Report to the Executive Board

2021

Operational Policy & Results Division
Lauren Phillips, Lead Advisor, Policy and Results

6 September 2021
**Key Messages**

**COVID-19 and the global pandemic** have had a wide ranging impact on IFAD’s business and results in 2020. Challenges in areas such as management and data collection.

Despite this, IFAD demonstrated **good adaptive capacity**, decreasing design time, and demonstrating demand for specifically tailored support through the RPSF.

Many of IFAD’s targets and commitments have been **met or exceeded nonetheless**. This is especially true in Tier III, IFAD’s operational and organizational performance.

**Areas of weakness** identified during the 12th consultation of IFAD’s replenishment show small improvements, but remain areas of concern vis-à-vis targets.
IFAD’s active portfolio

Overview

**Demographics**
- **Projects**: 237
- **Countries**: 98
- **24% Fragile situations**: 29 Projects

**Financials**
- **IFAD financing**: 8.5 bn
- **DOM Contributions**: 6.6 bn
- **INT co financing**: 5 bn
- **Total financing**: 20.2 bn

**Active portfolio by sector**

**Active portfolio by Financing Terms**
- **Highly Concessional**: 34.3%
  - 2.88bn
- **Ordinary**: 24.2%
  - 2.03bn
- **DSF Grant**: 12.4%
  - 1.04bn
- **Blend**: 12.1%
  - 1.01bn

**Active portfolio by region**

- **APR**: 32.7%
  - 2.78bn
  - Avg. size 47M
- **WCA**: 24.1%
  - 2.05bn
  - Avg. size 36M
- **ESA**: 22.7%
  - 1.93bn
  - Avg. size 39M
- **NEN**: 13.3%
  - 1.13bn
  - Avg. size 29M
- **LAC**: 7%
  - 0.60bn
  - Avg. size 19M
Outreach
IFAD’s outreach, steadily above target

IFAD outreach

114.7
131.7
129 million

RMF11 Target
RIDE 2019
RIDE 2020
RIDE 2021

...Careful attention will be given to portfolio composition to maintain substantial impact

49% Women
22% Young*
34% Indigenous*

*Percentage computed out of those projects that reported on Young/Indigenous

Contribution to Outreach by Region

IFAD Financing

APR
ESA
LAC
NEN
WCA

25%
61%
3%
9%
2%
22%
35%
13%
7%
23%

Overview
COVID’s impact on operations in 2020

Examples of COVID-19 related challenges…

Remote design and supervision
Created challenge to get consistent level of information from all projects

- For example, only 1/3 of the projects eligible to conduct field surveys for outcome results managed to do so

Project extensions
Larger number than usual of extensions

...and solutions adopted by IFAD

- Strong uptake of IFAD’s Rural Poverty Stimulus Facility (RPSF)

- New guidance notes to help Project Delivery Teams conduct remote design and supervision, reviews of procurement activities, ensure beneficiary feedback. Undertaken in line with World Bank and others
Contributions to SDGs
Example of SDG tracking: **Nutrition**

**Core Indicator**

1.1.8
IFAD Core Indicator

Number of persons/households provided with targeted support to improve their nutrition

**SDG Goal**

2. **Zero Hunger**

2.1 Direct link

End hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round

2.2 Indirect link

End all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons

6. **Clean Water and Sanitation**

6.1 Indirect link

By 2030, achieve universal and equitable access to safe and affordable drinking water for all
Contributions to SDGs – Focus on SDG2

Target 2.1 – End hunger, and ensure access to safe, nutritious food

- **1.75 million** Household members provided with targeted support to improve their nutrition

Target 2.3 – Double productivity and incomes of smallholder farmers

- **23.3 million** Persons accessing various financial services
- **2.3 million** Persons in rural areas trained in financial literacy and/or use of financial products and services
- **1.5 million** Supported rural producers that are members of a rural producers’ organizations

Target 2.4 – Ensure sustainable food systems and resilient agricultural practices

- **8 100** Groups supported sustainably manage natural resources and climate-related risks
- **1.6 million** Hectares of land brought under climate-resilient practices

2.2 million Persons trained in Crops
898K Persons trained in Livestock
105K Persons trained in Fishery
1.5K Persons trained in Forestry
560 500 Hectares of farmland under water-related infrastructure constructed/rehabilitated
## Tier II contributions on other SDG targets

