



2019 Annual Report on Results and Impact of IFAD Operations (ARRI)

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Learning Event

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Independent Office
of Evaluation



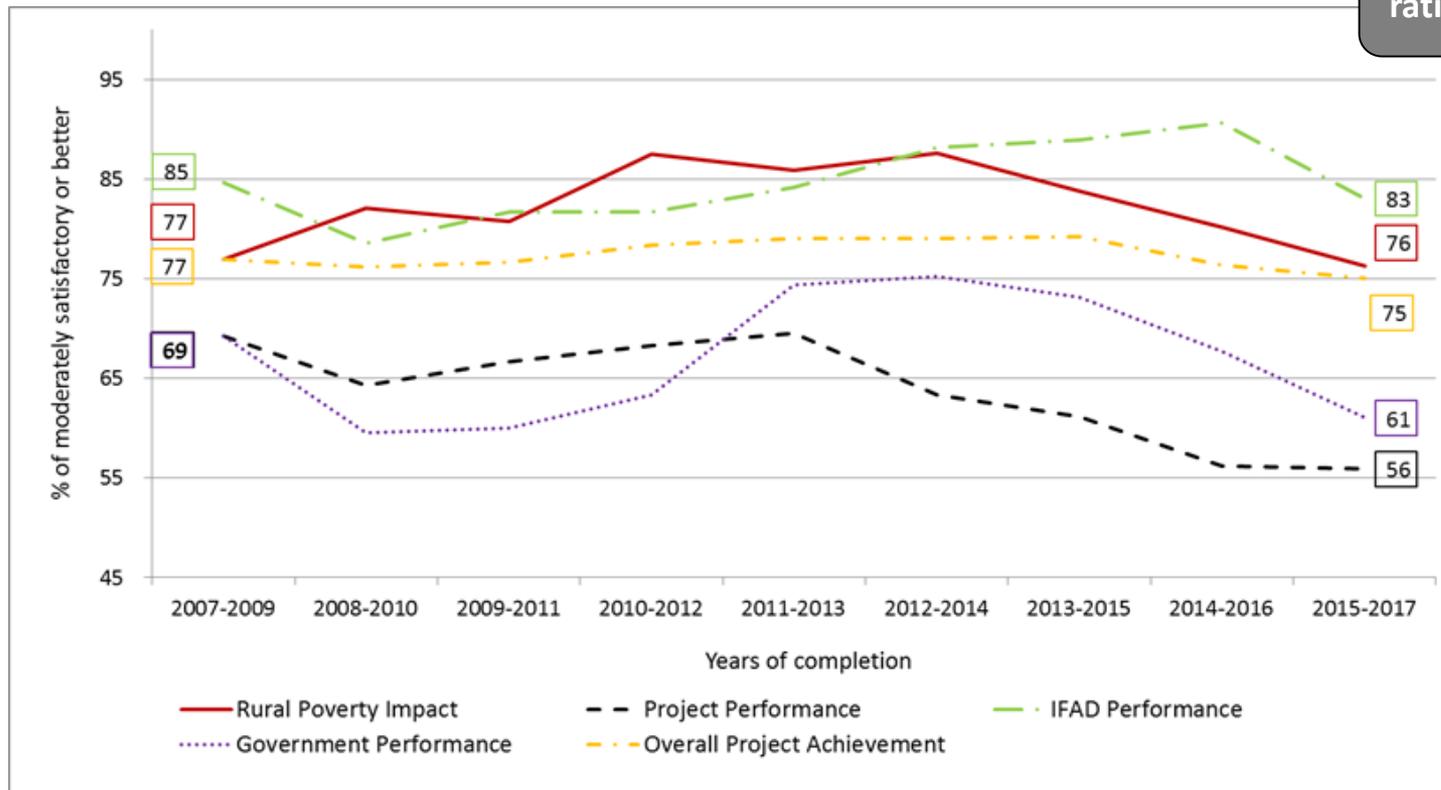
Investing in rural people

The majority of ratings are positive, though recent trends in performance are **flat or declining**

