmers, women and the landless are major target groups for IFAD.
 - IFAD's target groups are linked to and rely on the services provided by other non-target groups, hence the need for a more-holistic approach, addressing and maximizing the benefits to poor people from these linkages.
 - IFAD must focus on increasing the incomes of poor people and not just on increased production ('income first', rather than 'food first').
 - Upfront, good-quality poverty analysis is necessary for targeting.
5. Asset-based eligibility criteria continued to be recommended as the main instrument for targeting. However, the Punta Ala seminar also emphasized the importance of participation, which subsequently evolved into the fuller concept of 'empowerment' and was later to be included in the targeting policy as a key dimension of targeting.
6. **The third decade from 1996 to 1999 – participatory approaches.** The late 1980s and increasingly the 1990s were characterized by an emphasis on participation (by IFAD and other development agencies), much inspired by Robert Chambers' works, including the methodologies of PRA or participatory learning and appraisal (PLA). The language of participation was pervasive in IFAD project documents and used in close association with targeting, as participatory approaches were viewed as potentially enabling more-marginalized segments of the population to be heard.
7. **Socio-economic and production surveys and PRA.** From the mid-1980s, projects designed by the FAO Investment Centre (the number of which has declined over the years) undertook in-depth SEPSs, led by a senior social scientist

¹ IFAD Project and Portfolio Management System (PPMS).

working closely with farming systems experts. The emphasis on use of PRA in conducting SEPSs increased from the early 1990s. SEPSs were done before what was then called 'formulation' and the leader of the SEPS exercise would also join the formulation team to ensure that findings were addressed. The influence on design was strong and costs averaged US\$150,000.

8. Their use was discontinued in about the mid-1990s as a result of reduced use of the Investment Centre and substantial cuts in project design funding (to US\$150,000 for the whole process).²
9. **Household food security (HFS).** Together with participation, household food security also became an important paradigm in the 1990s, increasingly so after the 1996 World Food Summit in Rome. This had implications for targeting: (a) it carried with it an enhanced recognition of the importance of gender issues in HFS; and (b) in most IFAD project designs during that period household food security was a key objective, which automatically implied focusing on poorer segments of the population, as they are more vulnerable to food insecurity.
10. **The 1998 joint OE/PT study on targeting.** In the aftermath of the Punta Ala seminar, during the 1990s, targeting (i.e. the question of who actually benefits or – in the case of design – is likely to benefit) received considerable attention in project evaluations and from the Evaluation Committee of the Executive Board, as well as in IFAD's Technical Review Committee (TRC). In 1998, PTA and IOE jointly undertook a study on targeting.³ The study dealt primarily with conventional eligibility-criteria-based targeting methods. The report and the well-attended final workshop generated a heightened attention to targeting within IFAD. However, project-determined and applied eligibility criteria (income- or asset-based), although often included in design, proved to be inapplicable for reasons of cost, methodological difficulties of determining incomes, the 'fuzziness' of assumed poverty categories, and social tensions caused by their implementation.
11. **The third decade from 2000 to 2005 – the sustainable livelihoods approach (SLA).** With the introduction of the sustainable livelihoods framework in early 2000, household food security lost traction in IFAD as both an objective and a conceptual framework. This was the result of a forceful drive by DFID to have SLA adopted by the multilateral institutions. The SLA framework's focus on the multiple assets needed to sustain livelihoods was useful, but it had weaknesses in terms of attention to issues of political empowerment (subsequently added to the framework). It also did not lend itself to analysis of the social differences within a population (by gender and ethnicity), which are key to targeting. Nevertheless, the SLA provided a useful framework for analysis. When SLA funds became available, between 2001 and 2006, these were sometimes used to undertake livelihoods assessments for design. IFAD's use of the SLA framework declined substantially from 2006, when the DFID-sponsored SLA programme for the Rome-based agencies ended and DFID shifted its focus to budget support (aid given directly to developing country government budgets). The SLA framework continues to be used by some country programme managers (CPMs) and design teams when doing upfront socio-economic analyses.
12. **Community-driven development (CDD).** Attention to participation and its fullest manifestation as empowerment remained a constant thread in IFAD's work. Starting at the end of the 1990s, these principles were embodied in the concept of CDD, a process that – in theory – transfers the power to decide on which investments to finance to the 'communities' themselves. CDD became a leitmotif of many – if not the majority – of projects developed in that period. At the time, TRC project reviews repeatedly expressed poverty-targeting-related concerns for this type of project. Without safeguards and proactive measures, reviewers saw a

² From interviews with past leaders of SEPS, Alice Carloni and Vanda Altarelli.

