Independent Office of Evaluation

IFAD
Investing in rural people

Project Completion Report Validation

Rural Microfinance Programme/*Projet de Micro Finance Rurale (PMR)*
Republic of Mali
Date of validation by IOE: April 2020

I. Basic project data

			Approval (US$ m)		*Actual (US$ m)*	
Region	West and Central Africa	Total project costs	42.08[1]		34.9	
Country	Mali	IFAD loan and percentage of total	25.04	59.5%	23.21	66.6%
Loan number	1000003368	Borrower	3.67	8.7%	2.9	8.3%
IFAD project ID	1100001441	UNCDF	1.00	2.4%	0	0%
Type of project (subsector)	Credit and Financial Services	UNDP	0.46	1.1%	0	0%
Financing type	Loan and grant	Canadian International Development Agency (CIDA)	11.31	26.9%	8.05	23.1%
Lending terms*	Highly concessional	Beneficiaries	0.59	1.4%	0.71	2.0%
Date of approval	30 April 2009					
Date of loan signature	20 November 2009					
Date of effectiveness	21 July 2010	Number of beneficiaries	105,000 (direct) 315,000 (indirect)		126,597 (direct) 698,974 (indirect	
Loan amendments	0					
Loan closure extensions	0					
Country programme managers	Léopold Sarr (2007-2010) Philippe Remy (2011-2018) Jean Pascal Kabore (current)	Loan closing date	31 March 2019		31 March 2019	
Regional director(s)	Lisandro Martin (current); Ides de Willebois; Mohamed Beavogui	Mid-term review			23 April 2014	
Project completion report reviewer	Federica Lomiri	IFAD loan disbursement at project completion			92%	
Project completion report quality control panel	Eoghan Molloy Fabrizio Felloni	Date of the project completion report			30 September 2019	

Source: IFAD. Rural Microfinance Programme. Project Completion Report. Main report and appendices. 30/09/2019.

[1] This figure represents all financing approved for the project throughout its lifetime. Total costs at appraisal were US$30.7 million. UNCDF and UNDP funding was withdrawn in 2013, while in 2014 CIDA approved cofinancing of US$11.3 million.

II. Project outline

Country & Project Name	Rural Microfinance Programme (PMR), Republic of Mali.
Project duration	Total project duration: eight years. Board approval: 30 April 2009; Entry into force: 21 July 2010; Project completion: 30 September 2018; Loan closure: 31 March 2019. Effectiveness lag: eight months.
Project goal, objectives and components	The programme's goal is to provide the rural poor with sustainable access to financial services that fit their needs. The programme's specific objective are: (i) to promote financial products and mechanisms tailored to the needs of the vulnerable groups; and (ii) to provide sustainable capacity building for the Decentralized Financial Systems (DFS). The programme has three components: (i) Facilitating access to financial services; (ii) Support to the sustainability of microfinance institutions (MFIs); and (iii) Programme Management.
Project area and target group	The project design had planned to cover 12 circles[2] distributed over 4 regions. As a consequence of the political crisis of 2012, the number of circles decreased to 9 circles over 3 regions. However, with the co-funding of the Canadian International Development Agency (CIDA) through the grant AFIRMA[3], PMR could cover 20 circles over five regions. The target group was planned to consist of 315,000 beneficiaries of which 105,000 poor smallholder famers, grouped into 3,500 Vulnerable Groups (VGs). At completion, PMR has reached 126,597 direct beneficiaries grouped into 4,280 VGs.
Project implementation	The executing agency for PMR has been the Ministry of Economy. The Ministry of Agriculture was responsible for ensuring project operational supervision, while the Ministry of Investment Promotion and Private Sector was responsible for institutional supervision. Project implementation has been ensured by a Project Coordination and Management Unit (PCMU) responsible for planning and coordination of activities, monitoring and evaluation and resource management. In view of the extension of project coverage, the project opted for a management delegation structure[4] based on arrangements with institutional partners and DFS.[5] A Steering Committee was created in 2015 and met regularly. The project benefitted from a total of 12 supervision and implementation support missions. The IFAD country programme manager for Mali has never changed during seven years of implementation.
Changes during implementation	In 2013, the United Nations Capital Development Fund (UNCDF) and the United Nations Development Programme (UNDP) withdrew from the co-financing agreement. PMR benefitted from a grant of US$9.2 million from CIDA, entered into force in 2015. The project design has not been amended. The crisis of 2012 led to the abandonment of one region, the downsizing of some activities, and the suspension of disbursements for six months in 2013.
Financing	Total budget at appraisal was US$30.76 million. The project was financed by an IFAD loan of SDR17.1 million (approximately US$25.04 million) over a period of eight years. UNCDF and UNDP were expected to co-finance PMR for US$1 million and US$0.46 million, respectively. In 2013, they both withdrew from the financing agreement. The project was subsequently co-financed by CIDA with a grant of 12.28 million Canadian dollars (US$11.31 million). The Government of Mali provided a contribution of US$2.9 million while project beneficiaries (through the DFS) financed US$708,000 (see Tables 1 and 2).

