Report on IFAD’s Development Effectiveness
2022

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**Key Insights of IFAD11 Results**

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IFAD projects are contributing to SDG targets:</strong></td>
<td><strong>IFAD's performance has improved in the majority of key areas:</strong></td>
<td></td>
</tr>
<tr>
<td><img src="image" alt="POVERTY" /></td>
<td>• resource mobilization and allocation</td>
<td>Areas of weaker performance:</td>
</tr>
<tr>
<td><img src="image" alt="HUNGER" /></td>
<td>• quality at entry</td>
<td>• project-level efficiency, sustainability and scaling up</td>
</tr>
<tr>
<td><img src="image" alt="EDUCATION" /></td>
<td>• performance at completion</td>
<td>• country level effectiveness, policy engagement, and knowledge management</td>
</tr>
<tr>
<td><img src="image" alt="ENERGY" /></td>
<td>(especially in countries with fragile situations)</td>
<td>Areas affected by COVID-19, liquidity limitations and the short term effect of institutional reforms:</td>
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<tr>
<td><img src="image" alt="ECO" /></td>
<td>• workforce management</td>
<td>• project-level outreach and outputs</td>
</tr>
<tr>
<td><img src="image" alt="INDUSTRY" /></td>
<td>• PoLG delivery</td>
<td>• corporate level efficiency ratios</td>
</tr>
<tr>
<td><img src="image" alt="TRADE" /></td>
<td>• decentralization</td>
<td>• disbursement ratio</td>
</tr>
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</table>
# Performance at Completion

## Project completion ratings, IFAD10 vs IFAD11

<table>
<thead>
<tr>
<th>Factor</th>
<th>IFAD portfolio</th>
<th>Countries w. fragile situations</th>
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</thead>
<tbody>
<tr>
<td>Adaptation to climate change</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environment and natural resource management</td>
<td>83%</td>
<td>80%</td>
</tr>
<tr>
<td>Overall project achievement</td>
<td>84%</td>
<td>74%</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>62%</td>
<td>58%</td>
</tr>
<tr>
<td>Gender equality</td>
<td>57%</td>
<td>53%</td>
</tr>
<tr>
<td>Sustainability</td>
<td>78%</td>
<td>53%</td>
</tr>
<tr>
<td>Efficiency</td>
<td>62%</td>
<td>53%</td>
</tr>
<tr>
<td>Potential for scaling up</td>
<td>88%</td>
<td>70%</td>
</tr>
<tr>
<td>Gender equality 5+</td>
<td>54%</td>
<td>32%</td>
</tr>
</tbody>
</table>

- % projects rated moderately satisfactory or above in IFAD10
- % projects rated moderately satisfactory or above in IFAD11
- IFAD11 targets

## Drivers of strong performance

1. **Quality of design, supervision, monitoring, and incorporation of mainstreaming themes**
2. **Investment in building IFAD staff technical capacity**
3. **Strong expertise and commitment to gender inclusion**
4. **Implementation of the IFAD strategy on fragility throughout IFAD11**

### Weaker areas → Action plans for IFAD12

1. **Scaling up:** driven by beneficiary participation and policy engagement
2. **Sustainability:** driven by exit strategies, policy engagement and the quality of project management units
3. **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

- 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

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
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

<table>
<thead>
<tr>
<th>Institutional efficiency ratios</th>
<th>2021</th>
<th>IFAD11 target</th>
</tr>
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<tbody>
<tr>
<td>IFAD’s administrative expenditure to the PoLG</td>
<td>13.52</td>
<td>12.9</td>
</tr>
<tr>
<td>Actual administrative expenditures** to IFAD’s PoW (PoLG and cofinancing)</td>
<td>4.6</td>
<td>6</td>
</tr>
<tr>
<td>Actual administrative expenditure** to annual disbursements</td>
<td>16.4</td>
<td>16</td>
</tr>
<tr>
<td>Administrative budget to the ongoing PoLG</td>
<td>2.06</td>
<td>2.1</td>
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*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**