³ IFAD Experience in Targeting the Rural Poor, by A. Sarris (unpublished report, 1998).

substantial risk that those capable of formulating microproject requests and getting them approved would be the better informed, better connected and thus not necessarily the poorer and more marginal groups (such as women and indigenous peoples). This risk was confirmed by the desk review undertaken by PTA from 2002 to 2003 (which also drew on evaluation findings) on targeting in CDD-type projects (IFAD 2004a). It was also confirmed by the World Bank's evaluation of CDD and the Sustainable Development Network (SDN) Week debate in which IFAD participated (Mansuri and Rao 2004; Lubbock and Carloni 2008).

13. **Initiative for mainstreaming innovation study on targeting, 2004.** In response to the concerns regarding targeting in CDD projects, from 2003 to 2004 PTA undertook a study on Innovative Approaches to Targeting in Demand-driven Projects (IFAD 2004b). Through document review and consultations with CPMs, 'demand-driven projects' assumed to be performing well in targeting were identified, and four country case studies in three regions were conducted to identify what were the critical factors of that success, as well as to test ways of assessing targeting performance. The case studies led to the refinement of a 'framework for targeting' that categorized the measures that can promote or inhibit effective targeting of poor people. These categories were partly inspired by IFAD's framework for gender mainstreaming, which addresses the multiple ways in which women's participation and benefits can be enhanced within a development programme.⁴
14. The study led to an original and IFAD-specific redefinition of the concept of targeting. This definition and the operational framework for targeting proposed by the study fed into the IFAD Targeting Policy.
15. **The corporate-level evaluation on supervision.** Another contribution by IOE to strengthening attention to targeting in IFAD operations was the corporate-level evaluation undertaken in 2004 on IFAD's supervision modalities. The evaluation showed that CPM-led direct supervision was more effective in addressing 'IFAD specificities' (targeting, gender and participation) than cooperating-institution-led supervision (IFAD 2004c). This was one of the contributing factors to IFAD's subsequent decision to generalize direct supervision.
16. **The fourth decade – 2006 to the present – the targeting policy.** The year 2006 saw a milestone for IFAD's work on targeting, as the Executive Board approved the IFAD Targeting Policy (IFAD 2006a), the key features of which can be summarized as follows:
 - *A definition of targeting as "the set of purposefully designed actions and measures which ensure, or at least significantly increase the likelihood, that specific groups of poor people – and women and men equally – will benefit from the development initiatives it supports; while at the same time diminishing the risk that the less poor will benefit disproportionately";*
 - *The concept that non-poor people (for example, non-poor actors in a value chain) should not necessarily be excluded if their participation is necessary to bring benefits to poor rural people (or their exclusion could harm them);*
 - *The statement that what counts is who benefits, rather than who is directly targeted (thus leaving the door open to direct targeting);*⁵

⁴ See footnote 13.

⁵ The Targeting Policy states: "..... exclusion of the 'better-off' or 'less poor' is not always advisable. Economic and market interdependencies between the better-off and the poor may require working with different categories in order to bring benefits (such as employment) to the poor themselves. Furthermore, the less poor can be innovators and drivers to the benefit of poverty reduction efforts. Sometimes, exclusion of the non-poor can cause conflict within a community, which can be counterproductive in relation to the intended targeting goals. In all cases, careful monitoring is needed to check for excessive benefit leakage and prevent benefit capture by the better-off. Ultimately what counts is the affirmation by poor people – by women and men equally – that the distribution of benefits and opportunities has been fair."

