

Project Completion Report Validation

Decentralized Programme for Rural Poverty Reduction in Ha Giang and Quang Binh Provinces (DPPR)

Socialist Republic of Vietnam

Date of validation by IOE: November 2014

I. Basic project data

			Approval (US\$ m)		Actual (US\$ m)	
Region	Asia and Pacific Division	Total project costs	38.78		36.58	
Country	Socialist Republic of Vietnam	IFAD loan and percentage of total	24.12	62.2%	24.12	65.9%
Loan number	647 – VN	IFAD grant	0.63	1.6%	0.63	1.7%
Type of project (subsector)	Agricultural development					
Financing type	E ¹	Government of Vietnam	6.05	15.6%	5.59	15.3%
Lending terms ^a	Highly concessional	Co-financiers (Gov. of Norway, debt swap)	5.26	13.6%	5.26	14.4%
Date of approval	02 December 2004					
Date of loan signature	15 February 2005	Beneficiaries	2.72	7.0%	0.98	2.7%
Date of effectiveness	17 August 2005	Other sources	None			
Loan amendments ²	05 Nov 2008	Number of beneficiaries	Ha Giang: 72,000 households, 229,493 persons Quang Binh: 55,828 households			
Loan closure extensions		Cooperating Institution	UNOPS (till end 2007) ³			
Country programme managers	Current: Henning Pedersen ⁴	Loan closing date	31 March 2012		31 March 2012	
Regional director	Hoonae Kim	Mid-term review			09-28 March 2008	
Project completion report reviewer	Avraam Louca	IFAD loan disbursement at project completion (%)			100.0%	
Project completion report quality control panel	Mona Bishay and Ashwani Muthoo	Date of the project completion report	Mission dates 14-21 June and 27 June-01 July 2011 and 08-13 July 2012		Ha Giang PCR: March 2012 Quang Binh PCR: Undated	

Sources: Report and Recommendation of the President EB 2004/83/R.26/Rev.1; Ha Giang Programme Completion Report (PCR), March 2013; Quang Binh Programme Completion Report (PCR), undated.

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

¹ IFAD-initiated and exclusively financed: financing from IFAD and domestic sources, including government, local private sector, local NGOs and local financial intermediaries.

² There has been one amendment after the March 2008 MTR that concerned: changes on the percentages of financing; creation of new categories to split the financing between Ha Giang and Quang Binh provinces; reallocation of funds among expenditure categories; amendments to Schedule 2 to reflect changes as required to financing and to Schedule 4 to bring this in line with the revised IFAD Procurement Guidelines.

³ In 2008 IFAD introduced direct supervision and managed the supervision arrangements until project closure.

⁴ Ms. Atsuko Toda (2004-2012).

II. Programme outline

1. **Country context.** Vietnam stretches for 1,650 km along the eastern seaboard of the Indochina Peninsula. Its total land area of 331,689 km² includes two large deltas – the Red River Delta in the North and the Mekong Delta in the South. Much of the country, however, is mountainous, with only 21% of the land area being cultivated. The total population in 2002 was estimated at 80.5 million. Annual population growth rate has more than halved from 3.1% in 1960-70 to the current level of around 1.2%, and continues to slow. Around 75% of the population is rural, concentrated largely in the delta areas. The country's delta populations are largely ethnic Vietnamese (*Kinh*). There are 53 officially recognized ethnic minorities, which account for 14% of the total population. More than three-quarters of the ethnic population is concentrated in the 11 provinces of the Northern Mountainous Region (including Ha Giang) and the four provinces of the Central Highlands.
2. **Programme description.** The Decentralized Programme for Rural Poverty Reduction in Ha Giang and Quang Binh Provinces (DPPR) was approved by the IFAD Executive Board on 2 December 2004 for a total of SDR 16.10 million (equivalent to approximately USD 24.12 million) and a grant of SDR 430 000 (equivalent to approximately USD 631 000). The IFAD loan became effective on 17 August 2005 and the original and actual closing loan dates were 31 March 2012. The planned total cost was USD 38.78 million, including the IFAD loan of USD 24.12 million, the IFAG grant of USD 0.63 million, Government of Norway (debt swap) USD 5.26 million, government contribution of USD 6.05 million, and beneficiaries' contribution of USD 2.72 million. The actual total cost was VND 643.33 billion. The PCRs have not provided total programme cost in USD.
3. **Target group.** The Programme covers two provinces with a common policy orientation and strategic objectives while retaining a design that specifically addresses the development priorities and institutional arrangements of each province. In Ha Giang, it will cover five of the ten rural districts in the province: three districts in Zone 1 and two districts in Zone 2. Within the five districts, 45 communes, in which the overall poverty rate is 29.3%, will be covered. Most poor households are food-insecure, and commonly have food deficit periods of four to five months. In Quang Binh, the programme will cover four of the six rural districts in the province. Within the four districts, 48 communes, with an overall poverty rate of 29.5%, will be covered. Most poor households are food-insecure, with food deficit periods of two to three months a common occurrence. The primary target group in both provinces are the officially- designated poverty households in selected communes. Ethnic minorities and women are targeted because of their disadvantaged position with regard to household representation and community decision making, excess workload and inadequate access to resources. Overall, the primary target group comprises the poorest households and women in 93 identified poorest communes in 9 rural districts of the 2 provinces. These 93 communes contain 841 villages and some 69,000 households, of which around 29% are officially poor.
4. The President's Report⁵ states that the Programme has a structured **targeting** strategy to ensure that resources reach the primary target groups. These include: (i) selection of communes where poverty rates are highest; (ii) apportionment of programme resources within a commune using criteria favourable to poorer villages; (iii) triangulation of community-generated data through participatory wealth ranking with available Department of Labour, Invalids and Social Affairs data; (iv) preferential access to credit, training, input-supply opportunities and wage labour opportunities for poor households; (v) identification and prioritization of the needs of the poor, women and ethnic groups by conducting

⁵ See EB 2004/83/R.26/Rev.1.

gender- and poverty-based participatory rural assessments (PRAs); (vi) a focus on low-risk investment interventions attractive to the poorest households; (vii) decentralized, participatory implementation processes emphasizing principles of transparency and accountability; (viii) involvement of representatives from target groups in monitoring and feedback mechanisms; (ix) reservation of a portion of local development budget (LDB) funding for women-identified activities; (x) full representation of women in decision-making processes; and (xi) at least 30% of training seats reserved for women and poor people. The programme will facilitate greater participation of, and benefit to, ethnic minorities through an appropriate information strategy, enhanced representation, needs identification and prioritization, and sensitization of staff.