[2] Before 2016, Mali was divided into eight regions and 49 circles, which are local authorities grouping together several municipalities.
[3] Support to Inclusive Rural Finance in Mali (*Appui au Financement Inclusif Rural au Mali*, in French).
[4] Maîtrise d'Ouvrage Déléguée, in French.
[5] The management delegation structure entailed the DFS partners carrying out the entire procurement process, while the project provided quality review at every step.

Table 1
Project costs (US$ '000)

Funding source	*Approved costs*	*% of approved costs*	*Actual costs*	*% of actual costs*	*% disbursed*
IFAD (loan)	25 044	59.5%	23 216	66.6%	92.7%
UNCDF	1 000	2.4%	0	0.0%	0.0%
UNDP	456	1.1%	0	0.0%	0.0%
Government	3 666	8.7%	2 908	8.3%	79.3%
Beneficiaries (DFS)	594	1.4%	708	2.0%	119.2%
Subtotal (appraisal)	*30 760*	*73.1%*	*26 832*	*76.9%*	*87.2%*
CIDA grant	11 315	26.9%	8 045	23.1%	71.1%
Total	**42 075**	**100%**	**34 877**	**100%**	**82.9%**

Source: Operational Results Management System, April 2020; Project Completion Report. 2019.

Table 2
Component costs (US$ '000)

Component	*Approved costs*	*% of approved costs*	*Actual*	*% of actual costs*	*% disbursed*
Facilitating access to Financial Services	19 087	45%	18 822	54%	99%
Support to the sustainability of MFI	19 008	45%	10 538	30%	55%
Programme Management	3 980	9%	5 518	16%	139%
Total	**42 075**	**100%**	**34 877**	**100%**	**83%**

Source: Operational Results Management System, April 2020; Project Completion Report. 2019.

III. Review of findings

	PCRV finding	*PCRV Rating*
A.	**Core Criteria**	
	Relevance	
1.	PMR was conceived at a time when DFS were backing out of the rural areas, meaning a further decrease in the access to financial services for rural populations. PMR was also designed during a period of growth crisis of the microfinance sector, due to the inadequate institutional capacity of the DFS. In this regard, the design looks timely and relevant, by focussing on providing financial services tailored to the needs of the rural poor, while strengthening the existing rural finance networks. Project objectives were consistent with IFAD's country strategy as defined in the 2007 Country strategic opportunities programme.	6
2.	The project design is aligned with one of the strategic objectives of the Strategic Framework for Growth and Poverty Reduction 2007-2011,[6] which is to develop access to rural financing through increased supply of financial services and strengthened local microfinance networks. Similarly, the project's focus is coherent with the National Microfinance Policy[7] aiming at providing diversified and innovative financial services to poor people and micro-entrepreneurs.	
3.	The project internal logic was articulated around two complementary components, 1 and 2: the complementarity is reflected by the fact that sustainable access for rural poor to financial services (adapted to their needs), requires the presence in rural areas of DFS able to provide suitable financial products in the long term.	

[6] Cadre Stratégique pour la Croissance et la Réduction de la Pauvreté.
[7] Politique Nationale de la Microfinance in French.

	PCRV finding	PCRV Rating
4.	The design of PMR places strong emphasis on ensuring continuity of previous IFAD interventions in Mali, with the aim of consolidating and restructuring the existing credit networks and ensuring the institutional, financial and socio-economic viability of the DFS. PMR took over the rural finance activities carried out by the Sahelian Areas Development Fund Programme (FODESA)[8] and was also expected to facilitate the access of 40 farmers' organizations members of the FODESA Associations, to adapted financial services. This support was dropped following the recommendations of the mid-term review in mid-2014, but the Project Completion Report (PCR) does not provide any information on the reasons for it, nor do the supervision mission reports.	
5.	Overall, the Project Completion Report Validation (PCRV) agrees that the design of PMR was highly relevant to the financial needs of rural poor and perfectly aligned with the government's commitment to put microfinance at the hearth of national growth and poverty-reduction strategies. The sectoral approach, targeting at the same time the macro, meso and micro level of the rural finance sector, proved to be effective in linking MFIs with low-income rural people with no access to financial services. The sustainability of the results is entrusted to the implementation of the follow-on project Inclusive Finance in Malian Agricultural Value-chains (INCLUSIF) (see below).	
6.	Based on the above, the PCRV agrees with the PCR in rating the relevance of PMR as *highly satisfactory (6).*	
	Effectiveness	
7.	The PCR assessed the results achieved under Component 1 as being highly satisfactory, with 3,969 groups opening an account at DFS (113 per cent of target); 126,597 members of saving and lending groups created/consolidated (121 per cent of target); and 3,514 groups borrowing from DFS partners (251 per cent[9] of target). Overall, the project supported the financial inclusion of more than 100,000 rural poor. The FCIP[10], a facility set up to enhance DFS lending capacity, proved to be very effective (but not sufficient) to improve MFIs financial sustainability; for this reason, PMR engaged in the institutionalization of the facility, which finally occurred in April 2019.[11] The PCR also reports on the low implementation rate of the volume of savings mobilized by supported groups (35 per cent of target), due to the persistence of traditional saving practices.	5
8.	The results achieved under Component 2 were rated as satisfactory by the PCR but the implementation rates are more variable compared to Component 1 (between 50 and 293 per cent of target). Overall, the implementation rate of Component 2 at completion has only reached 73 per cent. In order to ensure proximity of financial services to the rural poor, PMR supported DFS in the opening of 18 new branches with IFAD funding, and 38 new branches with CIDA funding; this had a significant impact in terms of expanding the scope and outreach of DFS, but additional support is needed to build confidence in the DFS and create a money-saving culture, still missing in many groups supported. Under Component 2, PMR also strengthened the technical and financial capacities of both the DFS and the institutional partners in charge of supervising them; the positive impact of these activities on DFS financial sustainability is, however, mitigated by low refinancing rates (43 per cent on a target of 80 per cent), and an inadequate operational self-sufficiency (110 per cent against a target of 130 per cent).	
9.	In conclusion, the PCRV recognises the very good results achieved under Component 1 in terms of increased access for rural poor to financial services, while achievements under Component 2 are less striking but still satisfactory, in	