- *The restatement of IFAD's overall target group as "rural people living in poverty and experiencing food insecurity in developing countries" (national poverty lines being the benchmark); but also*
 - *The statement that IFAD will make special efforts to progressively "reach the extremely poor people, as defined by MDG1, who have the potential to take advantage of" the activities and investments that IFAD typically supports (the 'active' or 'productive' poor people), thus excluding those that could benefit only from humanitarian aid);*
 - *The restatement that women are throughout a primary target group, and the identification of specific target subgroups, defined by livelihood source or demographics (indigenous peoples, landless people, smallholders, artisanal fishers, etc.);*
 - *A renewed emphasis on the importance of better-quality, gender-sensitive poverty analysis as a precondition for effective targeting, as well as on continuous learning and monitoring to progressively improve targeting performance;*
 - *The identification of categories of targeting measures: geographical targeting; self-targeting (tailoring the project to target group needs); choice of activities suited to target groups; empowering measures; enabling measures and direct targeting;*
 - *The recommendation that eligibility criteria be used only when applied or validated through community participation.*
17. **Addressing new targeting challenges: generalization of the value-chain approach.** Over the last five years 'value-chain' projects have become common in IFAD operations, although market-linkage projects already featured in IFAD-supported projects, particularly in the East and Southern Africa region. IFAD's increasing emphasis on the value-chain approach is partly the result of trends current in the development community, but also of IFAD's concern about the limited impact of agricultural development projects that paid insufficient attention to marketing and other downstream linkages. Such projects present new, specific challenges for targeting if they are to be pro-poor: the understanding of who participates and might benefit at different stages of the value chain (poor, non-poor, different professional categories, women and men), and of potential pro-poor linkages; the design and implementation of measures to maximize benefits to poorer actors in the value-chain (women and men), whether directly or indirectly, such as through employment generation; and ways to minimize excessive elite capture, as larger farms are in a better position to enter these value-chains because they are more likely to meet the required standards and to take advantage of economies of scale.⁶ Evidence from the desk review of evaluation reports (section III.A.) indicates that such challenges remain outstanding in IFAD operations.
18. **Continued attention to targeting in IFAD's key policy and strategic documents.** The strategic frameworks of 2007 and 2011 included targeting as one of IFAD's principles of engagement, whereas the *Rural Poverty Report 2011* (and the previous one in 2001) highlighted the complexity of rural poverty and thus the need for differentiated approaches.⁷
19. PMD's 2009-2010 APPR dedicated an extensive annex to a review of targeting in view of what were identified as new and urgent development challenges (deepening poverty, the effects of the food and financial crises, the increasing role of the private sector). It reviewed targeting performance, but also findings from

⁶ Hans Posthumus, 2008, cited in IFAD's 2009-2010 APPR.

⁷ www.ifad.org/rpr2011/index.htm; www.ifad.org/poverty/index.htm; www.ifad.org/sf/strategic_e.pdf.

the development literature on the multiplier effects of agricultural development on poverty reduction and economic growth (IFAD/PMD 2006-2010 – 2009-2010 edition, annex 4).

20. **The Strategic Framework and the debate on commercialization.**

Commercialization of smallholder agriculture was initially the centrepiece of the current Strategic Framework. Discussion in IFAD and within the Executive Board expressed concern about the risks of deviating from IFAD's poverty mandate, as many poor people cannot become commercial farmers and need other options.⁸ It was also felt that reduction of vulnerability continued to be critical. The Strategic Framework, as approved, encompassed a broader vision of the rural economy in which livelihood options, and thus pathways out of poverty, are multiple and interconnected, although smallholder agriculture in the main driver. The challenge for IFAD is to be more effective in increasing the incomes, food and nutrition security and resilience of poor people. This will require not only direct targeting, but also a greater capacity to understand and maximize pro-poor multiplier effects of actions that may not directly target poor people. This paper has sought to address these issues.

⁸ Verbatim record, informal Executive Board seminar on the Strategic Framework, December 2010.