Overview of main evaluation criteria

% projects rated moderately satisfactory or better

75% of all ratings MS+



IFAD project performance is better than other regional IFIs, but lower than the World Bank

External benchmarking with agricultural portfolio of other IFIs

Percentage of project with positive performance ratings (2002-2017)

Global	IFAD	World Bank*
	67	74
Africa	IFAD Africa	AfDB
	58	50
Asia & Pacific	IFAD Asia	AsDB
	86	64
Latin America & Caribbean	IFAD LAC	World Bank*
	71	76
Near East/North Africa/ Europe	IFAD NEN	World Bank*
	64	79

* World Bank does not include sustainability of benefits within its project performance

Among all the criteria, only **adaptation to climate change** reached its IFAD10 RMF target

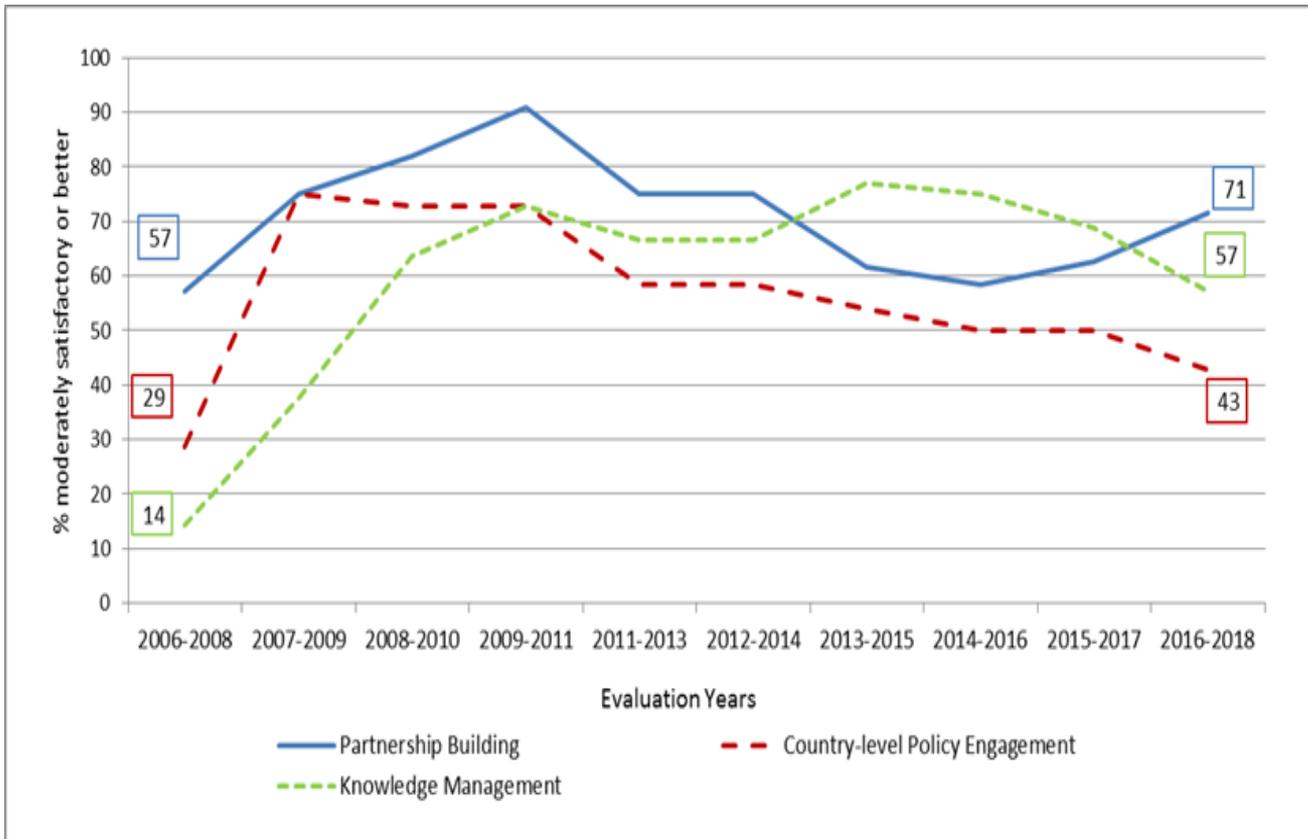
Evaluation criteria assessment of IOE and Management

