

IOE



Investing in rural people

Independent Office of Evaluation

126<sup>th</sup> Session  
of EC

## Annual Report on the Independent Evaluation of IFAD

Evaluation synthesis

Corporate-level and thematic evaluations

Sub-regional evaluations

Country strategy and operations evaluations

Project cluster evaluations

# Annual Report on Independent Evaluation (ARIE) 2024

6 September 2024

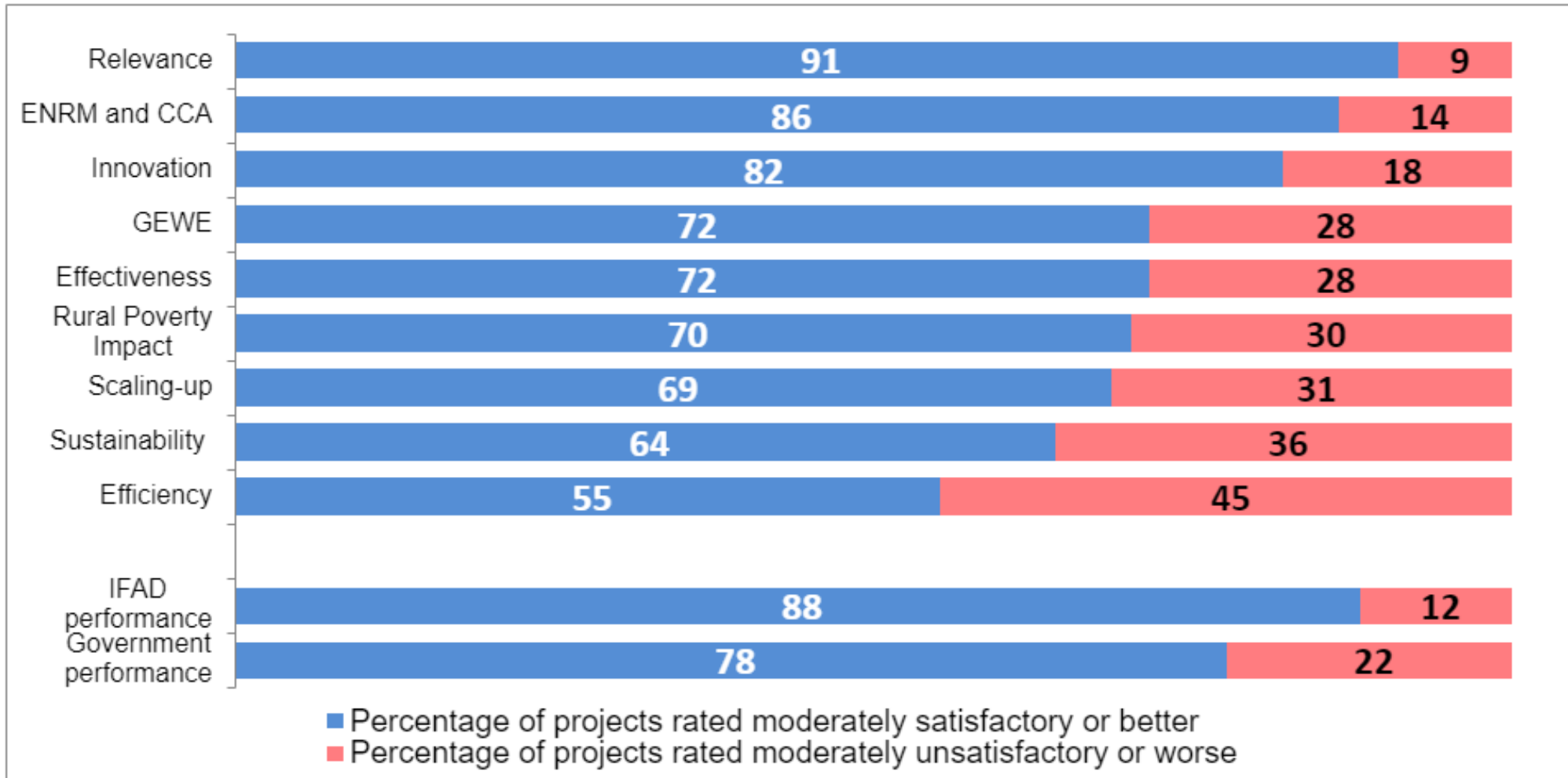
ARIE 2024 consolidated the available evaluative evidence, lessons and challenges from 42 CSPEs, evaluations of 297 projects (year of completion 2013-2022), and other evaluation products such as CLE, SRE, PCE