5. The programme **goal** is to improve the socio-economic status of the poorest households in Ha Giang and Quang Binh Provinces with particular emphasis on the use of highly decentralized, community-driven development approaches operationalizing the Government's 'grassroots democratisation' legislation. This would be achieved by: (i) enhancing the capabilities of local people to become active stakeholders in the management of commune and village-level institutions; (ii) increasing the productivity and income levels of poor households, ethnic minorities and women, and improving their household food security; (iii) reinforcing the ongoing decentralization processes, with emphasis on village-level infrastructure; (iv) establishing decentralized programme management structures and delivery services responsive to the priorities of the target group; and (v) developing local capabilities to bridge the gap between national-level policies and provincial implementation of initiatives on decentralization.
6. The Programme comprised four components:
 - a) **Capacity-Building for Decentralized Development** (USD 5.55million or 15% of base cost). The Commune Programme Management Unit (CPMU) is responsible for coordinating, implementing, monitoring, supervising and reporting activities at the commune and village levels. Village level institutions designated as Village Management Groups (VMGs) in Ha Giang and Self- Management Boards (SMBs) in Quang Binh are responsible for identifying priority development needs, representing village interests at the commune level, and implementing programme activities. For each commune, implementation of activities will be spread over three years; capacity-building will be the major focus during the first year of implementation. Capacity-building will be based on needs identified at the commune and village levels, which can include training in management skills, financial administration, participatory planning and operation and maintenance of infrastructure. These will be financed from a Local Development Budget (LDB) out of which: (i) 30% is to be allocated for activities at the commune level; (ii) 30% is for activities targeted specifically to women and children; and (iii) the remaining 40% is for village-level capacity- building activities.
 - b) **Production Support** (USD 10.24 million or 28% of base cost). The Programme will adopt an integrated implementation approach through the: (i) development of rural financial services offsetting the possibility of de-capitalization of the household asset base; (ii) improvement of basic livelihood activities related to agriculture, forestry, livestock and aquaculture; (iii) improvement of access to critical market infrastructure and market information, to enable farmers to venture into crops that yield better returns; and (iv) assistance to households to diversify their income bases by exploring microenterprise opportunities and upgrading the skills of youths. After generating demand from participating households, implementation will proceed in three sequential stages for household-level interventions: (i) commune and village level activity selection and activity

planning; (ii) demonstration of potential; and (iii) scaling up based on experience and marketing potential.

- c) **Small-Scale Infrastructure Development** (USD 14.70 million or 40% of base cost). To provide a supportive regulatory environment, the Provincial People's Committees (PPCs) of both provinces will need to issue appropriate regulations and guidelines regarding financial management, institutional roles, scheme appraisal and approval, design and implementation, final approval and liquidation, and operations and maintenance responsibilities. CPMUs will be the investment owners of the schemes (e.g. rural roads, irrigation schemes, schools, electricity gridlines, and fresh water facilities) implemented in the 93 programme communes, and be responsible for a village infrastructure development budget (VIDB). For lowland and coastal communes in Quang Binh, the CPMU will initially be the investment owner, but ownership will gradually devolve to village-level SMBs. VMGs and SMBs will be assisted in identifying priority infrastructure works using participatory approaches with separately identified women's and men's priorities. Immediately after approval of village infrastructure work plans, user groups or scheme management committees will be established. In each commune, 60% of the poorest villages will be eligible for VIDB schemes.
 - d) **Programme Management** (USD 5.14 million or 14% of base cost). Provincial Programme Management Units (PPMUs) at the provincial level, District Programme Management Units (DPMUs) at the district level and CPMUs at the commune level will be established in Ha Giang and Quang Binh. Programme operations will be substantially decentralized to DPMUs and CPMUs; PPMUs will be responsible for planning, coordination and monitoring.
7. **Implementation arrangements.** Programme management and implementation were completely decentralized to the provincial and sub-provincial levels. At the provincial level, the Province People's Committees (PPCs) of Ha Giang and Quang Binh have been the executing agencies for the respective sub-programmes. A Provincial Project Steering Committee (PPSC) has been established in each province to assist the PPC and PPMU in implementing the sub-programmes. Functions of the PPSC included policy formulation, planning, coordination, supervision and monitoring of project activities. PPMU has had overall programme management and coordination functions and have not been directly involved in decentralized implementation. In Quang Binh, coordinators were designated within technical departments, whereas in Ha Giang, service providers were competitively selected. Here, a written agreement has been entered into with the public or private service provider stipulating outputs, inputs, specifications, procedures, terms and conditions, exit and penalty clauses, responsibilities, enforcement or compliance mechanisms and costs. At the district level, DPMU facilitated implementation of programme activities, providing technical support to CPMUs at the commune level, and to VMGs and SMBs at village level.
8. **Changes to the Programme Financing Agreement.** There has been only one amendment to the programme financing agreement on 5 November 2008 that followed the 2008 March MTR. The amendment concerned: changes on the percentages of financing to facilitate project management in disbursement procedures; creation of new categories to split the financing between Ha Giang and Quang Binh provinces; reallocation of funds among expenditure categories; amendments to Schedule 2 to reflect changes as required to financing and to Schedule 4 to bring this in line with the revised IFAD Procurement Guidelines.
9. **Programme Completion Report (PCR).** There is no consolidated programme completion report (PCR) for the DPPR. Instead, each of the two programme provinces, i.e. Ha Giang and Quang Binh, has prepared its own PCR, covering

programme activities and performance in the respective territory. None of the two PCRs has provided any rating of the programme performance criteria.

III. Review of findings by criterion

A. Programme performance

Relevance

(i) Programme objectives

10. **Policy relevance.** The stated goal of the DPPR to improve the socio-economic status of the poorest households in Ha Giang and Quang Binh provinces, with particular emphasis on the use of highly decentralized, community-driven development approaches operationalizing the Government's 'grassroots democratisation' legislation has been highly relevant to the needs of the rural people throughout the implementation period. Given the challenging socio-economic situation of the two provinces and communes, the Programme and other poverty reduction policies and programmes were critical resources for the development of production, infrastructure, and access to services of local people. The DPPR consolidated the lessons learned from two previous IFAD-financed projects in Quang Binh and Ha Giang provinces and focused on bridging the gap between national-level policy and provincial-level decentralization by projecting: province-specific local priorities and constraints; feasible development options and implementation modalities; and appropriate policy regimes and institutional alternatives at the national level for wider proliferation of decentralized approaches.
11. The DPPR was in line with Vietnam's Comprehensive Poverty Reduction and Growth Strategy (CPRGS)⁶ 2003 and the Socio-Economic Development Plans (SEDP) 2001-2005 and 2006-2010, which emphasised economic growth, hunger eradication and poverty reduction, and social inclusion, promoting further grassroots democracy and increasing community role in the management of local resources in development process. The Programme was, also, in line with the main thrusts of the 2002-2007 IFAD Country Strategy (COSOP) that was updated and expanded in 2008, specifically private sector development, production support, market linkages, proper exploitation and management of natural resources and participatory policy making at local level.