% projects rated moderately satisfactory or better

Outcome indicators	IFAD10 RMF Target 2018	IOE PCR/PPE ratings 2015-2017 (59 projects)	Management PCR ratings 2016-2018 (73 projects)
Relevance	-	83	93
IFAD performance	-	83	88
ENRM	90	81	84
Innovation	90	80	88
Rural Poverty Impact	90	76	83
Effectiveness	90	75	82
Overall Project Achievement	-	75	82
Adaptation to climate change	50	73	87
GEWE	90	71	88
Scaling-up	90	68	88
Government performance	80	61	79
Sustainability	85	59	70
Project performance	-	56	68
Efficiency	80	51	67

Trends in **non-lending activities** are declining, except in Partnership building

Performance of all non-lending activities: 64% of projects MS+ (CSPE database)



Positive Factors

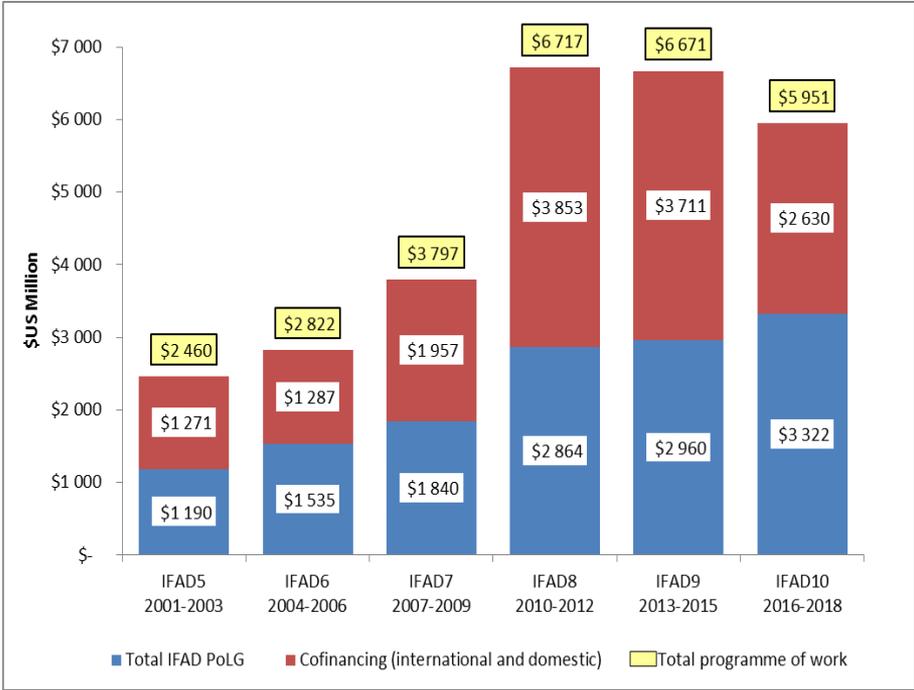
- Capitalizing good practices, innovations and lessons learned from projects
- Supporting systematically dialogue and accountability between government and other stakeholders
- Engaging actors to go beyond the project's life