- Chapter 2 provides the performance analysis of IFAD interventions;
- Chapter 3 discusses the issue of cofinancing and its relationship with project performance
- Chapter 4 provides a synthesis of findings from evaluations on the theme of rural finance

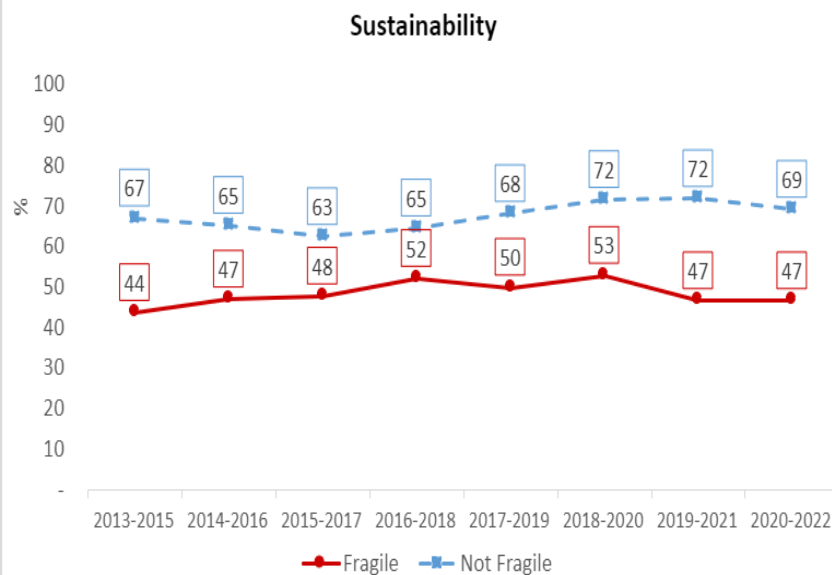
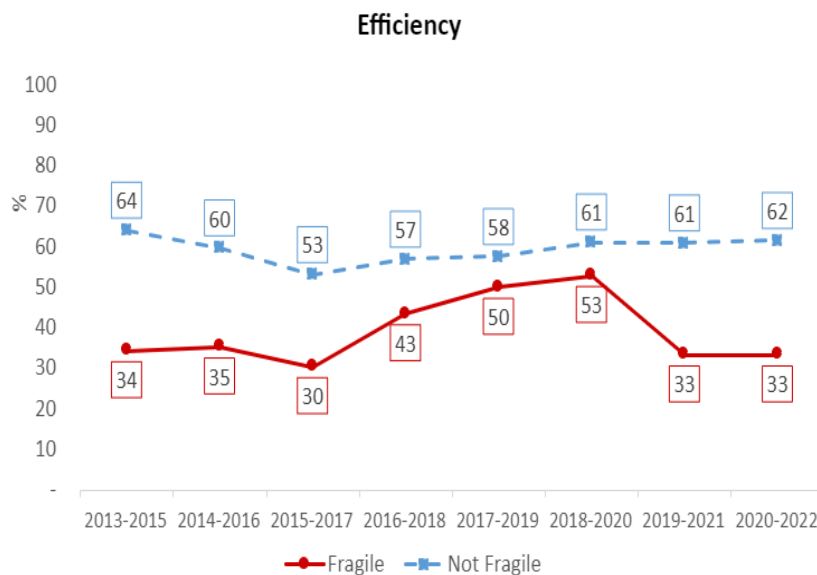
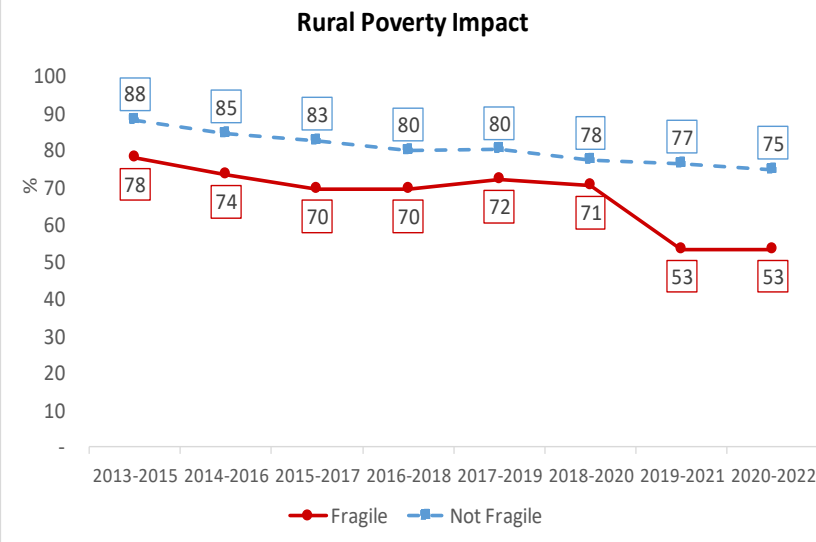
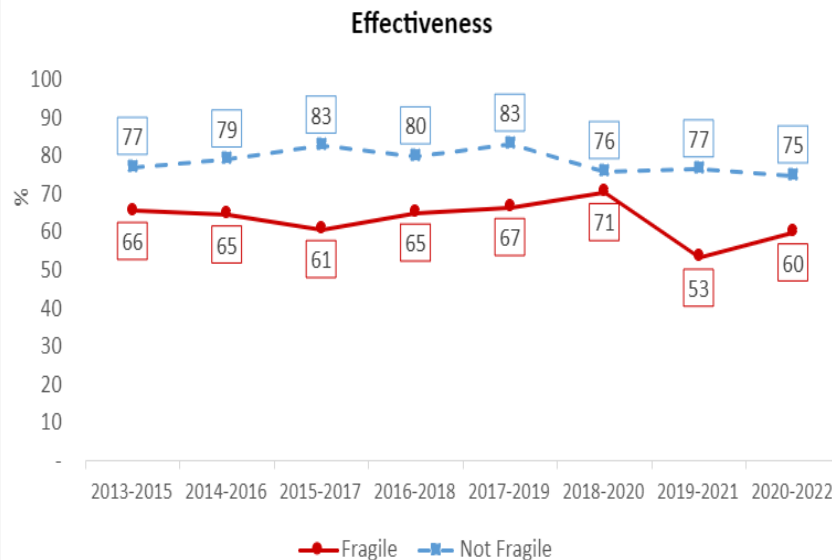
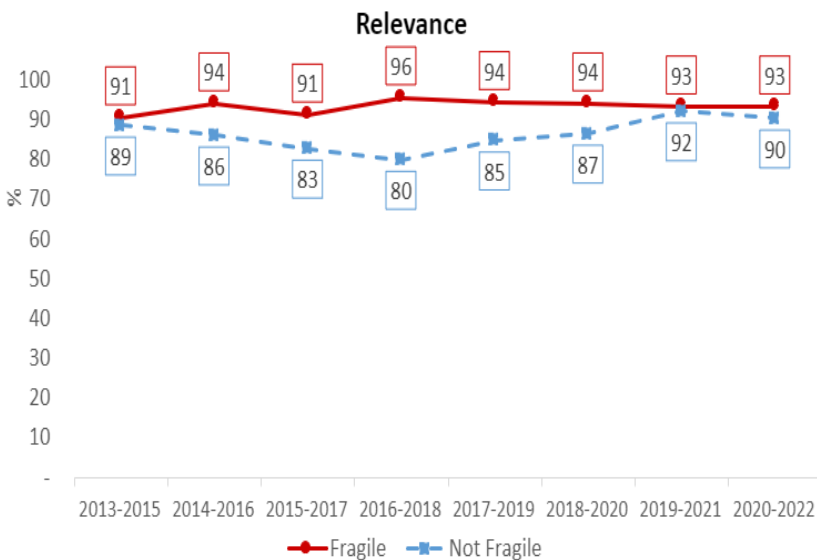


