

## profile

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### Evaluation synthesis on IFAD's support for environment and natural resource management

**The Independent Office of Evaluation of the International Fund for Agricultural Development (IFAD) has reviewed the Fund's support of Environment and Natural Resource Management (ENRM) through an examination of 72 evaluations conducted between 2010 and 2015. How is IFAD "integrating the sustainable management of natural assets across the activities of IFAD and its partners" – as its 2012 ENRM Policy states – so that the well-being of the rural poor is improved? The objective of this Evaluation Synthesis is to generate findings, document lessons and good practices, and provide recommendations to inform IFAD's ongoing and future policies, strategies and work in ENRM.**

Overall, IFAD has pursued the goal of improving the incomes and livelihoods of the rural poor through traditional natural resource management activities and innovative "sustainable intensification" projects. IFAD has combined a growing focus on "avoiding harm" by assessing and managing environmental and social impacts with targeting its investments at "doing good" in the ENRM domain. Significant steps have been taken at the corporate level, including establishing the Environment and Climate Division, upgrading environmental and social safeguards and launching the Adaptation for Smallholder Agriculture Programme (ASAP).

However, spending on ENRM has not increased significantly as a proportion of IFAD's overall budget. Between 2010-2015, ENRM spending, including ASAP, was US\$588.7 million. This amounted to 11.8 per cent of total IFAD investment. Without ASAP, ENRM spending was only 7.3 per cent of total IFAD loan finance. The analysis demonstrates that over half of ENRM content in lending is allocated to resources conservation and soil and water conservation. Regarding performance, the rating for the ENRM impact domain has not improved significantly in recent years, likely due to a longer timeframe for achieving benefits and challenges in measuring and monitoring the results. ENRM remains an area that IFAD systems have difficulty in tracking results reliably.

At the country level, analysis reveals mixed success with the alignment of IFAD country strategies with IFAD ENRM policies. Only a small number of country strategic opportunities programmes (COSOPs) show a clear progression to a stronger focus on ENRM. Climate change has emerged as a strategic focus in some newer COSOPs. While more focus on climate resilience is to be welcomed, this might lead to less support for the broader scope of natural resources management issues relevant to the livelihoods of the rural poor. It is clear that successful ENRM integration requires mainstreaming into the country strategies and policy dialogue, the fostering of partnerships with relevant agencies and the participation in country-led planning processes in a more ambitious and coherent manner.

At the project level, performance on ENRM impact remains weak although there has been some modest improvement since 2009. This is partly a matter of project design and partly related to issues arising from implementation. The analysis also indicates that budgets for ENRM activities are inadequate, with the average allocation of ENRM funds in projects with some ENRM content being 17.8 per cent.



**Jordan - Agricultural Resource Management Project - Phase II. Polishing ponds are used to expose water to the sun for one month to remove bacteria.**

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Success factors most frequently mentioned as contributing to ENRM performance include governance and institutional set-up, participatory planning, and incentives. The ENRM poverty and livelihood linkages are not sufficiently captured. In general, there is more evidence of direct results of ENRM activities, such as soil and water management, but much less on how diversification of production or adoption of more sustainable options have contributed to better livelihoods of farmers.

## Key recommendations

IFAD should:

- **Enhance its focus on the contribution of ENRM activities to poverty reduction.** The investment in sustainable agriculture production and natural resources management is designed to contribute to poverty reduction for the rural poor, as well as to improve sustainability overall. IFAD should increase its, and its country partners', understanding of how ENRM interventions contribute to poverty reduction and upgrade its knowledge management and communication strategy for this issue.
- **Explore options to broaden the use of grant finance to boost the integration of ENRM, not just climate change adaptation, into its future operations.** The data on ENRM funding indicate that funding is quite low in the context of IFAD's ENRM policy commitment and its efforts to mainstream ENRM into its investment portfolio. IFAD should therefore pursue options for grant finance so that more resources are targeted at supporting innovative approaches to improve poor farmer's livelihoods through sustainable management and use of natural resources.
- **Strengthen its efforts to foster demand for greater integration of ENRM at the country level.** IFAD must address demand at the country level for more ENRM integration. It is essential to engage with country level sector planning processes, build on their policy and strategy initiatives, and engage with a wider set of partners at government and non-government levels.
- **Enhance its data management and monitoring of ENRM projects.** IFAD is unable to account accurately for investment in ENRM projects. It is important to get a better grasp of what can be understood and how results can be best measured and monitored.



Laos - Sustainable Natural Resource Management and Productivity Enhancement Project. Woman working in vegetable field. Pakse, Laos.

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## KEY FACTS

- IFAD's support to ENRM between 2010-2015 (using conventional sub-categories of investment, including ASAP):
  - US\$588.7 million
    - 11.8% of total IFAD funding
    - 7.3% of loan finance (up from 6.7% between 2005-2009)
    - Types of funding:
      - Loans: 58%
      - ASAP: 41%
      - Grant funding: 1%
- IFAD'S average allocations of ENRM funds to projects with an ENRM component: 17%
- ENRM cost by sub-component type:
  - Resource management/protection: 35%
  - Soil and water conservation: 18%
  - Rangelands/pastures: 17%
  - Climate change adaptation: 15%
  - Forestry: 10%
  - Land improvement: 4%
  - Fisheries and marine conservation: 1%
- Number of IOE reports examined: 72

### Further information:

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