Negative Factors

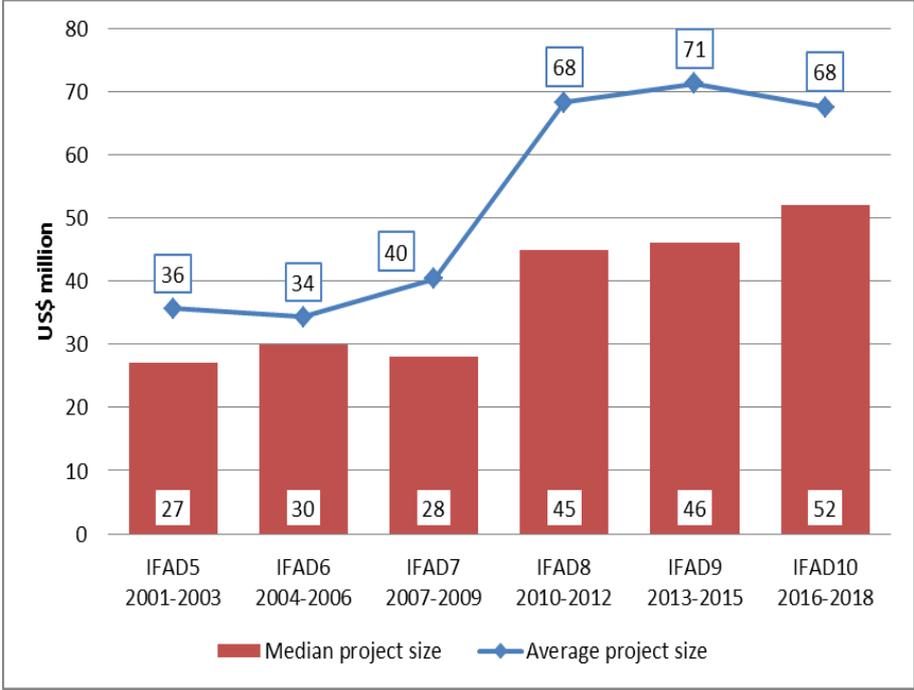
- Limited resources, capacities and technical knowledge at country level
- Absence of functional frameworks and clear objectives in country strategies
- Inadequate levels of stakeholder representation

IFAD10 project investments remained **big** with **bigger** approved project sizes...

IFAD approved Programme of Work (PoW) by replenishment period (US\$ million)

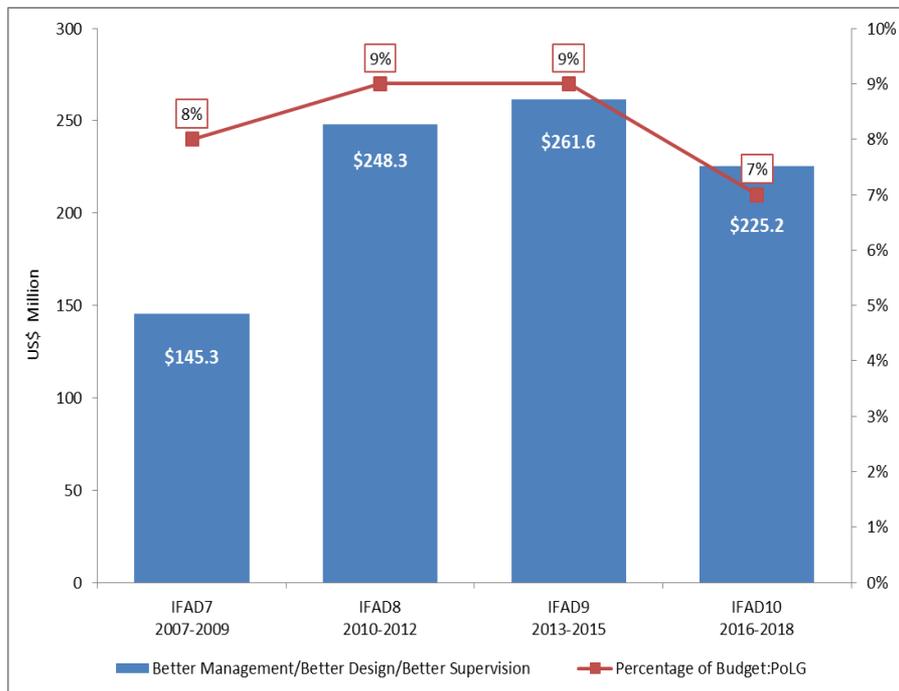


Total cost per approved investment project (average and median size)

