

profile

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2013 ARRI

ANNUAL REPORT ON RESULTS AND IMPACT OF IFAD OPERATIONS

The Independent Office of Evaluation of IFAD (IOE) produced its first Annual Report on Results and Impact of IFAD Operations in 2003. The report – known as the ARRI – is IOE’s annual flagship report, providing an independent analysis of the performance of IFAD operations and identifying systemic issues that need to be addressed to further strengthen results on the ground.

IFAD is one of the very few multilateral and bilateral development organizations that produce an annual report like the ARRI, reflecting its commitment to promoting accountability, learning and transparency in reporting on performance. IOE is able to produce the ARRI because all its evaluations follow a consistent methodology, building on international good evaluation practices and standards.

Performance and trends

The broad picture that emerges from this year’s ARRI is positive, but with room for improvement. On the one hand, there is evidence of clear and significant improvement across many of the criteria assessed by IOE evaluations. There is also, however, evidence that a number of important issues identified in early ARRIs need greater attention in the future.

On the positive side, this year’s ARRI reveals that the relevance of IFAD-supported projects remains generally high, illustrating the importance of the Fund as a global organization in promoting sustainable small-scale agricultural and rural development. The rural poverty impact of IFAD operations has shown improvements since 2005-2007. An upward trend is also visible in project performance and overall project achievement in operations completed since 2009-2011. IFAD’s performance as a partner over 2011-2013 is the best since the ARRI was first issued in 2003. The move to direct supervision, wider country presence and tighter portfolio management, and the introduction of an arm’s-length quality assurance system, are some of the major changes that have contributed to IFAD’s better performance as a partner. IFAD operations also score high in

promoting innovative approaches and in scaling up, which are fundamental to achieving a wider impact on rural poverty. Finally, the ARRI reveals that IFAD operations are very good at promoting gender equality and women’s empowerment, an area in which the Fund is developing a comparative advantage, a track record and a degree of specialization.

Notwithstanding the positive picture in general, a large number of projects continue to manifest only moderately satisfactory performance and hardly any are highly satisfactory. Thus, there are opportunities for further improvement. Moreover, two areas flagged in the past remain problematic: efficiency of operations and sustainability of benefits. These are the two weakest performing evaluation criteria. Government performance as a partner has also not shown much improvement over time. This is a very critical area, given projects funded by IFAD are implemented by governments. Monitoring and evaluation continue to be a challenge, both at the project as well as country level. All these areas require a step-change in approach in order to achieve better results in the future.



Members of the community-owned savings and credit cooperative in Zirowe village, Luwero district, Uganda, save and borrow money to finance their microenterprise agricultural rural activities.

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Issues raised by the 2012 evaluations

The issues raised by the 2012 evaluations reiterate and reinforce those of previous years. The need and scope for improving IFAD's institutional and project efficiency were common themes. The major corporate-level evaluation on efficiency concluded that a focus on excellence – not just moderately satisfactory – and more effective strategic partnerships were required if demonstrably successful programmes were to be delivered and then substantially scaled up. The need for a better balance between the scope and ambition of the project or country programme, and the human and finance resources available, was also highlighted in a number of evaluations, as was the potential tension between efficiency and reaching rural people who live in remote and marginalized areas.

Findings from country programme evaluations show that results-based country strategic opportunities programmes introduced in 2006-2007 have helped IFAD in developing more coherent country strategies. However, the lack of resources – human and financial – remains the main limiting factor for non-lending activities (knowledge management, policy dialogue and partnership-building). Greater investments will be needed in non-lending activities in the future for a wider impact on rural poverty at the country level, including ensuring successful scaling-up objectives. Evaluations also find that the grants programme is a critical instrument for IFAD to achieve its broader mandate of rural poverty reduction. However, there are opportunities for more strategic and systematic use of grant resources, tighter linkages with investment operations, and better monitoring, supervision, assessment and reporting on the results and lessons from grants-funded activities.



A women's group gathers for a meeting in Ghatgatia, Bangladesh. The meeting is arranged to discuss small loans from group savings. Loans are disbursed by the group leader.

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Benchmarking

This year the ARRI has continued to make an effort to obtain data to compare the performance of IFAD operations with other organizations. Benchmarking shows that the performance of IFAD operations is generally on a par with the agriculture-sector operations of the World Bank globally, similar to that of the African Development Bank in Africa, and better than the Asian Development Bank in Asia and the Pacific. This is reassuring, given that the context in which IFAD works is often more challenging (i.e. remote and marginalized areas), and the nature of its operations is generally more demanding (i.e. with a focus on participatory approaches, targeting and empowerment).

2013 ARRI learning theme: Understanding exceptional projects

Understanding exceptional projects is the learning theme for this year's ARRI. The review revealed a strong association between factors such as design, management and context in all types of countries. Poor designs, poorly managed in difficult contexts, lead to exceptionally unsuccessful project outcomes. Conversely, good designs, well managed in supportive contexts, lead to exceptionally successful project outcomes. The few exceptionally successful projects in difficult contexts generally had good designs, high-quality project management and good support from IFAD and government.

The fact that exceptionally unsuccessful projects are more common in fragile and/or conflict-affected states than exceptionally successful projects is not unexpected. However, poor design and poor management tend to be consistent features of the exceptionally poor projects in difficult contexts. Both factors can and should be improved in view of the increasing importance of fragile and/or conflict-affected states, as well as the increasing coincidence of fragility with poverty and middle-income status. The forthcoming corporate-level evaluation of IFAD's performance in fragile situations and evaluation synthesis on IFAD's engagement in middle-income countries will provide critical opportunities for significant rethinking and change.

Project management is emerging as a very important, but underemphasized determinant of project performance in all country contexts. In this regard, it is proposed that the 2014 ARRI learning theme should examine the role of government, with a particular emphasis on strengthening the performance of project management teams.