Overview of IFAD9 completion
IFAD10 MTR and Results

16 February 2017
Today’s presentation

- **Overview** (slides 3 – 7)
- **Bigger** (slides 8, 10)
- **Better** (slides 9, 11 – 13)
- **Smarter** (slides 14 – 28)
- **Moving forward** (slide 29)
OVERVIEW

Purpose of the MTR

• IFAD10 Midterm Review highlights IFAD9 (2013-2015); and the first year of IFAD10 (2016)

• The Review assesses IFAD’s performance compared to the IFAD10 commitments

• The review finds that IFAD is on track for most areas, with challenges however in some.
OVERVIEW
75% of the world’s hungry poor live in rural areas

Because...

...global demand for food is expected to increase by over 60% by 2050

...agriculture and rural livelihoods are responsible for over 30% of employment globally

...small farms account for up to 80 per cent of food produced in Asia and sub-Saharan Africa

...fragile states and economies are home to 1.4 billion people – 20% of the world’s population, with 43% of those in absolute poverty.

...5 million to 12 million ha are lost annually to severe degradation in developing countries due to human activity and climate change

...IFAD is...

Increasing Rural People’s Productive Capacity

Strategic Framework

Increasing rural people’s access to markets

Strengthening the environmental sustainability and climate resilience of rural people’s economic activities

IFAD
Investing in rural people
## OVERVIEW

Replenishment commitments mostly delivered or on track

### IFAD9

**Delivered on:**
- Operational Effectiveness
- Institutional Effectiveness
- Financial Capacity and Management
- Enhanced Results Management

**Remaining challenges in project efficiency:**
- **strengthened EFA during design**
  - Logframe procedures issued
- **reduced delays in the project cycle**
  - Improvements but often dependent on country contexts
- **strengthened national M&E systems**
  - M&E certification programme to be launched in 2017.

**95% delivered**

### IFAD10

**On track for:**
- Strategic Vision
- Operational Effectiveness
- Institutional Effectiveness
- Results Measurement Framework
- Financial Framework

**Minor delays in:**
- Additional resource mobilization (UCCs)
- PoLG versus administrative budget ratios
- Financial management monitoring
- Improved gender balance
- Key business process costing
- KM monitoring and reporting

**89% on-track**
External assessments confirm progress and agree on challenges

Making Progress

- **Results Measurement**
  Focus on results for more impact at the country level (*Making Development Cooperation More Effective*)

- **Mainstreaming climate change and gender**
  *Green Climate Fund’s* recognition of IFAD’s focus on climate change
  *UN SWAP* rates IFAD highly on gender equality and women’s empowerment

- **Mobilizing investments**
  Recognition of efforts by Member States at the *Third International Conference on Financing for Development* and referenced in the Addis Ababa Action Agenda

- **Knowledge management**
  IFAD’s KM strategy commended as the most comprehensive and sustainable approach by the *United Nations Joint Inspection Unit*

Remaining Challenges

- **Transparency** ➢ focus on disclosure and accountability
- **Efficiency and Value for Money** ➢ deliver more with less and faster
- **Fragile states** ➢ appropriate targeting and focus on sustainability
OVERVIEW

IFAD10 at mid-term: beyond business as usual

Expanding the program of work to meet an increasing and more sophisticated demand.

Achieving higher impact per dollar invested through smarter design, partnerships, and differentiated country approaches.

Getting closer to clients while reengineering internal processes for greater efficiency and development effectiveness.
Delivering a record pipeline through more proactive portfolio management

Distributing the pipeline to managing slippages and avoiding bunching

A significant number of operations is designed the year before delivery, weaving design costs across the cycle.
BETTER
Striving to ensure that the pace of disbursements and cofinancing keep up with commitments

Cofinancing and disbursements are consistently higher in Middle Income Countries
BIGGER

Enlarging our investments to reach an increasing number of rural poor

<table>
<thead>
<tr>
<th>Programme of loans and grants (PoLG)</th>
<th>US$ billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFAD8</td>
<td>US$2.85</td>
</tr>
<tr>
<td>IFAD9</td>
<td>US$3.07</td>
</tr>
<tr>
<td>IFAD10</td>
<td>US$3.2</td>
</tr>
</tbody>
</table>