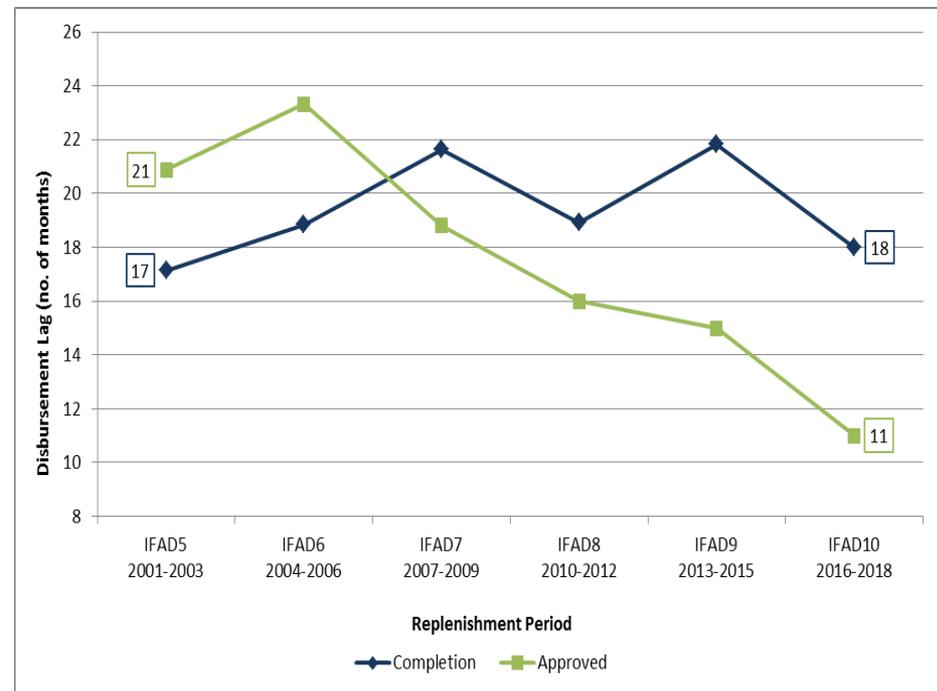


Smarter in terms of reduced budgetary resources and improved timeliness

Administrative budget allocation for country programme, design, supervision & implementation and its ratio to PoLG by replenishment period