(ii) Programme Design

12. The Programme was implemented through a complete decentralization strategy, including: i) capacity building for decentralization for poverty reduction; ii) participatory approach; iii) gender integration; iv) and diversification of incomes for poor households, women and ethnic minorities through various technical interventions. After the 2008 MTR, in both provinces, some important adjustments were made compared to the original design, in order to ensure higher cohesiveness with local socio-economic conditions and unique characteristics of beneficiaries. In Quang Binh, the poverty reduction approach focusing on the poorest was replaced by a more market-oriented approach, in order to meet beneficiaries' needs at a large scale, enabling them to participate in some value chain processes. In Ha Giang, during implementation, to better fit local situation and demands, modifications were made to the original design, concerning: i) duration of intervention at commune level; ii) targeting (it included non-poor households); iii) production support methods; iv) adjustments in financial management. On the less positive side, in Quang Binh, some design flaws were detected, such as: i) the Programme's log frame did not have detailed target for each indicator; ii) the savings and credit programme offered the villagers the loan size, which was small and insufficient for production; iii) the Programme's intent to partner with the Vietnam's Bank for Social Policies (VBSP) for additional credit provision could not

⁶ The Comprehensive Poverty Reduction and Growth Strategy (CPRGS), Hanoi, November 2003.

be implemented due to the differences in terms of rural finance approaches between the VBSP and the Programme.

13. The PCRV rating for the DPPR relevance is satisfactory (5).

Effectiveness

Component A: Capacity-Building for Decentralized Development

14. The component aimed at enhancing the capabilities of local people to become active stakeholders in the management of commune and village-level institutions. The Programme has established in both provinces (Ha Giang and Quang Binh) 93 Communes' Programme Management Units (CPMUs), 714 Village Management Groups (VMGs) /Self-Management boards (SMBs) with 3,976 members, all of whom received appropriate training for capacity building for decentralized development and improved role of women in community-based institutions. Women accounted for more than 30% in Ha Giang and 20% in Quang Binh of PMU/VMG/SMB staff. The Programme has supported the development of 3,040 village socio-development plans and 477 commune development plans, meeting 100% of set targets.
15. Both the Ha Giang and Quang Binh PCRs state that capacity of CPMUs, SMBs and VMGs has been greatly improved and programme communes were capable of becoming investment owners at relatively good level, i.e. they were able to plan, select, procure, implement and provide support, mainly, to village and commune level infrastructure activities. The SMBs/VMGs have bridged the community head of villages and the communes' authority in the monitoring and implementing the development activities at village level and facilitated the mass participation of beneficiaries, including the poor households, in all the development process. In addition, the Programme has strongly emphasized management decentralization along with decentralization of resources to actively mobilize and utilize funds for programme activities at grassroots level. However, the CPMU capacity to promote socio-economic development with market orientation was still at low level, whereas sustainable market-oriented upland development is a vital requirement for the provincial socio-economic development.

Component B: Production Support

16. The component supported production in several areas (crops, vegetables and horticulture; livestock; aquaculture; microenterprise development and marketing; and rural finance services), aiming at raising income and improving household food security in programme provinces. Programme major outputs in Quang Binh included: launching 343 communes' plan for cultivation development, training of 343 extension and veterinary staffs at the commune level; support of 47,306 households with extension and veterinary services, in which women-headed households accounted for 49%; 1,155 demonstrations of cultural practices, livestock and aquaculture models with participation of 5,784 households (31% women-headed); study tours in Quang Binh and other provinces in Vietnam for 581 farmers to capture good practice in agriculture production; afforestation of 2,632 ha (105% of revised target); issue of 15,527 land certificates (155% of target) that helped the poor households to access finance as collateral for loans; establishment or rehabilitation of 108 small enterprises; vocational training of 792 people in basic veterinary, extension, construction machinery operation, civil electricity, industrial garment, art wooden production and other, of which 74.4% women; establishment of 534 saving and credit groups (SCGs) with 8,195 members (86,3% women) and disbursement of some 15,000 loans for production with a total credit outstanding of VND 6.6 billion.
17. Major programme outputs in Ha Giang, included: 117 demonstration models of different types, with the participation of more than 700 households; training of 219 commune-level agricultural extension staffs and almost 1,000 village

agricultural extension staffs; access to agricultural extension services by some 9,000 farmers; loans, cash or in-kind (e.g. buffaloes, cows, pigs, goats) to more than 4,000 farmers (almost 50% women) to support production development; training of 352 village and 45 commune veterinary staffs; veterinary services to 2,234 farmers (20% women); credit to 5,921 (70% women); raising 3,412 animals (buffaloes, cows, goats, pigs) using loan capital from Production Support Fund (households could also get access to capital in form of raised animals); purchase of parent fish for seed production and specialized equipment to improve quality of parent fish, meeting the demands for fish seeds of local farmers; establishment of a tea processing cooperative and provision of equipment to 31 rock-grinding cooperatives and to two tea-processing cooperatives; vocational training to 1,250 young people (10% women); development /upgrading of 3 market sites; establishment of 275 SCGs with almost 100% of female membership; SCG loans to 4,881 people (group members) with a total credit outstanding of 9 billion VND and zero non-performing assets (bad debt); training of 7,899 members on operations and skills enhancement such as capital utilization, accounting, capital management, leadership skills, use of materials, recording; study tour to India for 15 key staffs including division heads, officers in charge of Savings and Credit and community support officers of PPMU, and officers in charge of Savings and Credit of DPMU. The Programme failed to coordinate with Vietnam Bank for Social Policies (VBSP) to enhance the management of operations of SCGs. The key hurdle laid in the discrepancy in principles, process and procedures in credit between SCGs and VBSP. The Programme met, also, difficulties concerning aquaculture development, the microenterprise development and marketing.