[8] The FODESA (*Fonds de Développement Sahélien*) has been financed by IFAD from 1999 to 2012 for US$21.9 million.
[9] This target has been revised downward at mid-term, from the 3,500 groups originally planned to 1,400.
[10] Fonds de Crédit Institutionnel Partagé. The FCIP was set up in 2014 with an initial capital of US$3.5 million; at the end of 2016, the capital had increased to US$8 million. The FCIP allowed to absorb 16 per cent of the funding needs of DFS.
[11] The IFAD project INCLUSIF, approved in April 2018, has included the expansion and institutionalization of FCIP under the Component A. "Expansion of microfinance services in rural areas", and has allocated US$3.3 million for refinancing the FCIP and scale-up PMR activities. The Mechanism for Refinancing the DFS (MEREF-SFD).

	PCRV finding	PCRV Rating
	particular with regard to the restructuring of DFS and the widening of the supply of financial services in rural areas. On the other hand, the DFS need further support in order to meet the international microfinance standards. This support is now provided by INCLUSIF.	
10.	Based on this assessment, the PCRV rates the effectiveness of PMR as *satisfactory (5),* in line with the PCR rating.	
	Efficiency	
11.	Upon completion, PMR had mobilized 90.66 per cent of all resources allocated. The percentage of IFAD financing disbursed in US$ was 92.7 per cent. Funding from the AFIRMA grant was used at 71.1 per cent at completion. Contribution from Government was lower than anticipated (79.3 per cent) but the PCR reports this had a minimal impact on project implementation, thanks to the countermeasures taken by the PCMU, which used the money raised on creditor interests accrued to cover taxes on small expenses. On the contrary, contribution from beneficiaries (DFS) was higher than planned and utilized at 119.2 per cent.	4
12.	Time from approval to entry into force was 14 months which is more than average for Mali (11.38 months[12]) and the average for the West and Central Africa Region (13.3 months[13]). Time from entry into force to first disbursement of funds was eight months, which is slightly higher than the average for the region (seven months[14]). The review of the procurement process shows significant delays in particular in the evaluation process of tenders and financial/technical proposals. The mechanism of delegation of authority led to some delays due to lack of procurement skills and unawareness of donors' management practices. The analysis of the Procurement Plans from 2011 to 2018 shows an implementation rate constantly below the targets,[15] with adverse effects on the overall project disbursement rate. Regrettably, no analysis is made in the PCR of the impact of such delays on project performance; some measures have been taken (strengthening the capacities of relevant capacities and revoking the delegation of authority to non-performing DFS) but the PCR doesn't investigate if they have been effective in catching up.	
13.	The internal rate of return at design was estimated at 14.4 per cent, while the PCR estimate is 27.5 per cent. The ex-post net present value presented in the PCR is much higher (439 billion FCFA) than the ex-ante net present value (740 million FCFA), which to some degree confirms the profitability of the investment. However, this discrepancy is also due to different methods used for the ex-post calculations as well as different underlying assumptions made for each calculation. In particular, the PCR highlights the inherent flaws of the economic and financial analysis made at design,[16] and for this reason claims that the results at completion should be considered as merely indicative. The PCR does not provide any information on the cost per beneficiary, however this can be roughly calculated by dividing the total project costs by the number of direct beneficiaries. In the case of PMR, the result is US$276 which is below the average for IFAD projects in Mali and for the West and Central Africa region.	
14.	The analysis of expenditure by category shows that recurring costs (salaries, allowances and operating costs) represented 131 per cent of allocations planned at design and 10 per cent of the actual overall expenditure of PMR, against a forecast of 7 per cent at appraisal; this percentage is below the ones registered for other concurrent IFAD projects.[17] Concerning the financial performance by	