List of reviewed evaluation reports

Project completion and interim evaluations

| | | |
|--------------|--|------|
| Ghana | Upper West Agricultural Development Project | 2006 |
| India | North Eastern Region Community Resource Management Project for Upland Areas | 2006 |
| Niger | Special Country Programme – Phase II | 2007 |
| Philippines | Cordillera Highland Agricultural Resource Management Project | 2007 |
| Tanzania | Participatory Irrigation Development Programme | 2007 |
| Colombia | Rural Microenterprise Development Programme | 2007 |
| Georgia | Agricultural Development Project | 2007 |
| Mongolia | Arhangai Rural Poverty Alleviation Project | 2007 |
| Mozambique | Niassa Agricultural Development Project | 2007 |
| Peru | Proyecto de Desarrollo del Corredor Puno-Cusco | 2007 |
| Ethiopia | Rural Financial Intermediation Programme | 2008 |
| Romania | Apuseni Development Project | 2008 |
| Albania | Mountain Areas Development Programme | 2008 |
| Belize | Community-Initiated Agriculture and Resource Management Project | 2008 |
| Burkina Faso | Community Based Rural Development Project | 2008 |
| Pakistan | Dir Area Support Project | 2008 |
| Guatemala | Rural Development Programme for Las Verapaces | 2009 |
| Korea DPR | Uplands Food Security Project | 2009 |
| Madagascar | Upper Mandraré Basin Development Project – Phase II | 2009 |
| Philippines | Western Mindanao Community Initiatives Project | 2009 |
| Argentina | Rural Development Project for the North-Eastern Provinces | 2009 |
| China | Qinling Mountain Area Poverty Alleviation Project | 2010 |
| Yemen | Raymah Area Development Project | 2010 |
| Benin | Roots and Tubers Development Programme | 2010 |
| Uganda | Vegetable Oil Development Project | 2010 |
| Tanzania | Rural Financial Services Programme and Agric. Marketing Systems Dev. Programme | 2010 |
| Rwanda | Smallholder Cash and Export Crops Development Project | 2010 |

Country programme evaluations

| | |
|------------|------|
| Indonesia | 2004 |
| Mali | 2007 |
| Brazil | 2008 |
| Morocco | 2008 |
| Pakistan | 2008 |
| Ethiopia | 2009 |
| Nigeria | 2009 |
| Sudan | 2009 |
| Argentina | 2010 |
| India | 2010 |
| Mozambique | 2010 |
| Niger | 2010 |
| Kenya | 2011 |
| Yemen | 2011 |
| Ghana | 2012 |
| Indonesia | 2012 |
| Mali | 2012 |
| Rwanda | 2012 |
| Vietnam | 2012 |

Corporate-level evaluations

Regional Strategy for Asia and the Pacific, 2006
Rural Finance Policy, 2007
Gender Equality and Women's Empowerment, 2010
Engagement with the Private Sector in Poverty Reduction, 2010
IFAD's Capacity to Promote Innovation and Scaling-up, 2010

Recently approved projects

| | |
|------------|--|
| Armenia | Rural Assets Creation Programme |
| Bangladesh | Char Development and Settlement Project |
| Honduras | Programa de Desarrollo Rural Sostenible para la Región Sur |
| Kenya | Programme for Rural Outreach of Financial Innovations and Technologies |
| Mali | Fostering Agricultural Productivity Project |
| Uganda | Vegetable Oil Development Project – Phase 2 |
| Yemen | Economic Opportunities Programme |

Recently approved COSOPs

Azerbaijan, Dominican Republic, Ivory Coast, Malawi, Philippines.

Annual Reports on Results and Impact of IFAD Operations (ARRIs)

2007, 2008, 2009, 2010, 2011, 2012

Main other IFAD documents consulted for the review

Strategic Framework for IFAD 2002-2006
IFAD Strategic Framework 2007-2010
IFAD Strategic Framework 2011-2015
Independent External Evaluation of IFAD (2005)
Private-Sector Strategy (2005)
Private-Sector Policy (2007)
Targeting Policy (2006)
Engagement with Indigenous Peoples Policy (2009)
Towards purposeful partnerships in African agriculture: A joint evaluation of the agriculture and rural development policies and operations in Africa of the African Development Bank and the International Fund for Agricultural Development (April 2010)
Private-Sector Strategy: Deepening IFAD's engagement with the private sector (2011)

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- 2004-2010b. Project evaluations, 2004-2010 (see lists in annex II).
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- 2005d. Independent External Evaluation of IFAD.
- 2007c. Field Presence Pilot Programme.
- 2007-2012. Annual Reports on Results and Impact of IFAD Operations.
- 2008-2010b. Reports on IFAD's Development Effectiveness.
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