Average Disbursement Lag by replenishment period

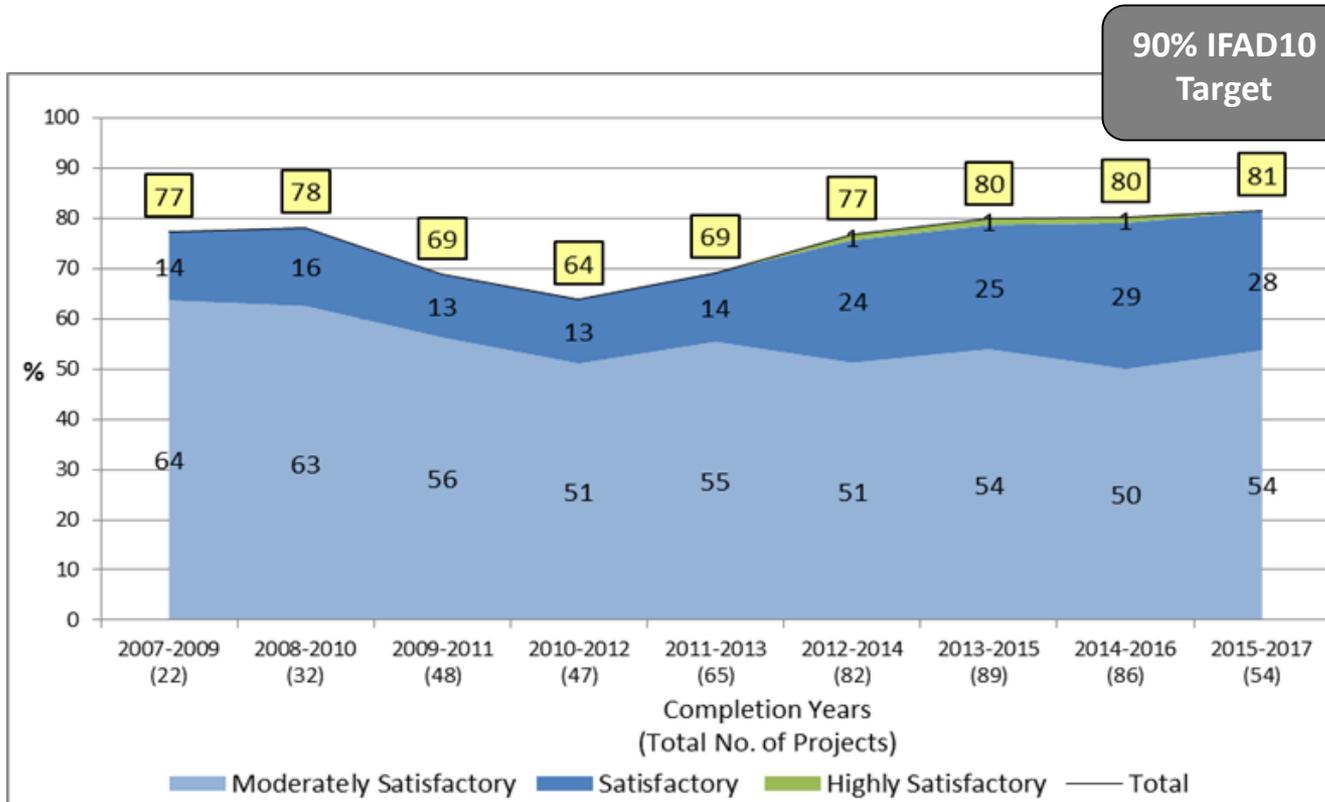


..., but they were not necessarily **better** in quality.

- Based on IOE ratings, only Adaptation to Climate Change reached its IFAD10 target.
- **ENRM** shows a **statistically significant and positive change** in terms of average ratings between IFAD8 and IFAD10 as well as IFAD8 and IFAD9.
- However, average IOE ratings for all criteria (except adaptation to climate change and ENRM) declined between IFAD8 and IFAD10 as well as IFAD9 and IFAD10 – despite initial improvement between IFAD8 and IFAD9.
- **Relevance** and **IFAD performance as a partner** show a **statistically significant decline** in average ratings between IFAD9 and IFAD10.

Technical expertise and preventive approaches contributed to positive performance in ENRM

ENRM: 81% of projects MS+ (PCR/V/PPE data series)