# Majority of projects have criteria rated positively (Projects completed 2020-2022)



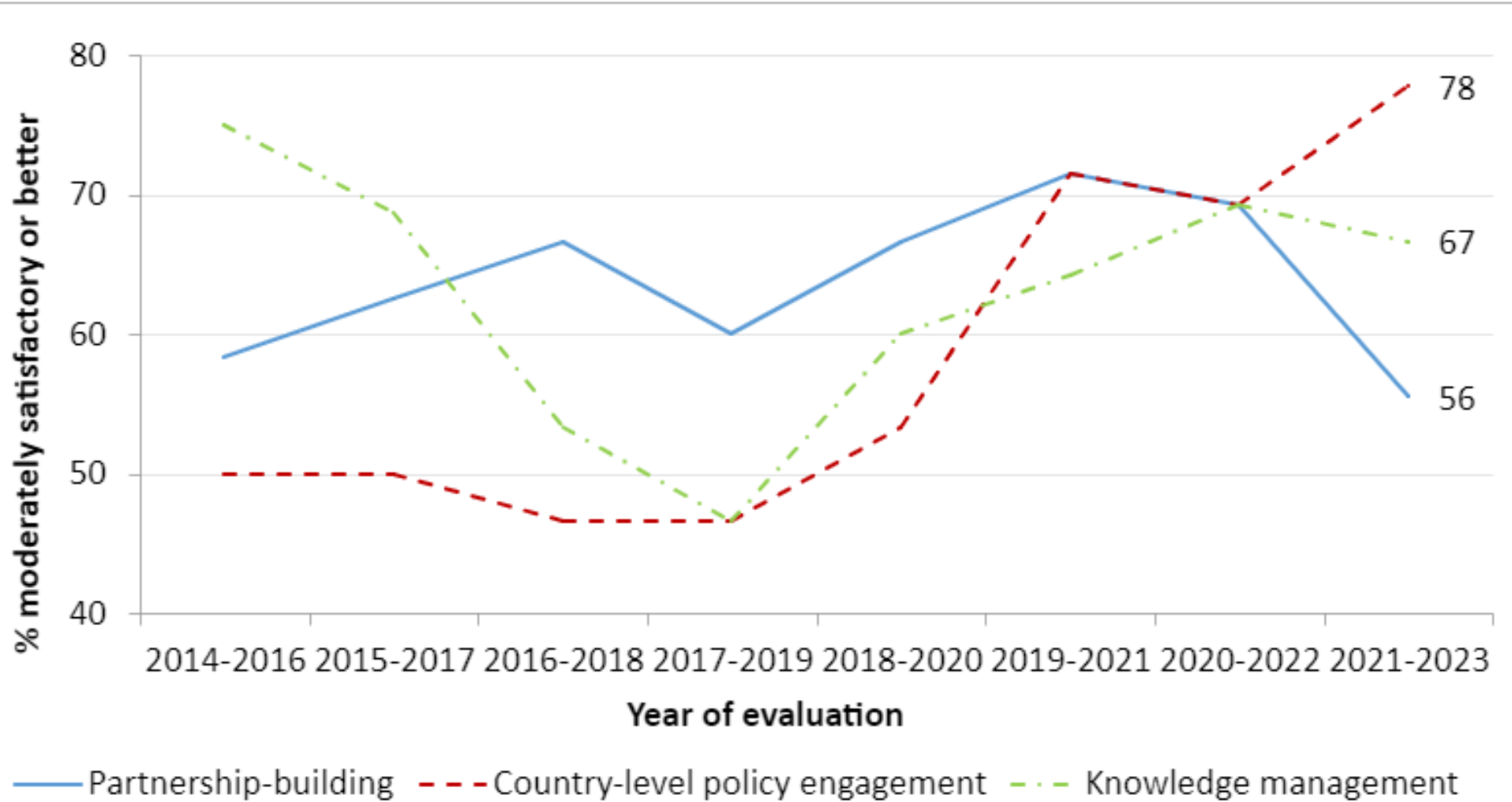
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# Conditions of fragility and rating trends (completion: 2013-2022)



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# Mixed trends in performance of non-lending activities



Caveat: Trend analysis involved 42 CSPEs completed over the 10 year period 2014-2023. Caution is needed in interpreting trends because of this small size.

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- 48 of the 297 projects analysed (16%) had exposure to COVID-19. As such, its effect on the quantitative analysis is limited.
- Qualitative analysis from 16 IOE evaluations point to significant consequences to project implementation and oversight.
- IFAD response focused on:
  - Repurposing project funds towards emergency measures.
  - Allocation of US\$89 million to the Rural Poor Stimulus Facility in April 2020.
  - Assistance to governments for rapid assessments and formulating response strategies.

# Take Away #1 – Analysis of Recent Performance



Efficiency remains the lowest performing area.

Relevance, ENRM & CCA, and innovation continued to be areas of higher performance.

IFAD performance continues to be higher than government performance.