Component C: **Small-Scale Infrastructure Development**

18. In Quang Binh, infrastructure development included decentralized communes as investment owners of 184 schemes, of which 102 rural roads with total length of 142.7 km including concrete, asphalt and aggregate roads; 29 irrigation schemes with 23,974 m concretized channels; 42 other civil works including market, kindergarten, classrooms for primary schools, village and commune cultural houses; and 11 other schemes, including water pipe across river, electric line, rural electricity station and radio broadcast station. In Ha Giang province the Programme invested into new construction and upgrading of 2,074 facilities, catering to demands for 28,818 households, including 45 schools; 26 fresh water facilities; 261 km roads; 69 village head offices; 24 electricity gridlines; 64 irrigation and 204 drainage facilities. Commune level acted as the investor/owner for nearly 95% of facilities, and more than 74% of facilities were executed by local residents on their own. In addition, the Programme provided training to 8,316 people in management, operation and maintenance of finished infrastructural facilities. Overall, infrastructure works have greatly contributed to improve the living and production conditions of households and enabled the beneficiaries to reduce travelling time and transport costs.
19. The two PCRs state that the Programme was effective in both the provinces in applying a decentralization approach from provincial to commune and village level. However in Quang Binh, Programme effectiveness could have been higher. The Programme experienced difficulties in i) receiving additional loan-support for SCGs; ii) the expansion of the production models for larger impact required additional loans for dissemination and awareness raising (which were missing); iii) the planning tended to focus on infrastructure development rather than focusing on the strategy for economic development. Above all, the Programme lacked a clear collaboration between components and between management levels to achieve building the capacity for market-oriented socio-economic development. In Ha Giang, some difficulties were met, mainly, in the development of aquaculture, microenterprises and marketing. With regard to the rural financial services, the coordination between the Programme and the Vietnam Bank for Social Policies

(VBSP) was not possible, which prevented enhancing the management of operations of SCGs.

20. The PCRV rating for the programme effectiveness is moderately satisfactory (4).

Efficiency

21. The two PCRs, Ha Giang and Quang Binh, analyzed efficiency based on the calculation of economic IRR of selected activities. The Ha Giang PCR proceeded, also, to comparisons between the programme investment rates and those of national norms set by the Ministry of Construction (MOC).
22. In Ha Giang, the IRR for production support activities ranged from 19% (fish pond model) to 150% (chicken raising model), including 74% for goats, 46.4% for pig breeding and 36.5% for pig fattening, 60.4% for maize and 32% for grass. In general, the investment rate for many important programme infrastructure works was lower than the national norms set by the MOC for the mountainous areas, excepting community houses which were invested with about similar rates as prescribed in the MOC's regulations. More specifically, the investment rate for the primary schools was only VND 2,547/pupil, equivalent to 10.1% of the maximum prescribed level of VND 23,550/pupil; similarly, the investment rate for public roads was 10% of the regulated rate for IV-grade roads in the mountainous areas (one-layer gravel road surface). Compared to that of Programme 135-II, the DPPR investment rate for public roads was just as high as 30%. The Programme encouraged the participation of the beneficiaries in the construction of some infrastructure works of small value and simple technical requirements, which helped to save considerable costs, thanks to the removal of procurement, construction supervision and utilization of local materials.
23. In Quang Binh the average Programme's IRR stood at 22.07%; infrastructure development had the high IRR of 42.23% while income generation models had average IRR of 72.14%. The IRR of the irrigation construction project was 48.01% and that of rural road construction 45.11%. Income generation activities had very high IRR: the highest belonged to the advanced rice cultivation (96%) and the lowest to the frog raising (51%). The production models in cultivation, livestock and aquaculture showed high efficiency both in the demonstration and the expansion models. However, there were some ineffective or low effective production support projects (fruit cultivation, biogas, and goat and rabbit models).
24. Efficiency could be looked, also, in terms of programme implementation, referring to the time for the loan to become effective, time overrun and the programme disbursement performance. DPPR effectiveness took only eight and half months from IFAD Executive Board approval, which is far better than the IFAD one year and a half global average (across all regions). Furthermore, the closure of the Programme at the original closing date and the 100.0% disbursement rate of the IFAD loan constitute strong indicators of high management and coordination efficiency. However, the Programme had initially a slow implementation due to serious constraints, including inter alia, low capacities of communal officials and severe animal pandemics in the Programme's sites.
25. The PCRV rates the overall Programme's efficiency satisfactory (5).

Rural poverty impact

26. **Impact.** The PCRs state that data for the assessment of impact are mostly taken from the 2006 baseline RIMS impact survey and the Annual Outcome Surveys, participatory M&E and the Programme Completion Survey.
27. **Household income and assets.** According to the PCRs, the Programme had a fairly positive impact on physical assets and household income. In Ha Giang, there has been an average increase of 1,029 m² in arable land and 1.6 animals and an increase in TV equipment and motor bikes per household. A similar positive impact

was achieved in Quang Binh province, which showed an increased ratio of households having value assets such as television, refrigerators and agriculture machineries. From 2006 to 2011, the percentage of households living in land or sandy floors decreased from 18% to 5.2% and the households having ceramic floors increased from 15.3% to 40.9%. According to annual household surveys, beneficiary incomes in Ha Giang grew by 70% from 2009 to 2011 or 23 per cent per year on average, an increase that seems to be unrealistic. In Quang Binh, over 60% of households' responding to Programme's impact assessment stated that the Programme had largely contributed to improve their incomes. Based on RIMS surveys, the PCRs state that in Quang Binh the Programme contributed to reduce the poverty rate from 43.5% in 2006 to 18.6% in 2011, whereas in Ha Giang, the poverty rate declined by 2% only, from 21% to 19%, although the proportion of the poorest households went down from 35% to 5%. The poverty figures presented in the Quang Binh PCR (Appendix 1) show that the rural poverty reduction during the period 2006 to 2011 was only 6.4 percentage units, from 43.6% to 37.2%, i.e. much smaller than the positive picture painted by the RIMS surveys. Similarly, the last supervision report of March 2011 observes that (i) there exists no reliable data on family incomes in the project areas; (ii) the 2010 average income per capita (in the project areas) surged to VND 6.5 million from VND 454,000 in 2009, obviously because of mistakes in surveys and data processing; and (iii) rates the impact on physical and financial assets as moderately satisfactory. The results from the RIMS baseline and end-line surveys need to be treated with caution as they refer to a limited period of time, are not based on actual M&E data but on beneficiary opinions, and do not show the change of household incomes before and after the Programme.

