2021 Annual report on results and impact of IFAD operations (ARRI)

114th Evaluation Committee
1 September 2021
ARRI: to provide a “systematic overview of the results and impact of IFAD’s operations, based on the evaluations undertaken each year”

Objectives of ARRI:
- Report on results and impacts (investment portfolio and non-lending activities)
- Identify lessons and systemic issues [2021 ARRI: efficiency, and performance in fragile contexts]
## Project portfolio: recent performance

### Share of projects rated moderately satisfactory or above or moderately unsatisfactory or below by criteria (%)

*(projects completed between 2017-2019)*

Ordered by share of moderately satisfactory or better ratings

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Moderately satisfactory or better</th>
<th>Moderately unsatisfactory or below</th>
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</thead>
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<tr>
<td>Innovation</td>
<td>87</td>
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<td>ENRM</td>
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<td>Adaptation to climate change</td>
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<td>Effectiveness</td>
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<td>Overall project achievement</td>
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<td>GEWE</td>
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<td>Scaling-up</td>
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<td>Government performance</td>
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<td>37</td>
</tr>
<tr>
<td>Efficiency</td>
<td>56</td>
<td>44</td>
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</table>

For all criteria, majority of projects rated moderately satisfactory or above
Project portfolio long-term performance

**Criteria with a long-term positive trend**

- Environment and natural resources management
- Adaptation to climate change

**Criteria with upward shift in most recent period**

- Efficiency
- Sustainability
- Innovation
- Scaling up
- Government performance

**Criteria without observable positive change or with slight decline**

- Relevance
- Effectiveness
- IFAD Performance
- GEWE
- Rural poverty impact

**Share of projects rated >4 (on a scale of 1-6) by criteria (%)**
(by year of completion)
Long effectiveness lag, mostly due to the role/process on the side of the Government

Pace of implementation – most often affected by procurement and recruitment related issues, which in turn affect the results/benefits and sustainability

Staffing issues, e.g. weak capacity of project staff, high staff turn-over

Cost-related issues
  • High project administration cost – lack of consideration of country contextual issues; underestimation of needs for certain expertise and skills
  • Structural issues – small number of eligible bidders with the tendency of pushing up prices
Non-lending activities: long-term performance

Positive shift in all areas of NLAs compared to the previous period.

Share of country programmes rated moderately satisfactory or better for overall NLAs ↑ to 50% (2018-2020) from 43% (2017-2019).
Highlights from recent CSPE findings on non-lending activities

- KM found more at project level than country programme level - absence of overarching KM strategy at country level, dedicated and qualified human resources
- Partnerships with direct counterpart ministries generally effective, but missed opportunities to collaborate with other government agencies
- Partnerships with international development agencies – mixed performance, in part due to limited staffing at ICOs
- Projects/project teams can serve as a good vehicle to work on policy-related issues, but they do not replace the role of IFAD in policy engagement processes
- Positive examples of using grants for non-lending activities – but more can be done, strategically linking country and non-country-specific grants with country programmes
Performance of projects in countries with or not with fragile situations

Share of projects rated >4 (on a scale of 1-6) for “overall project achievement (%)

Projects in countries with fragile situations

Projects in countries not with fragile situations

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Issues highlighted in fragile contexts

Positive experience
- Simple and focused interventions
- Basic infrastructure, in particularly with community-driven approach
- Inclusive NR governance and NRM addressing the driver of fragility, i.e. NR-related conflict
- Adjustments in response to context changes - despite limited risk management strategies
- Continued long-term engagement, with investments in grass-roots level institutions

Areas of mixed or weak performance and challenges
- Targeting of marginalized and vulnerable groups: mismatch between intention and implementation
- Strengthening capacity of local institutions
- Shift from production recovery support to addressing marketing issues

Recurring issues
- Inadequate analysis of fragility context in project design and country strategy
- Complex and ambitious design

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Conclusions

- Project performance: majority of projects continues to be rated above 4 (out of 6), with some signs of improvement in a number of criteria
- IFAD and the Government need to act at project design stage and during implementation to improve project efficiency
- Performance of projects in countries with fragile situations shows improvement
- Capitalizing on experience, IFAD will need solid strategies informed by conflict and fragility analysis to address both the drivers and consequences of fragility
- Improving performance of non-lending activities remains to be a challenge – and requires strategic actions and resources
- IOE-Management engagement is required to develop shared understanding on the basis of assessment for some evaluation criteria