[12] IOE. Bureau indépendant de l'évaluation. République du Mali. Évaluation du Programme Pays. Mai 2013.
[13] *Ibid.*
[14] IFAD. West and Central Africa Division. Portfolio Performance Report, July 2011 – June 2012.
[15] On average, the implementation rate of the procurement plan was 44 per cent but with great variations from one year to another.
[16] For example, the ex-ante analysis has considered an increase in outstanding loans from MFIs as the net benefit of the program. This assumption can result in a miscalculation of project economic profitability, since the increase in outstanding loans is not necessarily equal to an increased income for beneficiaries.
[17] For instance at the time of to the Mali Country Strategy and Programme Evaluation of 2012, the operating costs of FODESA had doubled compared to estimate (38 per cent against a 19 per cent planned).

	PCRV finding	PCRV Rating
	component, at completion Component 3 had mobilized 145.2 per cent of the resources allocated.[18] The PCR recognises that expenditures under Component 3 had increased, which affected operational effectiveness until the reallocation of funds decided at mid-term. The reasons for this overrun relate to the underestimation of some costs and an increase by more than 65 per cent in PCMU salaries.	
15.	In conclusion, while it is clear that PMR can boast good economic returns on the investments made, it is also evident that the project encountered some implementation and project management challenges, including procurement issues and the delayed disbursement of government funds. For this reason, the rating assigned by the PCRV is *moderately satisfactory (4),* one point below the PCR rating.	
	Rural poverty impact	
16.	The project's impact on rural poverty is assessed against the following four impact domains: (i) household incomes and assets; (ii) human and social capital and empowerment; (iii) food security and agricultural productivity; and (iv) institutions and policies.	4
17.	The main constraint in assessing project impact on rural poverty is the absence of detailed data at beneficiary level. The PCR describes the final socio-economic study as completely disconnected from the baseline study and thus not able to provide relevant information on the log-frame impact indicators. For these reasons, the PCR has actually assessed the project impact through information collected during the completion mission and the conclusions drawn must be considered as indicative.	
18.	According to the results of the survey on the effects of PMR, 66 per cent of beneficiaries would have maintained or increased their total income as a result of the project.	
19.	Human and social capital were strengthened through technical capacity-building of disadvantaged groups. Similarly, the farmers' organizations supported have improved their governance. Overall, access to financial services has improved significantly for more than 100,000 smallholders (74 per cent of whom were women) through financial education, creation of saving groups and the connection established between VGs and restructured DFS.	
20.	Concerning food security, the PCR reports that "more than 82 per cent of (survey) respondents believe they have maintained or improved their diet over the past 12 months". However, no corroborating data are provided to support this claim. With regard to agricultural productivity, the PCR argues that an increased access to credit has allowed the members of VGs to double their cropped areas. Regrettably, again no data are provided to underpin these results.	
21.	The PCRV agrees on the significant impact of PMR on beneficiary institutions, as demonstrated by the key role played by PMR in the preparation of the National Micro-Finance Policy and its Action Plan 2016-2025. Furthermore, the multidimensional support provided to DFS has certainly enabled them to improve their management and control system; this, in combination with the financial support delivered through the FCIP, has enabled the DFS to provide low-cost credit products to target groups. Regrettably, there are almost no data to confirm these achievements and even when data are available, they are not adequate to provide useful information on the evolution of beneficiaries' assets and income. The PCRV notes that not enough attention has been paid to the improvement of the monitoring and evaluation system and the quality of the studies carried out which, as a result, do not provide relevant impact-related information.	
22.	Overall, there are some indications of positive changes. Lacking are firm data to support the claims, as well as an explanation of the plausible pathways that led to the changes. For these reasons, this PCRV rates PMR's impact on rural poverty	

[18] Component 1 and 2 have disbursed 92,2 per cent and 73,3 per cent, respectively.