28. The rating for the programme impact on household income and assets is moderately satisfactory (4), lower than the satisfactory (5) self-rating of PMD.
29. **Human and social capital and empowerment.** Human assets are capital 'embodied' in people and include the nutritional status, health and knowledge of people. The implementation of a decentralized, community-based, demand-driven participatory-approach development model by Programme planted the seeds of beneficiary and community empowerment and created a self-propelled dynamics, which provided the villagers with the necessary tools to play a significant role in identifying their needs and take part in implementing of key community-based investments (such water supply, rural roads, etc.). Rather than passively receiving support on a top-down basis, the beneficiaries, especially poor households, women and ethnic minorities were encouraged to participate into the decision making of the programme activities, including identification of investment priorities for the village development plans and the monitoring of implementation. Most importantly, through the Programme's capacity building activities, the linkages between the community institutions (SCGs, SMBs, VMGs, production groups, and maintenance and operation groups) and the private sector suppliers for production organization and sustainable poverty reduction were strengthened. The quality of life has improved thanks to improved health services, higher school attendance, better access to electricity and safe drinking water supply, improved sanitation, lifting the drudgery for women and decreasing the time spent for fetching water and collecting firewood. The intensive training in life skills and income generating activities had raised the level of community development capacity, contributed to increasing social capital, empowerment and motivation, improved, physical, human social and personal assets and impacted on interpersonal skills and self-confidence. DPPR contributed to the empowerment of women and ethnic minorities by providing to them equitable access to programme resources and opportunities to participate in trainings to improve their knowledge and technical skills. With the participation of female representatives in VMGs, SMBs and SCGs, their voice and status improved and acquired rights over loans and the use of credits for their families.

30. The PCRV rating for human and social capital empowerment is satisfactory (5), same as self-rating by PMD.
31. **Food security and agricultural productivity.** The Programme was successful in promoting effective use of land and labour resources and contributed substantially to increases of arable area and yield of many crops via the introduction of production models and updated farming techniques; support for variety improvement; increased access to extension and veterinary services and micro credit. According to the RIMS 2006 and 2011 surveys, which covered 416 and 232 households respectively, in Quang Binh the ratio of households reporting hunger decreased from 49% to 26%, however the average length of the hunger period decreased for only 0.7 months, from 3.9 months to 3.2 months. The supplemental impact assessment carried out by the Programme (total number of HHs surveyed not mentioned) reported that 21 per cent of the surveyed households had not faced hunger, whereas 72 per cent of HHs saw much improvement. Furthermore, some 40% of the surveyed HHs responded that the programme's activities in afforestation, vocational training and SME development did not contribute much to the households' food security improvement. The last supervision report (March 2011) observes that the progress in food security at household level was not stable with food deficient month still high and rates the project impact for food security moderately satisfactory. In Ha Giang, the average number of hunger months in the project area based on annual surveys decreased by some 1.21 months during the period 2008 - 2011. Along with food security improvement, the rate of mal-nutrition (height for age) in children aged under 5 dropped from 77% to 64% in Ha Giang and from 44% to 33% in Quang Binh; while the rate of under-weighted children (weight for age) decreased sharply from 48% to nearly 25% in Ha Giang and the body mass index (BMI = weight/tallness) reduced from 24% to 20% in Quang Binh. The PCR Digest mentions that in Quang Binh the number of households with food deficient months is still high, whereas in Ha Giang interviews with villagers revealed that without support from the Programme or the GOV, food security was still a major challenge.
32. In terms of agricultural productivity, the Quang Binh PCR mentions that there were evidences showing improved productivity in agricultural production, however actual data is practically missing. It only mentions that 21.7% households reported increased cultivation productivity, 23.8% reported increased livestock productivity and 14.3% reported increased aquaculture productivity. In Ha Giang, annual household surveys report that the area for paddy, corn, and soybean (the 3 main crops in the target area) increased by 260, 225 and 184 m² with corresponding increase in output 369, 263, and 26 kg per household; and that during 2006-2011, the yield for paddy, corn and soybean increased 2.2, 1.7 and 2.2 times, respectively. According to General Statistics Office (GSO), the per capita paddy production increased from 192 kg in 2007 to 233 kg in 2011 and that of corn from 142 kg to 215 kg per year. Here again, the results from the RIMS surveys and GOS need to be treated with caution as they are not based on actual M&E data but on beneficiary opinions, and do not show the changes of agricultural productivity before and after the Programme.
33. The rating for food security and agriculture productivity is moderately satisfactory (4), same as PMD self-rating (4) for food security and lower than the satisfactory (5) PMD aggregate self-rating for food security and agricultural productivity together.
34. **Natural resources and environment.** The DPPR was not aimed at directly improving natural environment and data on environmental impacts of programme interventions remains limited in programme documents. However, the numerous community development plans contributed to raising people's awareness on protecting natural resources and the environment and to building the capacity of smallholders in using existing natural resources more efficiently. The Ha Gaing PCR

states that the Project has induced some impacts on environment in two aspects: (i) upland farming development and livelihood improvement, e.g. growing grasses for livestock raising, greening bare mountains with newly planted trees, biogas decomposition, reduction and efficient use of agro-chemicals, leading to reduced tension on natural resources, including reduce exploitation of forests; and (ii) some environmental impacts through improving living conditions of the beneficiaries, e.g. proper latrines and improved hygienic conditions in the target area. The Quang Binh PCR mentions that the Programme investments were small and dispersed without negative environmental influences, however many activities such as the integrated crop management (ICM) rice cultivation and the afforestation of 2,868 ha reduced the negative environmental impacts. The ratio of households using charcoal for cooking was reduced from 96.4% in 2006 to 77.1% in 2011 and correspondingly the ratio of those using gas for cooking increased from 3.1% to 22.5%, which in turn reduced the threats on deforestation for firewood. Overall, programme interventions were limited in size with no meaningful positive impact on the environment.

35. The PCRV rating for the environment and common resource base is moderately unsatisfactory (3), lower than the moderately satisfactory (4) self-rating of PMD.
36. **Institutions and services.** The Programme has facilitated the institution development through the PPC Decisions for Decentralization of DPPR implementation, which defined clearly the role, responsibilities of PPMUs, DPMUs and CPMUs in relation to other provincial departments in the pilot decentralization. The establishment of CPMUs, villages' SMBs and VMGs, SCGs and Local Development Funds (LDFs), as community-based institutions, encouraged beneficiary ownership and further contributed to strengthening the grass-roots democracy. Emphasis on capacity building for officials for the purpose of decentralization and for village extension workers (VEWs) have created positive impacts on building management capacity, especially the investment capacity at CPMUs and on raising the quality of extension service. In both Ha Giang and Quang Binh, the Programme was able to implement a comprehensive decentralization strategy with the shift from a top-down centralized planning to bottom-up participatory planning, which strongly contributed to improve institutional and policy implementation at local level. The CPMUs, with some differences, have become confident in planning and implementing their socio-economic development plans and effectively exercised their investor roles. In Ha Giang province, impact for decentralization could be seen through the current implementation of the national Programme 135 and Programme 30A in which implementation has been fully decentralized to communes. In Quang Binh, the capacity for decentralization varied from one commune to the others.
37. The rating of the institutions and services is satisfactory (5).
38. The overall PCRV rating for the programme rural poverty impact is moderately satisfactory (4).

