



# Report on IFAD's Development Effectiveness 2023

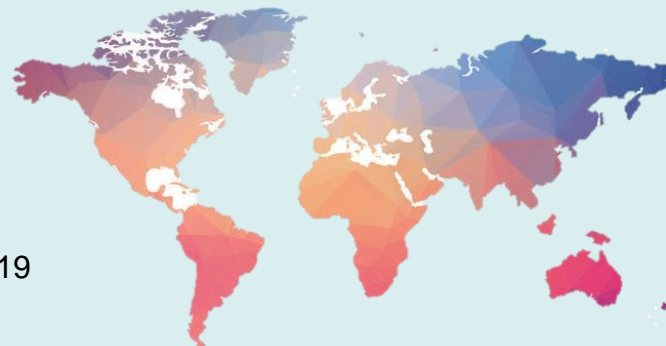
Nigel Brett, Director, Operational Policy & Results Division  
September 2023



# Key messages from RIDE 2023

## In 2022, IFAD delivered strong results at country level

Leveraging its business model and recent reforms, the Fund applied an **adaptive management approach** to mitigate lingering effects of COVID-19 on portfolio performance.



### Areas of positive performance

- High **quality of design** and focus on mainstreaming themes
- Performance at completion **on climate change adaptation & ENRM**
- Performance at completion in **fragile contexts**
- **Private sector** engagement
- **Proactivity** in portfolio management

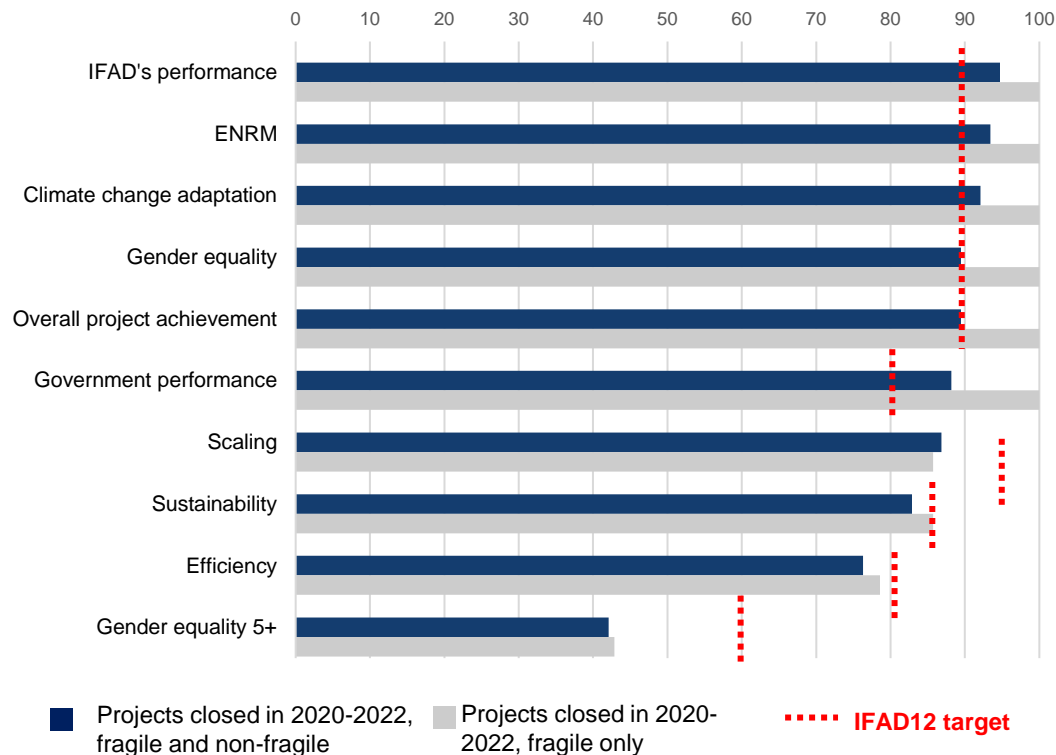
### Areas of weaker performance

(with corrective action in course)

- **Outreach, outcomes and outputs** at portfolio level
- **Implementation** progress of ongoing portfolio
- Country level **policy engagement** and **KM**
- Institutional **efficiency**

# Project-level development outcomes at completion

## Project ratings at completion, fragile and non fragile 2020-2022



## Drivers of positive performance:

- Investment in technical assistance, implementation support, evaluation of PMU staff
- **Countries in fragile situations:** Robust risk assessments at design, increased flexibility, close involvement of governments and partnerships



## Corrective action in course:

- **Sustainability** Action Plan + updated operational framework for **scaling**
- **Efficiency** Action plan, new **Procurement** Manual and OPEN system, and 2023 financial management reforms
- **GEWE:**
  - Applying gender-transformative approaches across projects
  - Leveraging additional funding to increase **technical assistance** for new designs and early-stage projects
  - Improving GEWE **measurement** (evaluation upcoming)