Outreach

- IFAD8: 78.7 m
- IFAD9: 111.5 m
- IFAD10: 112.75 m

Rest of the World
Sub-Saharan Africa
Managing a larger portfolio with flat administrative resources

Continue to increasing efficiencies requires adjusting the business model
Meeting country demands through differentiated approaches

80% of rural poor IFAD serves are in Low Income and Low Middle Income countries

<table>
<thead>
<tr>
<th>Low Income and Low Middle Income countries</th>
<th>Most Fragile Situations</th>
<th>Upper Middle Income Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Borrow on highly concessional or blend terms (IDA eligible)</td>
<td>• Most borrow on highly concessional or blend terms (most are LICs and LMICs)</td>
<td>• Borrow on ordinary terms</td>
</tr>
<tr>
<td>• 90 percent of IFAD10 financing through core replenishment contributions</td>
<td>• IFAD addresses causes of fragility in agricultural sector</td>
<td>• IFAD engages them as key shareholders, sources of South-South cooperation, and global actors</td>
</tr>
</tbody>
</table>

Targeting conditions of extreme poverty, remoteness and weak institutional capacity
Growing share of projects including climate finance

Increasing share of projects that are nutrition-sensitive

Gender consistently rated 4 or better at design

Cross cutting issues are being mainstreamed but adjustments are needed to fully overcome silo approaches
**SMATER**

**Strengthening financial management to support IFAD’s evolving financial architecture**

Financial Operations Department revamped to manage the growing complexity of IFAD’s portfolio

<table>
<thead>
<tr>
<th>Structure</th>
<th>Comprehensive, rules-based approach to borrowing</th>
<th>Feasibility of borrowing from capital markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Separate Financial Services Management Division (FMD) and Accounting and Controller Division (ACD)</td>
<td>• KfW Framework Agreement in IFAD9</td>
<td>• Engaging closely with member states</td>
</tr>
<tr>
<td>• Better cash flow planning and risk management capabilities</td>
<td>• Approval of Sovereign Borrowing Framework</td>
<td>• Preparatory work to transact derivatives for currency hedging</td>
</tr>
<tr>
<td>• Separate Risk Monitoring and Compliance function</td>
<td>• Two major borrowing transactions for US$$326 million equivalent (KFW and AFD)</td>
<td>• Single Currency Lending</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Assess IFAD’s preferred creditor status to borrow at attractive rates</td>
</tr>
</tbody>
</table>
Managing over 80% of financing from country offices
## SMARTER

### Heightening transparency to reach world class standards

<table>
<thead>
<tr>
<th>Category</th>
<th>IFAD9</th>
<th>IFAD10</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Aid Transparency Initiative (IATI)</td>
<td>Publishing since 2013 but only on commitments</td>
<td>report on more (e.g., disbursements) and more frequently (quarterly)</td>
</tr>
<tr>
<td>Other standard-setting transparency initiatives</td>
<td>Aidflows reports IFAD data on commitments, disbursements and debt</td>
<td>exploring more active partnerships</td>
</tr>
<tr>
<td>PBAS</td>
<td>disclose the Rural Sector Performance Scores only</td>
<td>more systematic disclosure of allocations and underlying data</td>
</tr>
<tr>
<td>Disclosure of operational documents</td>
<td>2014: 51% supervision reports disclosed, 70 days on average</td>
<td>2016: 67% supervision reports disclosed, 35 days on average</td>
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**Disclosure of operational documents**

- **IFAD9**: 2014: 51% supervision reports disclosed, 70 days on average
- **IFAD10**: 2016: 67% supervision reports disclosed, 35 days on average
SMATER
Reinforcing fiduciary and procurement oversight

Pioneering accreditation of financial management consultants

Piloting an automated system to track non-objections
SMATER
Mainstreaming technology in the way we do business

Operations Documents Center

Operations Dashboard

The Operational Results Management System

Speeding-up and modernizing business processes to become data-driven
Nurturing our workforce through the Career Development Framework

**Academy and Targeted Programs**
- Structured and continuous professional development

**Talent Management**
- Detect our best potentials and grow others

**Staff Mobility**
- Greater integration between headquarters and country offices

Redoubling efforts to increase number of women in senior positions
SMARTER
Moving from results measurement to results-based management