B. Other performance criteria

Sustainability

39. Economic sustainability. The Programme has helped local communities improve their livelihoods, increase their incomes and reduce risk and vulnerability through diversified agriculture and animal production, and aquaculture. It has built, also, the technical capacity of beneficiaries, men and women, enabling them to get into income generating activities. All public assets have been transferred by the Programme to SMBs/VMGs and maintenance and operation (O&M) groups. Currently, these organizations are active and functioning according to the mechanism defined by themselves with the support by local authorities. The PSFs and SCGs, which have been institutionalized, would continue their role as a credit

source for production support. However, the production models may face in the future difficulties due to pandemics and extremely harsh weather conditions (prolonged coldness, heavy floods). Thus, adaptation to natural disasters and mitigation of the risks will be critical for ensuring the economic sustainability in many communes. According to the PCRs, in Ha Giang, the Programme achieved high political, social and institutional sustainability. Resolution by Provincial People's Committee (PPC) confirmed further intensification of Programme approaches, especially the agriculture model development with strong emphasis on market-orientation and market linkages. In Quang Binh, the Programme is considered, also, to have a good institutional, political, social and economic sustainability. The PPC committed to continue to lead the process and to ensure the financial support through the provincial annual socio-economic development plans and the National Targeted Programme (NTP) for New Rural Development, Climate Change Adaptation and Risk Mitigation.

40. Social sustainability (Empowerment). The emphasis on decentralization and participatory development and the establishment and building of capacities of a big number of community-based organizations to initiate and manage development investments, is one of the hallmarks of DPPR successes in the provinces of Quang Binh and Ha Giang that increases beneficiary ownership and contributes to sustainability. Community development activities resulted in a gradual build-up of confidence and trust between the beneficiaries, ability to resolve conflicts, empowerment and motivation. Decentralization to VMGs and SMBs is a major achievement as it enables the community organizations to become financially sustainable, ensuring the continuation of benefits to the communities. The decentralization and empowerment promoted by the Programme not only enhanced beneficiary ownership but contributed to changing the beneficiaries from passive receivers of top-down support to owners of those supports, actively taking advantages of them for the purpose of livelihood improvement; as the Ha Giang PCR put it "the project beneficiaries have moved from passive position of support receivers to the position of doers". The greatest threat to the community organizations comes from the paucity of resources post Programme.
41. Sustainability of community infrastructure has been promoted through setting Maintenance and Operation (O&M) Groups by communities and providing special training to their members to operate the schemes. Overall, the best prospects for sustainability of investments tend to be those that provide tangible and valuable benefits at affordable costs, e.g. smaller water supply schemes, feeder roads and small irrigation schemes with relatively low operation and maintenance costs.
42. Environmental sustainability. The programme design conveyed the core message that its interventions were aimed at being environmentally friendly, promoting sustainable forestry development and reducing disaster risks via the development of proper livelihood models in the target area. Thus, the Programme contributed, albeit not to a significant degree, to environmental sustainability by raising people's awareness on protecting natural resources and the environment and ensuring that programme activities and inputs were environmentally acceptable. The stress of the Programme on promoting diversity of livelihoods enables the target group to respond more resiliently to the challenges of climate change. Sustainability is further ensured by strengthening the smallholder capacity in the integration of various natural resource management modalities, which makes smallholders use the existing natural resources more efficiently and respond more resiliently to challenges of climate change.
43. Institutional sustainability /Exit strategy. The DPPR was implemented through the local existing administration and political system. One of the most vital programme policies was decentralization and empowerment to the lowest level (especially commune level) in resource management and implementation, which goes in line with today's public administrative reforms in Vietnam. At programme completion,

the capacity of commune officials in participatory planning has been improved significantly. The VMG and SMB model, based on village officials including village heads, deputy village head and representatives from local social organizations, is more likely to be sustained. However, this process should be institutionalized by the Ha Giang and Quang Binh Province Peoples' Committees (PPCs) to integrate the approach into socio-economic planning development of the province and ensure its enforcement and sustainability. The Quang Binh PCR states that in the New Rural Development Programmes, the Village Development Boards will be established based on the SMBs' structure, which ensures the institutional sustainability of the DPPR. Similarly, the Ha Giang PCR states that the DPPR achieved high political, social and institutional sustainability and that a resolution by Provincial People's Committee (PPC) confirmed further intensification of Programme approaches, especially the agriculture model development with strong emphasis on market-orientation and market linkages.

44. The PCRV rates overall sustainability moderately satisfactory (4).

Innovation and scaling up

45. In the Ha Giang and Quang Binh provinces, the Programme had many breakthroughs and innovative approaches, such as: i) the decentralization of investment projects to commune and village levels; ii) the application of a participatory planning approach using a wealth ranking technique; iii) the SCGs' model which was innovative as it identified a way to make credit accessible at the village level by women and with procedures much more simpler than the formal banking system in upland, remote communes; iv) the innovative crop varieties supported by the Programme. In Ha Giang, another innovation was the Production Revolving Fund, which was a shift away from giving out of inputs to revolving credit funds. In Quang Binh, during the programme implementation, it was also newly introduced a poverty reduction approach with market orientation, which had not been employed in any national poverty reduction programme. Other promoted innovative models were: i) the widening of the targeting criteria to include in the target group wealthy households to facilitate interaction with poor/very poor and promote increased productivity and income; ii) the use of self-management boards (SMBs) which played a role in supervision and M&E for small-scale infrastructure; iii) the allocation of Local Development Budgets (LDBs) to village communities for implementation of infrastructure; and iv) public-private partnership for poverty reduction, including piloted support for large agriculture farms and private enterprises which supply seeds and provide training and buy products from small farmers.
46. The Programme's decentralized strategy and participatory planning approach at commune level is a lesson that could be scaled-up to the other poverty programmes/projects implemented in the same region and in many other provinces across Vietnam. Some of the programme models, particularly operation and maintenance of irrigation schemes by beneficiaries, have been replicated in schemes funded through Government's own resources. In addition, programme production models have been adopted and replicated by local people. In Quang Binh, the decentralization approach was expanded to other communes belonging to the 135 Programme. Moreover, the Department of Planning (DPI) has been tasked to continue testing and institutionalizing the market-oriented Socio Economic Development Plan (SEDP) for adopting and scaling up of the successful production models.
47. The overall PCRV rating for innovation and scaling up is satisfactory (5).