<table>
<thead>
<tr>
<th>SDG Target</th>
<th>Description</th>
</tr>
</thead>
</table>
| 1.4        | **129 million** Persons receiving services  
**72 959** persons whose ownership or user rights over natural resources have been registered in national cadasters and/or geographic information management systems |
| 4.4        | **1.4 million** Persons trained in Income-generating activities and business management |
| 7.1        | **148 132** Persons accessing technologies that sequester carbon or reduce greenhouse gas emissions |
| 8.2        | **532 521** Rural enterprises accessing business development services |
| 9.1        | **13 066 km** Roads constructed, rehabilitated or upgraded |
Tier III: Operational & organizational performance

**Overview**

**Resource mobilization**

- **1.07 billion in replenishment contributions.** 89% of target
- **Cofinancing ratios exceeding targets.** Despite COVID-19

<table>
<thead>
<tr>
<th>Co-financing</th>
<th>2018-2020</th>
<th>IFAD11 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>1.67</td>
<td>1.4</td>
</tr>
<tr>
<td>International</td>
<td>0.74</td>
<td>0.6</td>
</tr>
<tr>
<td>Domestic</td>
<td>0.93</td>
<td>0.8</td>
</tr>
</tbody>
</table>

+ increasing beneficiary contributions overall from 2017-2019 period

**Resource allocation**

<table>
<thead>
<tr>
<th>Core Resources</th>
<th>IFAD11</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>LICs+LMICs / UMICs</td>
<td>90%-10%</td>
<td>90%-10%</td>
</tr>
</tbody>
</table>

- **Reallocations.** 0 through 2020
- **Targeting strategy.** 89% are moderately satisfactory or better at Design, 92% are moderately satisfactory or better during implementation

**Resource utilisation**

- **Adaptive management.** 94% COSOPS reviewed
- **Agility at design** 11 months average design time
- **Quality at design.** 96% of new projects rated 4+
- **Drop in actual problem projects.** Average better than most IFIs and declining from 2018 to 8%
- **Proactivity is on the rise.** Proactivity index 67%, up 50% from 2018.

**Resource transformation**

- **Decentralization.** 33% of staff of field
- **Institutional Efficiency.** Administrative budget is 2.03% and surpassing target
- **New Tools.** ICP, ORMS, and online contract monitoring tool for project procurement
- **Workforce Diversity.** 34% women in P5+ positions
- **Transparency.** Improvement to 87% of ontime PCR submissions, despite COVID-19 challenges
Steep decline in Actual Problem Projects

Share and Volume of Actual & Potential Problem Projects in IFAD's portfolio (Q1 21)

Projects and Financing

- IFAD investments in APPs (U$S mln)
- IFAD investments in PPPs (U$S mln)
- Share of APP (n. of projects)
Driven by focus on proactivity

Proactivity index trends – increased since 2018

<table>
<thead>
<tr>
<th>Year</th>
<th>Proactivity Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>57%</td>
</tr>
<tr>
<td>2018</td>
<td>47%</td>
</tr>
<tr>
<td>2019</td>
<td>55%</td>
</tr>
<tr>
<td>2020</td>
<td>69%</td>
</tr>
<tr>
<td>2021</td>
<td>67%</td>
</tr>
</tbody>
</table>
Performance improving in most areas
But still lagging against IFAD11 targets in many areas

Selected Performance Indicators on IFAD's ongoing portfolio
% of projects rated moderately satisfactory or better (2019-2021)

Well performing areas in Q1 2020 continued improving in Q1 2021
Areas that required action were addressed and show steady improvement
Doing well on DO and IP, beyond COVID-related challenges
Estimated performance of scores at completion based on supervision scores
Using previous and latest PSR scores

<table>
<thead>
<tr>
<th>PCR criteria</th>
<th>PSR criteria</th>
<th>IFAD11 targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td>Value for Money</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Quality of Financial participation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Quality of Project implementation</td>
<td></td>
</tr>
<tr>
<td>Scaling Up</td>
<td>Scaling Up</td>
<td></td>
</tr>
<tr>
<td>Sustainability</td>
<td>Exit Strategy</td>
<td></td>
</tr>
<tr>
<td>Effectiveness</td>
<td>Effectiveness</td>
<td></td>
</tr>
<tr>
<td>Overall Project</td>
<td>Likelihood of achieving…</td>
<td></td>
</tr>
<tr>
<td>Achievement</td>
<td>Assessment of overall…</td>
<td></td>
</tr>
</tbody>
</table>