IFAD9
Reach to Impact
IFAD9 Impact Assessment Initiative
Results measurement

IFAD10
Impact linked to Strategy
Development Effectiveness Framework
Results-based management
SMARTER

Proactively managing our investments to boost global efforts to achieve SDGs

IFAD9 Impact Assessment Initiative
(funded projects 2010-2015)

43.2 million people increased their agricultural revenue

28.8 million people increased poultry ownership

22.8 million people increased livestock assets

24 million people moved out of poverty
SMARTER
Instilling a results culture across the institution and in member countries

IFAD’s Development Effectiveness Framework

- Strengthening the focus on generation of results and use of evidence in the project cycle
- Improving monitoring and evaluation capacity among IFAD staff and in country
- Fostering the use of evidence in the portfolio
- Linking project monitoring and evaluation to corporate results reporting
- Enhancing self-evaluation quality and governance
SMARTEST

Strengthening the focus on generation of results

**DESIGN**

- Project designed incorporating evidence
- Project design report (President’s report)
  - Evaluable project
  - Diagnosis/solution
  - Project logic/
  - Theory of change
  - Econ and Fin Analysis
  - LogFrame with SMART indicators
  - M&E and impact assessment approach clarified

**IMPLEMENTATION**

- Tracking evidence of project performance
- Project status and results report
  - Execution performance
  - AWPB
  - Monitoring outputs and outcomes
  - Reporting LogFrame indicators
  - Assessing project results and risks

**COMPLETION**

- Evidence providing lessons for future projects
- Project completion report
  - Efficiency and effectiveness
  - Project logic/
  - Theory of change assessed
  - LogFrame assessment
  - M&E and impact assessment results
  - Lessons learned

**Restructuring policy**

- Automated, Tracked in Real-Time through Dashboard
Improving monitoring and evaluation capacity among IFAD staff and in country

CLEAR training and certificate
- Curriculum design
- Certification
- Scholarships for PMU staff
- Five global CLEAR teaching centres
- Available to IFAD staff, consultants, etc.

CPM academy
- Theory of change and LogFrames
- M&E as management tool
- Economic and financial analyses
- Impact assessment
SMATER
Fostering the use of evidence in the portfolio

Move to Co-Responsibility

Development Effectiveness Checklist

- Strategic Framework
- SDGs
- COSOPs
- Safeguards
- Mainstreaming
- Diagnosis based on evidence
- Project logic/indicators
- Monitoring and evaluation approach
- Economic and financial analysis
- Impact assessment
SMARTER
Linking project monitoring and evaluation to corporate results reporting

Project LogFrame With Core Indicators

Development problem
Underlying causes
Proposed solution
Result

Inputs → Activities → Outputs → Outcomes → Impact

Core Indicators (RIMS)

Corporate Results Measurement

All projects

Impact Assessments

15% of projects and projection

SMARTER
Linking project monitoring and evaluation to corporate results reporting
Enhancing self-evaluation quality and governance

Operational Programming and Effectiveness (OPE) Unit
- Programming and pipeline
- Operational procedures
- Portfolio management
- Self-assessment
  - M&E and LogFrames
  - Economic and financial analysis
- Internal results coordination and reporting
- Harmonization with partners

Regions
- Portfolio management
- Self assessment
- Agents of change
- Link to corporate requirements

Research and Impact Assessment
- Impact assessment
- Portfolio analysis
- Link to corporate impact assessment requirements

SMARTER
Pursuing ambitious targets based on a systematic assessment of our portfolio

IFAD10 Results Measurement Framework-Updated

43 million people
increase production

42 million people
increase market access

22 million people
greater resilience

40 million people
greater economic mobility
MOVING FORWARD

Deepening ongoing reforms to increase the scale of impact

• Further improving institutional efficiency and transparency

• Speeding-up operations and ramping-up disbursements while mainstreaming thematic priorities

• Continue strengthening financial capacity and sustainability

• Fostering a results culture that embraces evidence-based decision-making

• More systematically integrating knowledge and non-lending activities with lending
Thank you

Any questions?