	PCRV finding	PCRV Rating
	as *moderately satisfactory (4),* one point below the PCR rating but still in the 'positive region' of ratings.	
	Sustainability of benefits	
23.	Overall, the PCRV acknowledges that PMR played a key role in preparing the ground for ensuring the sustainability of interventions, mainly through the following activities: i) the strong interaction and partnerships established with other IFAD projects (FIER[19] and PAPAM[20]), that allowed to link producers and financial service providers in other regions beyond PMR intervention areas; ii) the capacity-building provided to stakeholders along three levels of the microfinance value chain (macro, meso and micro); iii) the establishment (and institutionalization) of the FCIP;[21] and iv) the training of 1,526 community volunteers (*relais communautaires*), acting as entry points to facilitate interaction between the village groups and the partner institutions.	5
24.	However, as also recognized by the PCR, the encouraging results obtained must continue to be strengthened and additional efforts are needed to face outstanding challenges in terms of sustainability, including: i) the financial autonomy of DFS; ii) the regularity of local savings mobilization; and iii) the consolidation of viable DFS. In view of these findings, the PCRV rates the project sustainability as *satisfactory (5),* the same rating given by the PCR.	
B.	**Other performance criteria**	
	Innovation	
25.	The PCR points out the (holistic) approach based on socio-economic empowerment of VGs, as being an innovation allowing more than 100,000 low-income people to access the banking system. Proof of this lies in the fact that INCLUSIF will scale-up the PMR approach by leveraging the financial education tools and facilitate their adoption by local operators. PMR has been innovative also in developing and testing with the DFS new rural financial products (inventory credit system[22] and micro leasing) which have proved to be relevant to meet the equipment needs of small producers and processors. Similarly, the establishment of the FCIP made it possible to provide a refinancing facility alternative to the classical bank financing, typically reluctant to make adequate loan funds available to rural people. Thanks to its flexible requirements in terms of procedure and conditions, FCIP is becoming a reference for MFIs to access lending funds more appropriate to the rural context.	5
26.	Given the above, the criterion of innovation is rated as *satisfactory (5)* in agreement with PCR rating.	
	Scaling up	
27.	The assessment of scaling up is very concise in the PCR, resulting in just a list of innovations introduced by the project that are regarded as likely to be easily scaled-up (i.e. new credit products) and replicated in different contexts.	5
28.	The design document of INCLUSIF project confirms the intention to implement a pure follow-up project aiming at consolidating and scaling up the experience of PMR in financial inclusion, through the institutionalization of the FCIP and the continuation of institutional capacity-building.[23] Moreover, the INCLUSIF project aims at scaling-up the lessons learned through the implementation of the	

[19] The project FIER, "Rural Youth Vocational Training, Employment and Entrepreneurship Support Project", entered into force in 2014 for a duration of eight years. It aims to facilitate rural young people's access to employment opportunities and attractive, well-paying jobs in agriculture and related enterprises.
[20] The project PAPAM, "Fostering Agricultural Productivity Project", entered into force in 2010 for a duration of eight years. It aimed at increase the productivity of smallholder agricultural and agribusiness producers in the targeted production systems.
[21] The institutionalization of the FCIP should have taken place during project implementation and not after closure (April 2019).
[22] Crédit warrantage in French.
[23] The INCLUSIF also aims at scaling-up the results of another IFAD-funded operation in Mali, the Support Programme for Private Sector-Driven Economic Growth and Employment Promotion (PACEPEP) funded by the Danish International Development Agency (DANIDA).

	PCRV finding	PCRV Rating
	DANIDA-funded operation PACEPEP[24], with particular regard to supporting the establishment of sound and sustainable linkages between financial institutions and rural small and medium enterprises. In accordance with this goal, DANIDA will co-finance INCLUSIF for US$21.6 million (20 per cent of total project costs), and additional co-financing has been planned from other partners (private sector and microfinance institutions[25]), to ensure adequate funding for scaling up gains under these two different projects while promoting an innovative approach to rural entrepreneurship and financial inclusion for smallholder farmers.	
29.	On the other hand, the IFAD Mali Strategic Note of 2016[26] anticipates the intention to consolidate and scale-up PMR results, as evidenced by the decision to allocate the entire 2016-2018 resource cycle of US$31.1 million to the continuation and expansion of PMR activities considered as essential for the whole IFAD portfolio in Mali. This is to be done in concertation with financing from other resource partners (including Canada, Agence Française de Développement, the African Development Bank, and the World Bank) According to the Note, PMR has played a key role in preparing the ground for implementing the IFAD country programme approach through the establishment of strategic partnerships with other IFAD projects.	
30.	For these reasons, the PCRV agrees with the PCR in rating the scaling-up criterion as *satisfactory (5).*	
	Gender equality and women's empowerment	
31.	The targeting strategy of PMR pays particular attention to women and youth in view of ensuring them improved access to rural credit. However, no gender strategies or action plan have been included in the project design document. Women beneficiaries have been trained in financial education and literacy. The numbers reported by the PCR are satisfactory: overall, women represented 39 per cent of the total beneficiaries; within the VGs supported, women represented 78 per cent of the members and 67 per cent of the members having access to the credit granted by DFS. At completion, the proportion of women within the DFS customer base had increased from 37 to 42 per cent. On the contrary, representation of women in management positions within DFS is still very low, while their proportion in decision-making bodies of DFS is practically inexistent.	4
32.	The impact assessment conducted in 2019 by IFAD's Research and Impact Assessment Division (RIA) to measure PMR beneficiaries' level of empowerment, shows various positive results: overall, the empowerment score is significantly higher for women in the treatment group than for women in the control group (14 per cent against 2 per cent respectively) and women in the treatment group perform better than the control group in six of the 12 indicators considered in the impact assessment, namely: i) ownership of land and other assets; ii) access to and decisions on financial services; iii) input in productive decisions; iv) respect among household members; v) control over use of income; and vi) Membership in influential groups.	
33.	However, women in the treatment group are less likely than those in the control group to be autonomous in income generation and less likely to achieve a more equitable balance in workloads. These outcomes suggest that while PMR has certainly contributed to promote the economic empowerment and emancipation within the household of women beneficiaries, it was not so effective in increasing women's influence in rural organizations and in reducing women's domestic workload. This suggests that PMR has not fully addressed all three strategic objectives outlined by the IFAD gender policy (economic empowerment, equal voice, and reduction of women's workload). The same impact assessment report points out that more efforts could have been made to intentionally address	