Gender equality and women's empowerment

48. None of the two PCRs contain a specific section on gender equality and women's empowerment. However, both of them make frequent reference to participation of women to the programme activities. According to the Ha Giang PCR, on average,

women accounted for 45% of the beneficiaries. In respect of annual planning process, at least half of the participants in village planning meetings were women. In many specific activities, the participation rate of women was very high: nearly 100% of SCG membership; 100% in illiteracy classes; 73% of PSF loan recipients; over 33% in CPMUs and over 30% in VMGs. The Quang Binh PCR states that gender has been integrated in all activities from the planning process in the village level. Women participation accounted for: 65.4%; 24%; 87.8%, 85.4%; and 60.9% in commune/village training, SMBs, community groups, SCGs and enterprise employment, respectively. Women also account for 27.3%, 48% and 27.4% of beneficiaries receiving production supports for cultivation, livestock and aquaculture models, respectively. Some 30% of the Local Development Fund (LDF) would finance activities specifically targeted to women and children, however due to budget constraints in the Programme's final years, the LDF met only partially the capacity building demand for women.

49. The relatively high percentage of women participation in programme activities reflects the intentional efforts made by Programme, as well as the prevailing situation in the country where women are highly active in the daily running and the survival of the households. The PCRV rating for gender equality and women's empowerment is satisfactory (5).

C. Performance of partners

50. **Government.** The GoV has been supportive of the Programme and has continued to make decentralized programme and poverty reduction a high priority. The provincial and district level departments, the Provincial People's Committees (PCCs), and other administrative bodies were all committed to the poverty alleviation efforts initiated by the Programme. In both Ha Giang and Quang Binh, the Programme Management Units at all levels (PPMUs, DPMUs, CPMUs, VMGs in Ha Giang and SMBs in Quang Binh) improved their capacity over time and achieved, overall, good performance, although capacities at the lower level needed to increase further. In the Ha Giang province, a number of difficulties were encountered in financial management due to challenging decentralised financial issues at the commune levels and lengthy disbursement processes. In Quang Binh, the financial and accounting system of the Programme encountered, also, difficulties and met partially the Programme management requirements, mainly due to lack of accounting capacity at commune level. The frequent turn over of staff in PMUs (from provincial to commune level) created difficulties in the coordination of Programme's activities. Some issues were also raised on loan compliance and procurement.
51. The performance of Government is rated moderately satisfactory (4).
52. **IFAD.** As of early 2008, IFAD assumed the responsibility of direct supervision of the Programme. Both the Ha Giang and Quang Binh PCRs acknowledge that DPPR received regular and effective support and oversight from IFAD through annual supervision missions (including mid-term review mission in 2008) and regular and ad hoc support (either at their own initiative or as response to requests by PPMUs). IFAD showed flexibility in adjusting the project design to better match practical implementation needs and provided timely technical support, helping the PPMUs master the issues related to programme management and implementation. The Quang Binh PCR acknowledges, also, that IFAD bridged the Quang Binh PPC with other government agencies for disbursement procedures and contributed to the development of partnerships with organizations such as GIZ and ADB, and SNV for a collaborative poverty reduction. However, the PCR maintains that DPPR would have performed better had IFAD provided stronger technical support with respect to (i) standardizing the M&E system (agreement on targets, indicators, collection and analysis of M&E data; application of M&E data in annual planning; standardizing the application of software in financial management); and (ii) linking

with other stakeholders for macro policies such as working with the Central Bank for Social Policies in providing group loans.

53. The performance of IFAD is rated satisfactory (5).

D. Overall Programme achievements

54. Notwithstanding delays and inefficiencies in the early years of implementation, the Programme made fast progress towards achieving most of its physical targets with exemplary success in decentralization and community mobilisation and the establishment of key decision-making mechanisms at community level such as VMGs and SMBs, PCUs and SCGs. Through the Programme, these bodies acted as local catalysts and have supported communities to initiate and manage development investments in a transparent and accountable way that increased beneficiary ownership and contributed to sustainability. However in Quang Binh, the Programme lacked a clear coordination /collaboration between components and between management levels to achieve the objective of building the capacity for market-oriented socio-economic development. Programme planning, in particular, tended to focus on infrastructure development rather than focusing on the strategy for economic development.

IV. Assessment of PCR quality

55. As mentioned in paragraph 9, there is no consolidated programme completion report (PCR) for the DPPR. Instead, each of the two programme provinces, i.e. Ha Giang and Quang Binh, has prepared its own PCR, covering programme activities and performance in the respective territory.
- (i) Scope
56. Both PCRs covered the key aspects of the programme results and by and large, their structure follows the IFAD Guidelines for PCR preparation (2006). However, the Ha Giang PCR is unnecessarily long and the Quang Binh PCR is short of most of the required Annexes. PCRV assesses PCR scope as *moderately satisfactory* (4).
- (ii) Quality (data, methods, participatory process)
57. Although the PCRs provide a fairly good picture of Programme's achievements and an analysis of its main strengths and weaknesses, the presentation is more output than outcome oriented. The quality, particularly of the Ha Giang PCR, is often diluted in verbose and lengthy paragraphs/discussion at the expense of substance. None of the two PCRs provide ratings of the programme performance criteria. PCRV assesses PCR quality as *moderately unsatisfactory* (3).
- (iii) Lessons
58. The PCRs have produced a list of lessons, all consistent with the analysis and focused on enhancing or sustaining the Programme's benefits, therefore are pertinent and valid. PCRV assesses PCR lessons as *satisfactory* (5).
- (iv) Candour
59. Notwithstanding weaknesses, the PCRV recognizes that the PCRs' content, analysis and lessons are consistent and candid. The PCRs present the successes and failures experienced by the Programme and provide constructive criticism throughout the documents. PCRV assesses PCR candour as *satisfactory* (5).
60. The PCRV rates overall PCR quality moderately satisfactory (4).

