



Report on IFAD's Development Effectiveness 2022

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Key Insights of IFAD11 Results

1

IFAD projects are contributing to SDG targets:



2

IFAD's performance has improved in the majority of key areas:

- resource mobilization and allocation
- quality at entry
- performance at completion
(especially in countries with fragile situations)
- workforce management
- PoLG delivery
- decentralization

3

Areas of weaker performance:

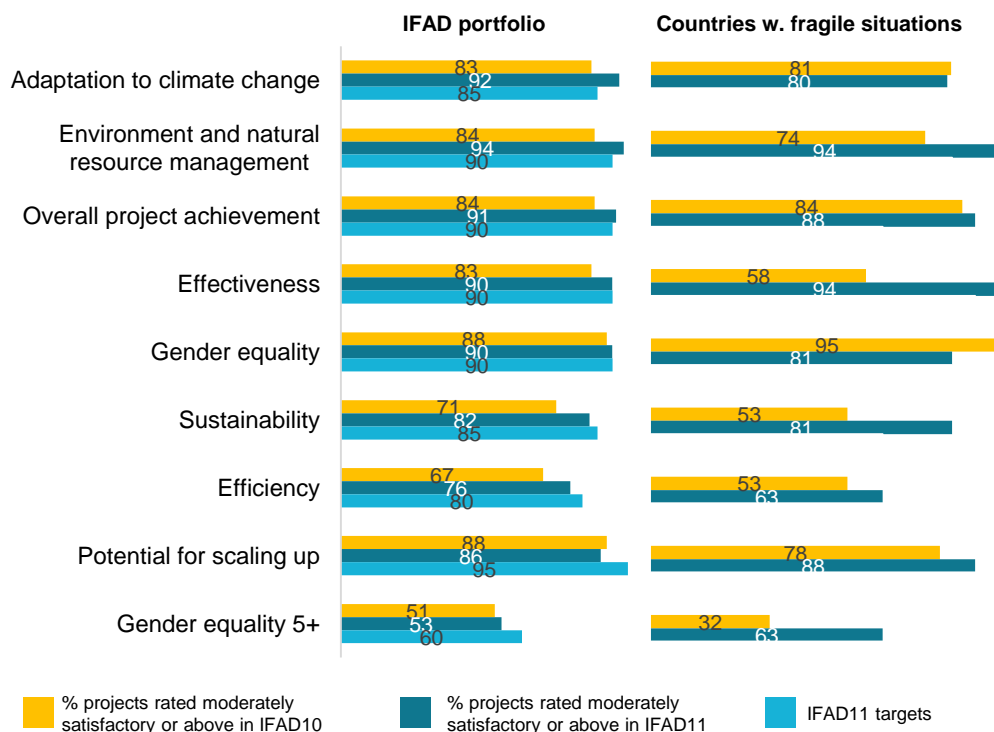
- project-level efficiency, sustainability and scaling up
- country level effectiveness, policy engagement, and knowledge management

Areas affected by COVID-19, liquidity limitations and the short term effect of institutional reforms:

- project-level outreach and outputs
- corporate level efficiency ratios
- disbursement ratio

Performance at Completion

Project completion ratings, IFAD10 vs IFAD11



Drivers of strong performance

Quality of design, supervision, monitoring, and incorporation of **mainstreaming themes**

Investment in building IFAD **staff technical capacity**

Strong expertise and commitment to **gender inclusion**

Implementation of the IFAD strategy on **fragility** throughout IFAD11

⚠️ Weaker areas ➡️ Action plans for IFAD12

Scaling up: driven by beneficiary participation and policy engagement

Sustainability: driven by exit strategies, policy engagement and the quality of project management units

Efficiency: driven by government performance, mostly outside IFAD's control

Resource Mobilisation and Allocation

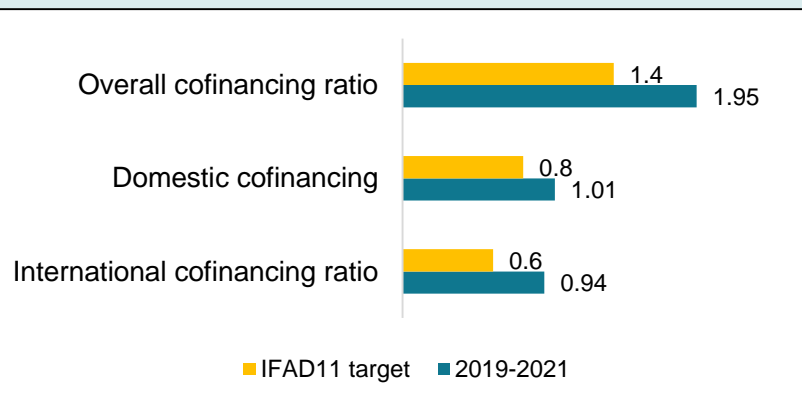
IFAD's business model is shifting from direct financier through mobilized resources to assembler of development finance

Catalysing development finance



✓ 89% of IFAD11 Replenishment target **resources mobilized**

✓ **Cofinancing** targets exceeded



Resource Allocation



78
Projects

74
Countries

71
Grants

✓ **Highest PoLG Delivered** - US\$3.46 billion (99% of its IFAD11 target)

✓ **Financing of additional operations** enabled through restructuring policy and use of cancelled funds

✓ **Strong uptake of RPSF** - approved US\$89 million across 55 single-country and 9 multi-country projects