# Outreach, outcome and outputs

**78.6 million beneficiaries reached** until 2022, below the target of 127 million by 2024



- Key indicators on **market access** (strategic objective 2) and **resilience** (strategic objective 3) meeting targets, but other indicators below targets
- **Production** mostly below targets (strategic objective 1)
- Projects still have to reach **maturity** and benefit a broader number of beneficiaries, which will in part materialize after the closing of IFAD12

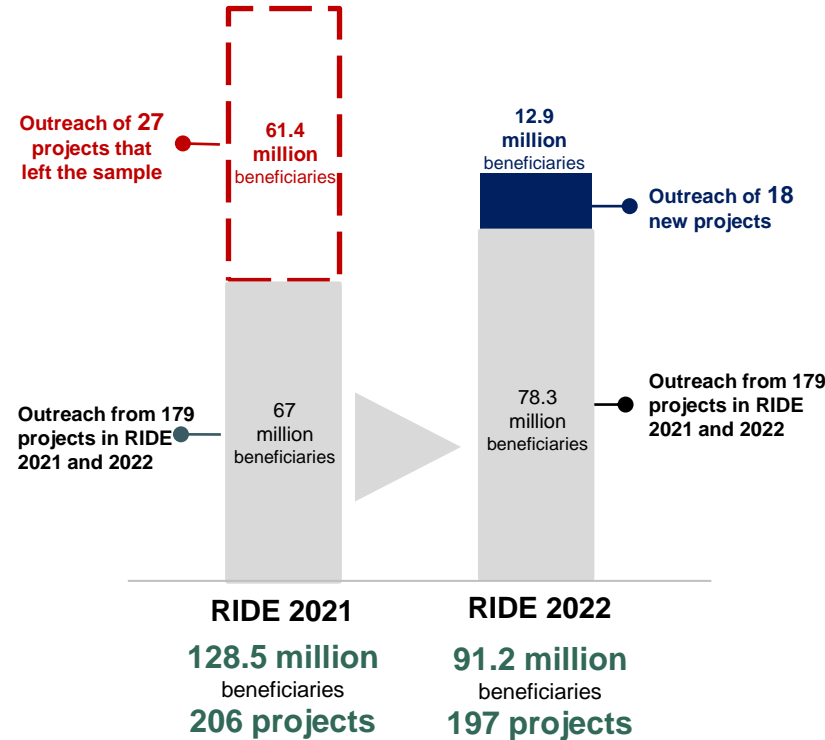
## Way forward



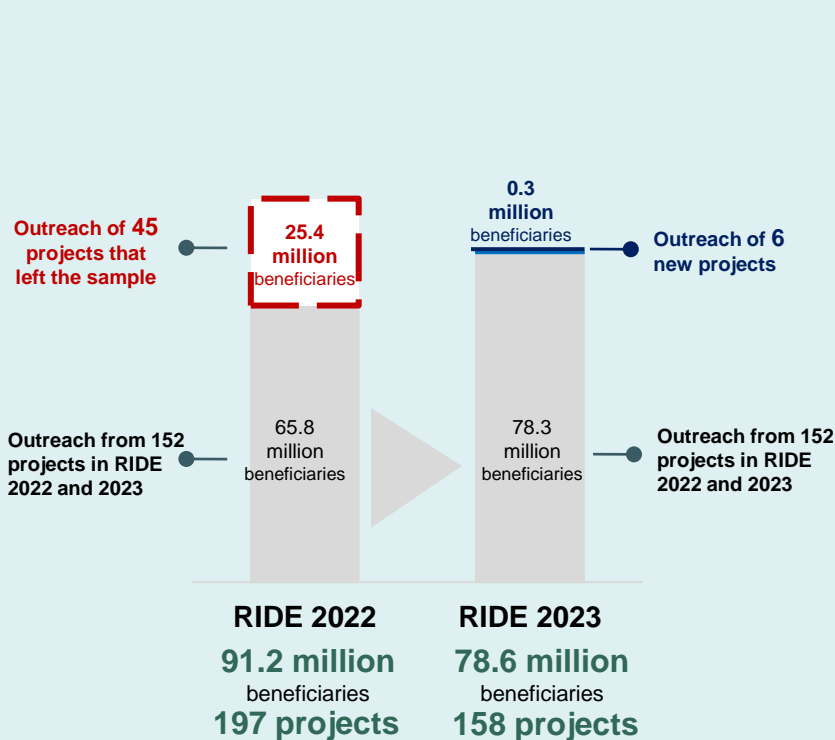
- Balancing value chain interventions with rural finance approach to deliver both high outreach and impact
- Shift from target setting to output/outcome tracking for IFAD13, given demand-driven IFAD PoLG

# Outreach changes 2021 - 2023

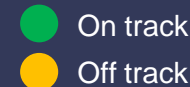
Outreach changes explained: RIDE 2021 vs RIDE 2022