- Previous PSR
- Latest PSR

On track to meet targets by end IFAD11
Exit strategy remains lowest
But maintain focus on challenging areas

10 year trends in most challenging areas broadly flat

Sustainability is improving from 2015-2017 lows, but majority of scores in “satisfactory” category are 4

Other areas have levelled off at levels below targets. Efficiency remains particularly weak
Mainstreaming theme performance

Performance varying by theme

Performance on targeting strongest

Performance on nutrition weakest

Fragility weakens engagement

Quality of project target group engagement and feedback

Adaptation to Climate Change

Targeting and Outreach

Gender equality and women’s participation

Nutrition

Fragile situation

All countries

Gender equality and women’s participation
Mainstreaming theme performance
Performance varying over the project life cycle
Government Performance
Qualitative Analysis on Gov. Effectiveness in PCR Ratings

High scores in Government effectiveness if

- Government has provided technical assistance to project implementation
- Government funding has been forthcoming and timely

Low scores in Government effectiveness if

- Govt funds have not been released on time
- Non-competitive remunerations that led PD to manage multiple projects and high turnover
- Slow ratifications and inefficiency by the implementing agency
- Changes at political level

Sources: Common themes of PCRs from 2018, 2019, 2020 for poor performers (2 or 3) and strong performers (5 and 6s).
Going Forward…

Continue to build strong performance despite constraints and challenges, by **focusing on proactive decision making** and encouraging the use of **evidence for learning**

**Tackling reoccurring challenges** such as sustainability, efficiency, scaling-up, and M&E through new **tools and strategies, guidance for governments** and **use of grants** for increased engagements

Improving data use guided by an update of the DEF, through (i) **results focus at designs**, (ii) building **country approaches**, and (iii) working to ensure **ownership, alignment and transparency**
### 2020 IFAD Project Outreach Results:

<table>
<thead>
<tr>
<th>Strategic Objective 1</th>
<th>Strategic Objective 2</th>
<th>Strategic Objective 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Increase rural people’s productive capacities</strong></td>
<td><strong>Increase poor rural people’s benefit from market participation</strong></td>
<td><strong>Strengthen env. sustainability &amp; climate resilience of people’s economic activities</strong></td>
</tr>
</tbody>
</table>

#### IFAD11 Target

| 23.4 million people with access to financial services | 530,000 rural enterprises accessing business development services | 1.7 million ha of land brought under climate resilient practices |
| 760,000 ha of farmland with water-related infrastructure constructed or rehabilitated | 3.7 million people trained in income-generating activities or business management | 148,000 people with access to technologies that sequester carbon or reduce GHG emissions |
| 73,000 people’s ownership over natural resources registered in national cadasters and/or geographic information management systems | 1.5 million members of rural producers’ organizations supported | 2.4 |
| 1.5 mil. people | 2.3 | 7.1 |

#### Outputs

- **SDG Target**
  - **ZERO HUNGER**
  - **2030 Agenda for Sustainable Development**
  - **INNOVATION**
  - **SUSTAINABLE CITIES & COMMUNITIES**
  - **AFFORDABLE AND CLEAN ENERGY**

#### Summary

- **Over 128 million people reached**
- **49% female, 22% youth, and 34% indigenous**
Annex II - Quality at entry

Overview

IFAD surpassing objective on overall quality of design at entry (90% target); improving over time

Doing well on many other themes, with all projects 4+ on environment and climate change, targeting and overall quality of design in 2020

Areas for improvement include greater customization to country context, better institutional analysis at design, exit strategies

Source: QAG data
Annex III - Mainstreaming (Gender)

Gender performance on IFAD’s projects vs Gender Inequality

Social Institutions and Gender Index (SIGI) 2019 - OECD

IFAD’s performance is strong even in challenging contexts, where gender inequality is very high.

The dip in the middle of the graph suggests that in moderately unequal countries, there may be less attention on gender issues.
IFAD is investing heavily in countries where global hunger is high and persistent.

IFAD Investments by Global Hunger Index (GHI) score – Ongoing portfolio Q1 2021
Annex III - Mainstreaming (Climate Change)
IFAD invests climate finance in countries with high climate risks

Approvals 2019-2021 by Climate Change risks

Ongoing portfolio by Climate Change risks

And performance is steady despite climate risks
Performance in Adaptation to Climate Change (PSR) by Climate Change risks (ND Gain Index)