✓ **Only 5% of PoLG reallocated**, thanks to the introduction of country selectivity and sound pipeline management

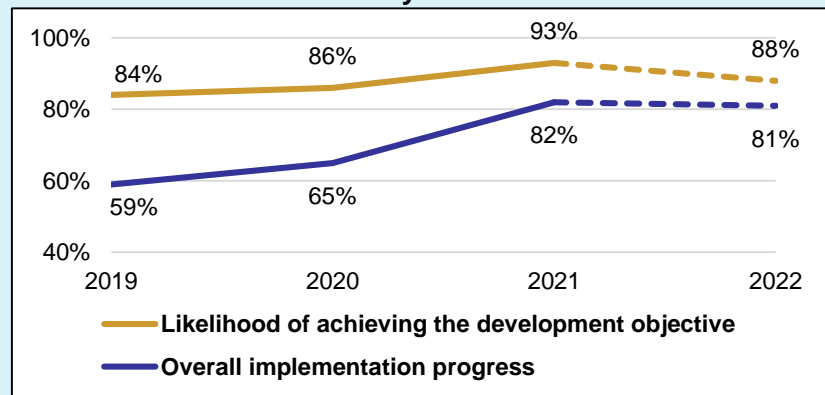
Resource Utilisation

Portfolio performance has improved in IFAD11

Performance Improvement Trends

- ✓ **Quality at entry is moderately satisfactory or better** for all projects reviewed in 2020 - 2021
- ✓ **Positive trends** in Overall implementation performance and Likelihood of achieving the development objective
- ✓ **Reduced problem projects** from 20% in 2019 to 6% in 2021

Trend of Key SIS Indicators



Drivers of Performance Improvement



- ✓ **Proactivity increased to 80%** driven by the restructuring policy, robust internal reviews, enhanced PDTs and strengthened reporting through ORMS
- ✓ **Improved supervision guidelines**
- ✓ **Emphasis on project procurement** through contract monitoring tool and OPAC procurement training



Attention needed

- COVID-19 affected:
 - Project start-up times and staff turnover
 - Project-level outreach and results
 - Project data quality and survey availability
- Liquidity constraints also affected disbursement ratio

Resource Utilisation (continued)

Performance of country programmes



Strong on **relevance** and **partnership building**



Weak on **effectiveness, policy engagement** and **knowledge management**

Drivers:

- exogenous shocks
- limited availability of grant resources



Attention needed

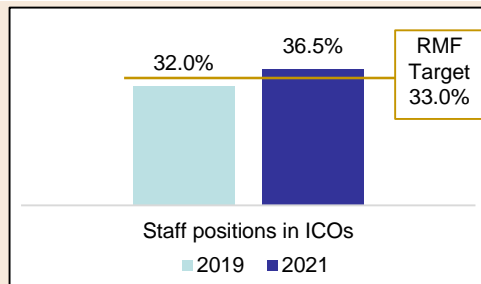
IFAD has improved design quality and portfolio performance with fewer resources available for design and implementation. Given IFAD's commitment on mainstreaming themes, procurement, SECAP and engagement in countries with fragile situations, attention is needed to monitor performance during IFAD12.

Resource Transformation

Resource transformation is progressing, yet efficiency gaps have emerged

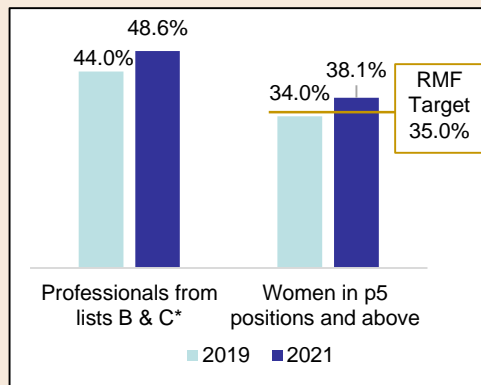
Decentralization

✓ Decentralization is bringing closer engagement with clients



Better Inclusion

✓ Workforce management is enabling better inclusion of list B & C professionals and women in senior positions



Transparency

✓ 54.0% of projects approved in 2021 include activities that advance transparency in borrowing countries (against RMF11 target of 30.0%)



Efficiency Gaps

⚠ Efficiency gaps reflect the initial cost of decentralization, reassignment and staff turnover

Institutional efficiency ratios	2021	IFAD11 target
IFAD's administrative expenditure to the PoLG	13.52	12.9
Actual administrative expenditures** to IFAD's PoW (PoLG and cofinancing)	4.6	6
Actual administrative expenditure** to annual disbursements	16.4	16
Administrative budget to the ongoing PoLG	2.06	2.1

*IFAD11 target = "Tracked"

The way forward

- 1 Capitalizing on **M&E system** to reduce design complexity and maintain quality and relevance
- 2 Implementing a robust **risk-based assurance methodology** to boost efficiency
- 3 Implementing action plan to increase **sustainability** of benefits
- 4 Leveraging **procurement system** for better project management
- 5 Using COSOPs as main vehicle for **scaling up**
- 6 Decentralizing to further address elements of **fragility** in project design
- 7 Focusing on partnerships, policy engagement and innovation in **SSTC strategy**
- 8 Providing guidance tools and trainings for **Country Level Policy Engagement**
- 9 Focusing **core resources** on LICs while expanding financing through **BRAM**