[24] The « Programme Supporting Economic Growth and the Promotion of Private-Sector Employment Creation » was implemented from 2014 to 2018 and aimed at creating and consolidating employment opportunities in Mali by strengthening targeted value chains.
[25] Co-financing amounts (excluding DANIDA) are the following: Rural finance institutions - US$15.5 million; Private sector - US$5.4 million; Government - US$4.6 million.
[26] FIDA. République du Mali. Note de stratégie de pays. 19-Oct 2016.

	PCRV finding	*PCRV Rating*
	gender relations and gender issues across project components, in particular through gender-related trainings for both beneficiaries and partner NGOs.[27]	
34.	In conclusion, PMR was quite successful in inducing positive and appropriate results for women beneficiaries, particularly in terms of economic empowerment and standing within households. This is all the more noteworthy given the lack of a gender strategy in the design document. However, the review of both the PCR and the RIA impact assessment has shown that the gender perspective was only partially integrated throughout the project, leading to modest results in terms of ensuring equal voice and reducing women's workload. Similarly, no evidence was found that gender-disaggregated data were collected and used by PMR to improve performance. For these reasons, the rating attributed by this PCRV is *moderately satisfactory (4),* one point lower than the rating given by the PCR.	
	Environment and natural resources management	
35.	At design, PMR was classified as Category B - moderate environmental risk, due to the fact that it was not intended to support the implementation of big physical outputs potentially harmful for the environment. According to information provided by the PCR, PMR did not take into due consideration the environmental dimension of the activities implemented and their possible side effects; no environmental impact study was carried out before financing the micro-projects, and no training was provided to beneficiaries on environmental and social safeguarding aspects to improve their environmental awareness. Similarly, very little consideration was paid to the climate change risk dimension when planning the activities to be financed. Based on this, the PCR strongly recommends that future projects financing income generating activities and/or small and medium enterprises, integrate the environmental aspects in the design phase, and implement an environmental monitoring and management plan. This recommendation has actually been integrated by the project INCLUSIF.	3
36.	In view of these findings, the PCRV rates the environmental and natural resource management domain as *moderately unsatisfactory (3),* in line with PCR assessment.	
	Adaptation to Climate Change	
37.	PMR did not include provisions on climate change adaptation strategies in the design. According to the PCR assessment, PMR also lacks indicators to assess the effects on the environment and climate change, making it difficult to evaluate project impact on this domain. Some activities financed by the project (rice production or greenhouses cultivation) are indicated as potentially harmful to the environment, but further analysis would be required to measure the risk.	3
38.	Based on the (limited) information provided by the PCR, the PCRV agrees in rating the adaptation to climate change as *moderately unsatisfactory (3).*	
C.	**Overall Project Achievement**	
39.	The sectoral approach adopted by PMR, confirmed the relevance of making long-term and simultaneous investments in the three pillars of the DFS (macro, meso and micro). PMR helped set the stage for improving inclusive finance in the country, by creating access opportunities to the banking system for low-income rural people, and by strengthening the rural financial system while supporting the pursuit of institutional and financial viability. The experience of PMR also shows that the development of rural financial services alone, is not enough to increase access to the banking system by poor rural populations. The results under Component 1 are significant in terms of number of people accessing financial services through financial education and creation of saving groups. Overall, PMR contributed to increase by 16 per cent from the initial baseline of	5

[27] The Impact Assessment carried out by RIA has been shared with IOE only after the finalisation of this PCRV and during the reviewing phase of the PCRV. The results of the impact assessment are not included at any level in the PCR.