V. Final remarks

(i) Lessons learned

61. **Effective decentralization** can only be achieved if a) there is commitment in terms of political will in capacity building for the local authority right from the

beginning; b) beneficiaries (i.e. the poor, women, ethnic minorities) are empowered to participate in identification of investment priorities, and in annual planning process to foster beneficiary ownership; c) organizational decentralization is associated with resource management, i.e. grassroots level is given not only investment ownership but also the power to use the allocated budgets; d) accountability is transferred to the commune level in parallel with necessary guidance on the implementation, the capacity building, and the simplification of the financial procedures; e) decentralized programme management is an integral part of the participatory community-based management, enhancing linkages with the target community; f) appropriate capacity building for PMU officials and local authorities has taken place; g) decentralization process is institutionalized by concrete guidelines

(ii) Issues for IOE follow-up (if any)

62. It would be useful to carry out a Programme Performance Assessment (PPA) to deepen further the understanding of both successes and weaknesses of the decentralization issues associated with the DPPR and generate recommendations for the implementation of on-going and the design of future operations in the country.

VI. List of sources used for PCR validation

63. Programme documents:
- i. IFAD. Appraisal Report, March 2006
 - ii. IFAD. Report and Recommendation of the President, December 2004
 - iii. IFAD. Mid-Term Review Mission Report, March 2008
 - iv. IFAD. QB Supervision Report, 2-13 May 2010
 - v. IFAD. QB Supervision Report, 21-31 March 2011
 - vi. Ha Giang, Programme Completion Report, March 2012
 - vii. Quang Binh, Programme Completion Report, Undated
64. IFAD strategies and policies:
- i. IFAD. COSOP 2002

Rating comparison

<i>Criteria</i>	<i>PMD rating^a</i>	<i>IOE rating^a</i>	<i>Net rating disconnect (IOE PCRV – PMD)</i>
Programme performance			
Relevance	5	5	0
Effectiveness	4	4	0
Efficiency	5	5	0
Programme performance^b	4.7	4.7	0
Rural poverty impact			
Household income and assets	5	4	-1
Human and social capital and empowerment	5	5	0
Food security and agriculture productivity	5	4	-1
Natural resources, environment and climate change	4	3	-1
Institutions and policies	5	5	0
Rural poverty impact^c	4	4	0
Other performance criteria			
Sustainability	4	4	0
Innovation and scaling up	5	5	0
Gender equality and women's empowerment	4	5	1
Overall programme achievement^d	4	4	0
Performance of partners^e			
IFAD	5	5	0
Government	4	4	0
UNOPS	4	n.a.	n.a.
Average net disconnect			0.15

^a Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

^b Arithmetic average of ratings for relevance, effectiveness and efficiency.

^c This is not an average of ratings of individual impact domains.

^d This is not an average of ratings of individual evaluation criteria but an overarching assessment of the project, drawing upon the rating for relevance, effectiveness, efficiency, rural poverty impact, sustainability, innovation and scaling up, and gender.

^e The rating for partners' performance is not a component of the overall assessment ratings.

Rating comparison for the PCR document quality

<i>Ratings of the PCR document quality</i>	<i>PMD rating</i>	<i>IOE PCRV rating</i>	<i>Net disconnect</i>
Scope	5	4	-1
Quality (methods, data, participatory process)	5	3	-2
Lessons	5	5	0
Candour	5	5	0
Overall rating of PCR	5	4	-1

(a) Scope: Although the two PCRs covered the key aspects of the programme results, the Ha Giang PCR is unnecessarily long and the Quang Binh PCR is short of most of the required Annexes. PCRV assesses PCR scope as *moderately satisfactory* (4).

(b) Quality: The presentation of the Programme's results is more output than outcome oriented. The quality, particularly of the Ha Giang PCR, is often diluted in verbose and lengthy discussions at the expense of substance. None of the two PCRs provide ratings of the programme performance criteria. PCRV assesses PCR quality as *moderately unsatisfactory* (3).

(c) Lessons: The PCRs have produced a list of lessons, all consistent with the analysis and focused on enhancing or sustaining the Programme's benefits, therefore are pertinent and valid. PCRV assesses PCR lessons as *satisfactory* (5).

(d) Candour: The PCRs present the successes and failures experienced by the Programme and provide constructive criticism throughout the documents. PCRV assesses PCR candour as *satisfactory* (5).

Definition of the evaluation criteria used by IOE

<i>Criteria</i>	<i>Definition^a</i>
Project performance	
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project design in achieving its objectives.
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.
Rural poverty impact^b	Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.
<ul style="list-style-type: none"> Household income and assets 	Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value.
<ul style="list-style-type: none"> Human and social capital and empowerment 	Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grassroots organizations and institutions, and the poor's individual and collective capacity.
<ul style="list-style-type: none"> Food security and agricultural productivity 	Changes in food security relate to availability, access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields.
<ul style="list-style-type: none"> Natural resources, the environment and climate change 	The focus on natural resources and the environment involves assessing the extent to which a project contributes to changes in the protection, rehabilitation or depletion of natural resources and the environment as well as in mitigating the negative impact of climate change or promoting adaptation measures.
<ul style="list-style-type: none"> Institutions and policies 	The criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor.
Other performance criteria	
<ul style="list-style-type: none"> Sustainability 	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.
<ul style="list-style-type: none"> Innovation and scaling up 	The extent to which IFAD development interventions have: (i) introduced innovative approaches to rural poverty reduction; and (ii) the extent to which these interventions have been (or are likely to be) replicated and scaled up by government authorities, donor organizations, the private sector and others agencies.
<ul style="list-style-type: none"> Gender equality and women's empowerment 	The criterion assesses the efforts made to promote gender equality and women's empowerment in the design, implementation, supervision and implementation support, and evaluation of IFAD-assisted projects.
Overall project achievement	This provides an overarching assessment of the project, drawing upon the analysis made under the various evaluation criteria cited above.
Performance of partners	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation. It also assesses the performance of individual partners against their expected role and responsibilities in the project life cycle.
<ul style="list-style-type: none"> IFAD Government 	

^a These definitions have been taken from the OECD/DAC *Glossary of Key Terms in Evaluation and Results-Based Management* and from the IFAD Evaluation Manual (2009).

^b The IFAD Evaluation Manual also deals with the "lack of intervention", that is, no specific intervention may have been foreseen or intended with respect to one or more of the five impact domains. In spite of this, if positive or negative changes are detected and can be attributed in whole or in part to the project, a rating should be assigned to the particular impact domain. On the other hand, if no changes are detected and no intervention was foreseen or intended, then no rating (or the mention "not applicable") is assigned.