2018 Annual Report on Results and Impact of IFAD Operations (ARRI)

Evaluation Committee
4 September 2018
Overall mostly positive ratings, but **flat and deteriorating** performance in recent periods

**Overview of main evaluation criteria**

76% of ratings moderately satisfactory or better
IFAD project performance better than other regional IFIs, but lower than World Bank globally and in NEN

External benchmarking with agricultural portfolio of other IFIs

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<thead>
<tr>
<th>Region</th>
<th>IFAD</th>
<th>World Bank</th>
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<tbody>
<tr>
<td>Global</td>
<td>71</td>
<td>74</td>
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<tr>
<td>Africa</td>
<td>IFAD Africa 70 AfDB 48</td>
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<tr>
<td>Asia &amp; Pacific</td>
<td>IFAD Asia 86 AsDB 62</td>
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<td>Latin America &amp; Caribbean</td>
<td>IFAD LAC 77 World Bank 77</td>
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<td>Near East/North Africa/Europe</td>
<td>IFAD NEN 70 World Bank 79</td>
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Majority of criteria are **below IFAD10 RMF targets**

**Evaluation criteria assessment (2014-2016)**

% projects rated moderately satisfactory or better

- IFAD performance
- Relevance
- Innovation
- Scaling-up
- ENRM
- Rural Poverty Impact
- Adaptation to climate change
- GEWE
- Effectiveness
- Government performance
- Sustainability
- Efficiency

[Bar chart showing evaluation criteria with percentages and targets]

- **PCR/PPE 2014-2016**
- **2018 targets from the 2016-2018 IFAD 10 RMF**

- **No Target**
- **-1/-10 below RMF targets**
- **-11/-15 below RMF targets**
- **Above RMF targets**
- **Over -20 below RMF targets**
Efficiency remains the lowest performing criterion and has declined further.

**Efficiency**: 53% of projects MS+ (PCR/PPE data series)

**Key Facilitating Factors**
- Low project management costs
- Limited staff turnover
- Good partnership arrangements and good integration with governments

**Key Constraining Factors**
- Delay in start-up, implementation
- Long procurement processes
- High turnover of staff in project management units
The trend in sustainability of benefits is flat and recently declined to 61%.

Sustainability of benefits: 61% of projects MS+ (PCRV/PPE data series)

Key Facilitating Factors
- Valid exit strategy
- Investing in community infrastructure
- Training processes and exchange of expertise

Key Constraining Factors
- Absence of a long-term plan for sustainability (exit strategy)
- Strategies with limited market-orientation
- Late disbursements delaying implementation
Limited progress in **non-lending activities**, except Knowledge Management

**Performance of non-lending activities:** 69% of ratings MS+ (CSPE database)

**Key Facilitating Factors**

- Building *strong knowledge management* platforms within country programmes.
- Specific budget for *country-level policy engagement* to integrate into country programmes.
- More focus on to the quality and mix of partnerships.

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IFAD10 Targets
Partnerships (90%)
Policy dialogue (85%)
Country-level policy engagement and knowledge management performance better in Middle Income Countries

Performance of non-lending activities in Lower Income Countries (LICs) and Middle Income Countries (MICs)

% of CSPEs rated satisfactory versus unsatisfactory
Recent decline in **gender equality and women’s empowerment** indicates the need to focus on targeting to “leave no one behind”

**Gender equality and women’s empowerment:** 77.2% of projects MS+ (PCRV/PPE data series)

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### Key Facilitating Factors

- Gender-sensitive **project design**
- Awareness **campaigns and trainings** on gender equality, women’s rights and domestic violence
- Promotion of **women’s leadership** in groups and management positions

### Key Constraining Factors

- Non-alignment with **project’s operational strategy** on gender
- Absence of a specific project issue in the **design phase and of outcome data**.
- Low women’s participation in project staff **capacity building**

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90% IFAD10 Target

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[Graph showing completion years and satisfaction levels]
Strong targeting plays a central role in reaching extremely poor and food-insecure people in rural areas

Five Main Findings

1. Although IFAD has a perceived advantage as an organization that focuses on poor rural people, there is a **lack of agreement within the Fund on the target group** and **strategies needed**.

2. Effective targeting requires **robust poverty analysis** and **well-informed targeting strategies** to meet the needs of poor rural people.

3. Robust data, monitoring, and **supervision and implementation support (SIS)** are crucial for good poverty targeting in design and implementation and require strong investment in systems and capacity development.

4. Reaching the poorest and the "last mile" is **costly but essential**, particularly given IFAD's mandate and international commitments.

5. Government **commitment and partnerships** are important for reaching the poorest of the poor.
2018 ARRI Recommendations

1. Conduct a systemic review of IFAD project-cycle processes and examine the resources committed to each.

2. Revise IFAD's Targeting policy and related guidelines.

3. Develop appropriate targeting strategies based on robust and differentiated poverty and context analysis that are flexibly implemented.

4. Establish strong M&E systems and tap into local knowledge through country-level partnerships to capture differentiated poverty data.

5. Ensure sustainability of rural poverty impacts with exit strategies that are inclusive of targeted beneficiaries and sufficient project duration.

2019 ARRI learning theme: Quality-at-entry of project designs would complement the recommended systemic review of project-cycle processes and provide a baseline for the recent changes to the design process.