	PCRV finding	PCRV Rating
	financially included adults.[28] Results under Component 2 were in general quite positive, apart from DFS operational self-sufficiency, whose rates remain below the standards required. This means that further consolidation and restructuring measures should continue to be pursued.	
40.	Overall, the PCRV agrees with the PCR to consider the project achievements of PMR as *satisfactory (5).*	
D.	**Performance of Partners**	
	IFAD	
41.	The PCR rates IFAD's performance as highly satisfactory, on the basis of: i) the regularity of the supervision missions with the participation of all relevant stakeholders; ii) the efforts made by the Country Office to facilitate policy dialogue on the microfinance sector agenda; iii) the timely processing of no-objection applications; iv) the mobilization of *ad hoc* technical assistance to support the implementation of the program; (iv) the capacity building provided to the PCMU; vi) the ability to adapt and react to a high-risky context; and vii) the continuity of strategic support ensured by the same country programme manager during seven years.	5
42.	While acknowledging the good overall performance of IFAD under difficult implementation conditions, this PCRV would like to point out that IFAD could have played a more effective role in supporting the project at various levels. For example, the weaknesses of the monitoring and evaluation system, highlighted by all the supervision reports, have been only partially addressed without significant improvement in terms of data treatment and analysis. Similarly, no technical support has been provided to improve environmental practices and awareness of beneficiaries and partners.	
43.	In conclusion, given the good results achieved by IFAD in terms of policy dialogue, but also taking into account some gaps in providing the required technical assistance on specific and recurrent issues, this PCRV rates IFAD performance as *satisfactory (5),* one point below the PCR.	
	Government	
44.	The PCR reports the active participation of government representatives in supervision missions, the smooth running of the steering committee and the strategic orientation provided to the PCMU, as the reasons why the performance of the Borrower is rated as satisfactory. However, while there is no question about Government interest and commitment to develop the microfinance sector in synergy with PMR, it must be recalled that the project implementation has been constantly hampered by recurring delays in disbursing Government funds (not yet recovered at completion); similarly, the national financing provided to the Control and Monitoring Unit of the Decentralized Financial Systems was inadequate to ensure the sustainability of the supervising function of this Unit.	4
45.	Considering the continued delays in disbursing the counterpart funds which resulted in a disbursement rate lower than planned at completion, this PCRV rates the Government performance as *moderately satisfactory (4),* one point below the PCR.	

IV. Assessment of PCR quality

	PCRV finding	Rating
	Scope	
46.	All the chapters, sections and annexes required by the Guidelines for Project Completion Review, 2015 have been included. The absence of a Table of Content (as per the Guidelines) makes the search for information within the document	5

[28] Estimated through the Findex survey in 2011.

	more complicated than necessary. This PCRV rates the scope of the PCR as *satisfactory (5).*	
	Quality	
47.	The PCR process saw the participation of a variety of stakeholders, including the PCMU, government staff, institutional partners, DFS representatives, NGOs partners, and representatives of the Canadian cooperation and Danish cooperation. A stakeholder workshop was held in July 2018 to take stock of PMR's achievements and for participants to express their views on the project's results.	4
48.	The PCR's assessment suffers from the lack of detailed data at the level of the enterprises funded, especially with regard to traditional customers of DFS. At the time of the PCR, the results of the final socio-economic study and of the socio-economic panel monitoring were only available as a draft. Furthermore, the final socio-economic study has no link with the baseline socio-economic study and does not allow to track the evolution of key log-frame indicators. The same is true for the changes in the incomes of credit recipients. For these reasons, the PCR clearly admits that the assessment has been based on the information collected in the intervention areas during the PCR mission and results should be considered as merely indicative. This situation affects the validity of the achievements and hampers the assessment of the overall project impact, but the PCRV acknowledges that this is not entirely attributable to the completion mission that drafted the PCR. Moreover, the analytical quality of the PCR is sometimes inadequate and the narrative seems more descriptive and detailed than necessary.	
49.	In light of these weaknesses, but considering also the difficulties in building the PCR analysis given the lack of reliable data, the PCRV rates the quality of the PCR as *moderately satisfactory (4).*	
	Lessons	
50.	The PCR contains a list of lessons learned from the project, mainly pointing to the effectiveness of the sectoral approach, the importance of linking financial and non-financial service providers for improving risk management, and the significant impact of capacity-building of VGs in terms of increased access to rural financial services. Further lessons point to the effectiveness of the delegation of authority in managing the huge number of activities to be carried out (which increased from 49 to 306), as a consequence of the entry of the Canadian grant and the expansion of the project outreach. The establishment of the FCIP also provides points for reflection in the PCR, given the effectiveness demonstrated by the Facility in developing financial services adapted to disadvantaged rural people, once the conditions for their inclusion are put in place.	5
51.	Overall these lessons learned by the PCR are considered relevant by this PCRV, and for this reason are rated as *satisfactory (5).*	
	Candour	
52.	The PCR narrative is not very well balanced in its appraisal of PMR's performance, and the ratings are sometimes not aligned with the narrative. Even when the shortcomings, delays and challenges are mentioned in the text, this is somewhat descriptive, and not always followed by an analysis of the underlying reasons.	4
53.	Given the above, this PCRV rates the candour of the PCR as *moderately satisfactory (4).*	

V. Final remarks

Issues for IOE follow up (if any)
No issues have been identified for follow up by IOE.