Positive Factors

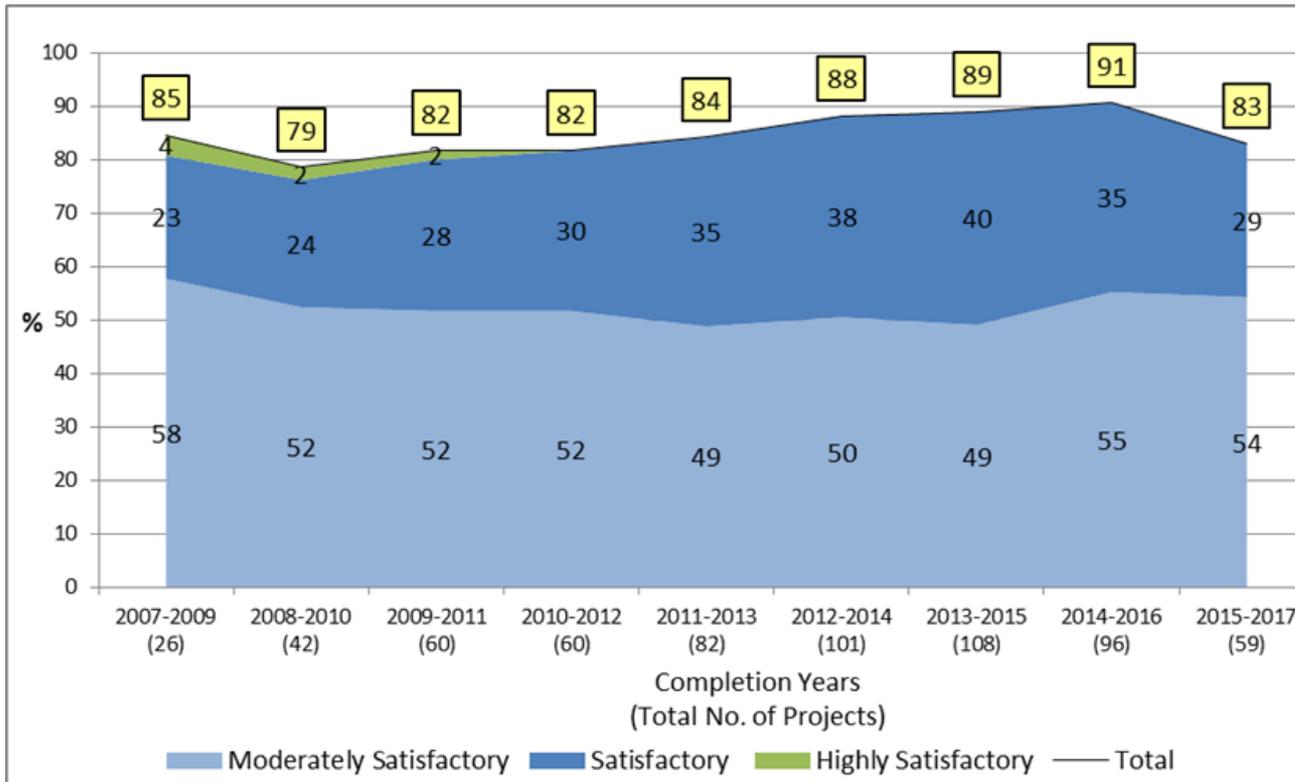
- Recognizing sensitive ecosystem in the design phase
- Adopting long-term environmentally sustainable farming methods
- Adopting legal frameworks to avoid environmental implications

Negative Factors

- Lack of environmental strategy at design
- No focus on human capital in environmental management

Limited budget and expertise contributed to recent downturn in IFAD performance as a partner

IFAD performance as a partner: 83% of projects MS+ (PCR/V/PPE data series)