Outreach changes explained: RIDE 2022 vs RIDE 2023



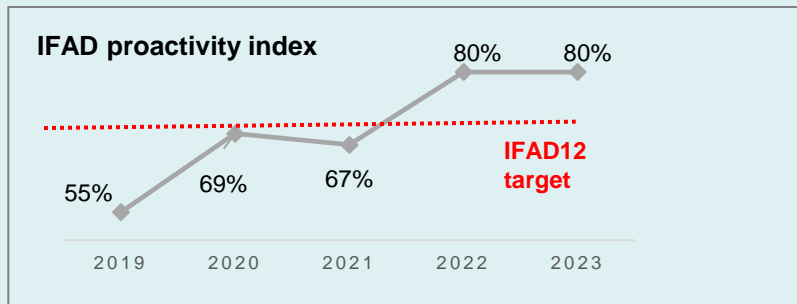
# Transformational country programmes



## 1 High design quality: all targets met ●

## 2 Portfolio management: on track

- **16.8** disbursement ratio (above 15% target) ●
- **80%** proactivity (above 70% target) ●



- **80%** implementation progress (below 85% target) ●



- Expected in post-COVID-19 scenario
- IFAD intensified supervision support, and restructured or cancelled projects

## 3 Mainstreaming themes: on track

- **53%** projects are gender transformative (above 35% target) ●
- All commitments on social inclusion at design met or on track ●
- **69%** projects build adaptive capacity (below 90% target) ●
- **30%** PoLG is climate finance (below 40% target) ●



- Strong uptick in climate finance in early 2023
- IFAD will meet targets by ensuring focus on climate at design and provide needed technical expertise

## 4 CLPE, KM: weaker, corrective action in course ●



- Refreshed KM strategy and action plan
- Strengthened guidance on CLPE
- **100%** IFAD COSOPs include opportunities for SSTC
- Increased leverage on decentralization

# Transformational financial framework



## Co-financing performed above targets...

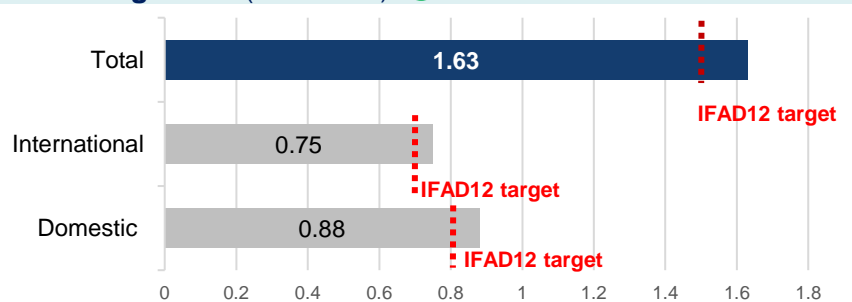
### International Cofinancing

Confirms partners' confidence in IFAD as a leader in rural development

### Domestic Cofinancing

Mainly, financial institutions and the private sector

## Cofinancing ratios (2020-2022) ●



...yet, facing shrinking government fiscal spaces, rises in food prices and the global crisis

## Non-sovereign operations had a high resource leverage effect

**6 NSOs** financed under IFAD's Private Sector Financing Program

**Leverage effect of 6.5** (target of 5) ●

US\$25.5 million IFAD financing expected to **mobilize additional** US\$140.7 million

403,000 direct **beneficiaries**

## Way forward



**Private sector engagement** is an IFAD13 priority area, to bolster enhanced rural livelihoods



# Transformational institutional change



**Decentralization** is key to deliver tailored solutions, implementation support, and greater **country-level policy engagement**

**86%** ICO workforce considers IFAD staff and field offices adequately empowered, above **80%** target



**2023 CLE** recommended improving: office structures, cost tracking, allocation of resources to country programs, HR, and EB oversight.



## Way forward

**D2.0 recalibration plan to fine-tune decentralization ongoing**



- Defer the opening of ICOs in HICA areas
- Upgrading the Cambodia and Tanzania ICOs CD-led
- Better onboarding & new reassignment timeline
- Review of the APR and LAC regional offices
- Ongoing assessments of HQ's role in a decentralized organization

**...saving US\$1.8 million in recurrent costs**

**As of March 2023...**

**43.6% positions decentralized**

*on track with 45% target by end 2024*



**43 ICOs operational**

*with 47-50 ICOs operational by end 2024*



## Additional highlights on institutional performance

- **44%** women in leadership position (above 40% target)
- Action plan to bring vacancy rate down from **16%** (2022) to **12%** (2023)
- 2020-2022 efficiency ratios partially off target but on track to improve with PPTP



# The way forward

1. Implement **D2.0 recalibration plan**
2. Work with borrowers on new project design to shape interventions that deliver both **high outreach and impact**
3. Ensure that all projects are linked to country level policy objectives
4. Increasingly adopt programmatic approaches to enhance **efficiency and sustainability** of benefits.
5. Intensify technical support on **mainstreaming themes** at design and during implementation
6. Enhance **portfolio management** by consolidating portfolios and reducing the number of operations
7. Implement 2023-2025 **knowledge action plan**