Definition and rating of the evaluation criteria used by IOE

Criteria	*Definition* *	*Mandatory*	*To be rated*
Rural poverty impact	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. *Four impact domains*	X	Yes
	• Household income and net 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. The analysis must include an assessment of trends in equality over time.		No
	• 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 grass-roots organizations and institutions, the poor's individual and collective capacity, and in particular, the extent to which specific groups such as youth are included or excluded from the development process.		No
	• Food security and agricultural productivity: Changes in food security relate to availability, stability, affordability and access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields; nutrition relates to the nutritional value of food and child malnutrition.		No
	• 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.		No
Project performance	Project performance is an average of the ratings for relevance, effectiveness, efficiency and sustainability of benefits.	X	Yes
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 and coherence in achieving its objectives. An assessment should also be made of whether objectives and design address inequality, for example, by assessing the relevance of targeting strategies adopted.	X	Yes
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.	X	Yes
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.	X	Yes
Sustainability of benefits	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.	X	Yes
Other performance criteria			
Gender equality and women's empowerment	The extent to which IFAD interventions have contributed to better gender equality and women's empowerment, for example, in terms of women's access to and ownership of assets, resources and services; participation in decision making; work load balance and impact on women's incomes, nutrition and livelihoods.	X	Yes
Innovation	The extent to which IFAD development interventions have introduced innovative approaches to rural poverty reduction.	X	Yes
Scaling up	The extent to which IFAD development interventions have been (or are likely to be) scaled up by government authorities, donor organizations, the private sector and others agencies.	X	Yes
Environment and natural resources management	The extent to which IFAD development interventions contribute to resilient livelihoods and ecosystems. The focus is on the use and management of the natural environment, including natural resources defined as raw materials used for socio-economic and cultural purposes, and ecosystems and biodiversity - with the goods and services they provide.	X	Yes
Adaptation to climate change	The contribution of the project to reducing the negative impacts of climate change through dedicated adaptation or risk reduction measures.	X	Yes

Criteria	*Definition* *	*Mandatory*	*To be rated*
Overall project achievement	This provides an overarching assessment of the intervention, drawing upon the analysis and ratings for rural poverty impact, relevance, effectiveness, efficiency, sustainability of benefits, gender equality and women's empowerment, innovation, scaling up, as well as environment and natural resources management, and adaptation to climate change.	X	Yes
Performance of partners			
• IFAD	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation. The performance of each partner will be assessed on an individual basis with a view to the partner's expected role and responsibility in the project life cycle.	X	Yes
• Government		X	Yes

* These definitions build on the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) Glossary of Key Terms in Evaluation and Results-Based Management; the Methodological Framework for Project Evaluation agreed with the Evaluation Committee in September 2003; the first edition of the Evaluation Manual discussed with the Evaluation Committee in December 2008; and further discussions with the Evaluation Committee in November 2010 on IOE's evaluation criteria and key questions.

Rating comparison[a]

Criteria	*Programme Management Department (PMD) rating*	*IOE Project Completion Report Validation (PCRV) rating*	*Net rating disconnect (PCRV-PMD)*
Rural poverty impact	5	4	-1
Project performance			
Relevance	6	6	0
Effectiveness	5	5	0
Efficiency	5	4	-1
Sustainability of benefits	5	5	0
Project performance[b]	5.25	5	-0.25
Other performance criteria			
Gender equality and women's empowerment	5	4	-1
Innovation	5	5	0
Scaling up	5	5	0
Environment and natural resources management	3	3	0
Adaptation to climate change	3	3	0
Overall project achievement[c]	**5**	**5**	**0**
Performance of partners[d]			
IFAD	6	5	-1
Government	5	4	-1
Average net disconnect			**-0.33**

[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, efficiency and sustainability of benefits.
[c] 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, sustainability of benefits, rural poverty impact, gender, innovation, scaling up, environment and natural resources management, and adaptation to climate change.
[d] The rating for partners' performance is not a component of the overall project achievement rating.

Ratings of the project completion report quality

	PMD rating	*IOE PCRV rating*	*Net disconnect*
Candour	n.a.	4	n.a.
Lessons	n.a.	5	n.a.
Quality (methods, data, participatory process)	n.a.	4	n.a.
Scope	n.a.	5	n.a.
Overall rating of the project completion report			

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.

Abbreviations and Acronyms

AFIRMA	Appui au Financement Inclusif Rural au Mali
CIDA	Canadian International Development Agency
DFS	Decentralized Financial Systems
FCIP	Fonds de Crédit Institutionnel Partagé
FODESA	Sahelian Areas Development Fund Programme
INCLUSIF	Inclusive finance in Malian agricultural value-chains
MFI	Microfinance institution
PCMU	Project Coordination and Management Unit
PCR	Project Completion Report
PCRV	Project Completion Report Validation
PMR	Rural Microfinance Programme
RIA	IFAD’s Research and Impact Assessment Division
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
VG	Vulnerable Group

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