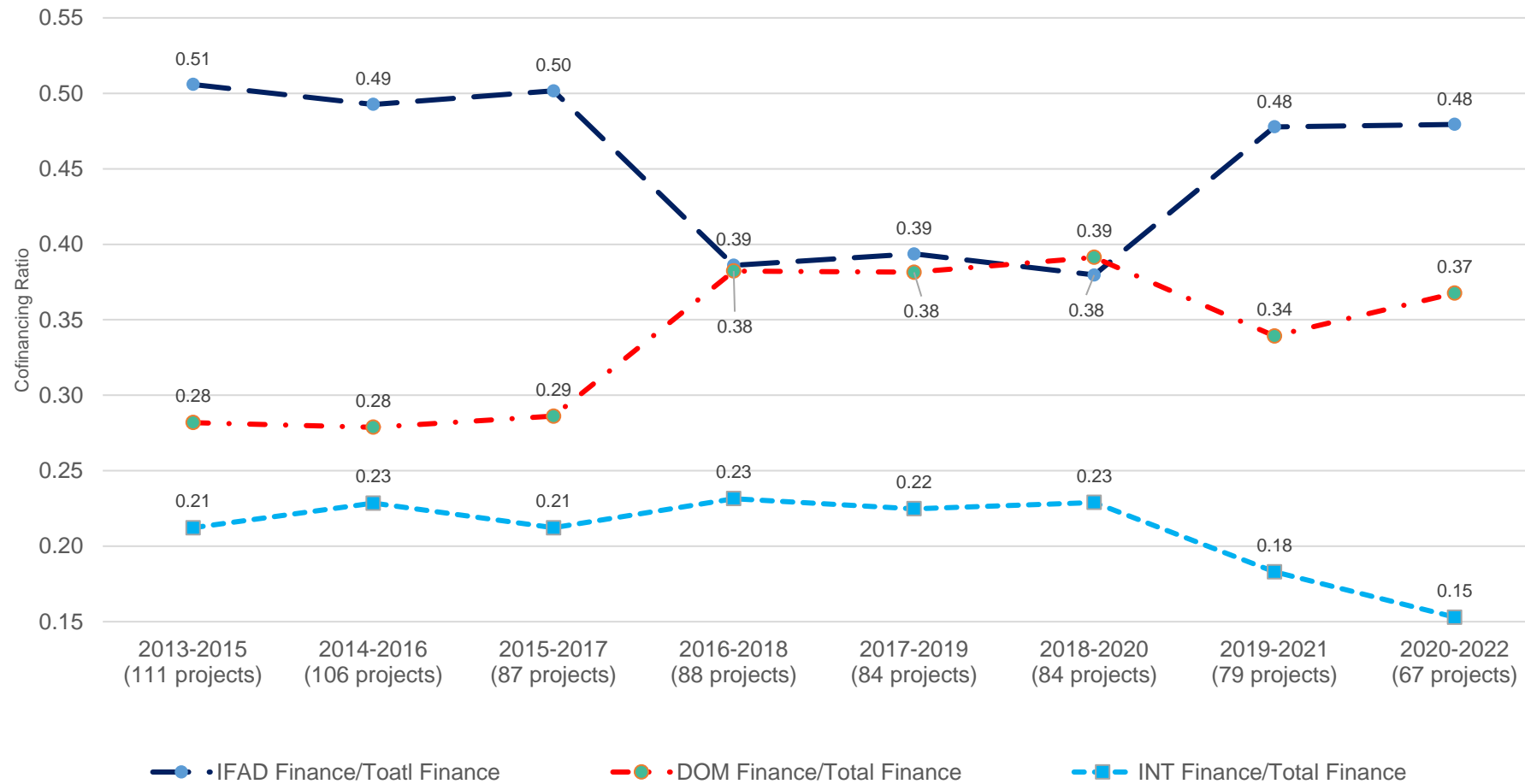
## Take Away #2 – Analysis of Performance Trends



- Government performance continues the upward trend observed since 2016.
- Improvements in sustainability, ENRM & CCA have somewhat declined in the most recent period while improvements in relevance are stabilizing.
- The decline in effectiveness is plateauing, but rural poverty impact continues its downward trend.
- The innovation appears on a slightly declining trend in the most recent period.



## Co-financing Ratios



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- Project size has direct implications to performance - very small projects, and very large projects show below average performance.
- Beyond the threshold of 60% ratio, increasing domestic cofinance has small negative effect on performance; muted influence for international finance.
- A possible explanation: at high domestic cofinancing, governments are more likely to follow their own policies over IFAD-stipulated practices.
- A deeper analysis is needed to fully understand the relationship between cofinancing and project performance.

Around 13% of IFAD's ongoing portfolio is dedicated to rural finance (IRF).

Selected lessons from 6 CSPEs, 9 PPEs, and 2 PCEs:

- *IRF design needs to build on the objectives and goals of the government as well as the existing systems to deliver rural finance.*
- *IFAD needs to better identify the right FSPs that have adequate capacity, liquidity, and commitment to reach the targeted beneficiaries.*
- *Performance metrics should go beyond outreach and volume and measure impact and sustainability*
- *IFAD tends to over-rely on credit lines and LOCs and inadequately focus on guarantees, insurance and other risk-sharing instruments.*

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