Positive Factors

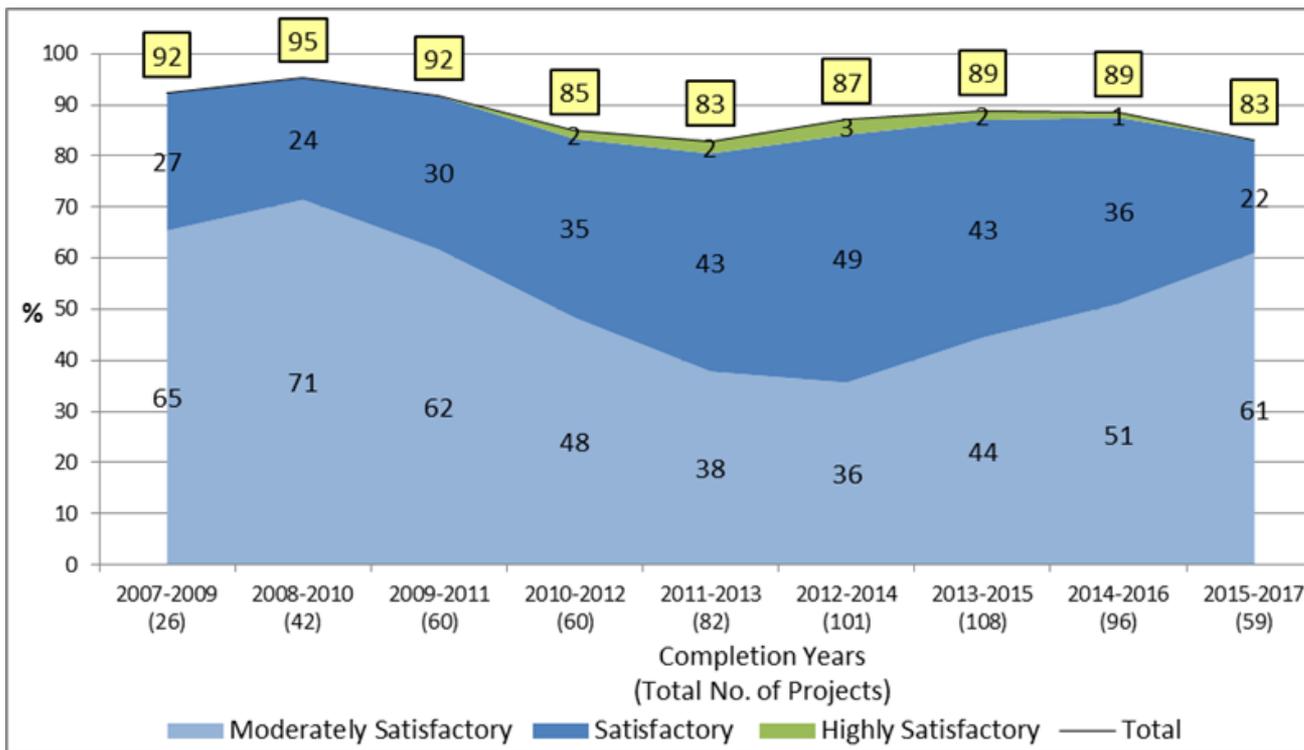
- Flexible design and adaptability to changing contexts
- Learning from previous experiences
- High quality of knowledge management
- Presence at country level to ensure partnerships

Negative Factors

- Limited budget and absence of specialists for supervision missions
- High staff turnover, delayed disbursements

The decline in **Relevance** stems from diminishing satisfactory and better ratings related to issues with project design

Relevance: 83% of projects MS+ (PCR/PPE data series)



- Positive Factors**
- Flexible project design and good targeting aiming at inclusiveness and sustainability
 - Synergy among components
 - Demand-driven and participatory approaches allowing to meet market requirements
- Negative Factors**
- Poor targeting mechanisms
 - Ambitious design
 - Insufficient country context analysis
 - Inadequate recognition of appropriate policies and supervising framework

Learning theme on **Relevance** of IFAD projects

2017 Definition:

- Extent project objectives are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies.
- Also an assessment of project design, coherence in achieving its objectives and relevance of targeting strategies.
- UNDP, IFAD, and FAO had most comprehensive definitions, while IFIs were most limited

Lesson 1: **Continued relevance** requires adapting the design throughout implementation

- Relevance is not a fixed assessment of the project design – a binary decision on alignment to policies and priorities
- **At design** – is the project the most relevant investment to alleviate poverty of the intended beneficiaries
- **During implementation** – continued relevance improved by regular consultations with beneficiaries and policy dialogue
- Revisiting relevance throughout project life for responsive and appropriate adaptations to maximize impact on rural poor

Lesson 2: Meaningful engagement of **beneficiaries** throughout the project from design to evaluation

- Better understanding of the needs and options of the beneficiaries based on intensive consultation
- Good targeting strategies that engage beneficiaries and respond to key questions:
 - Who are the poor?
 - Why are they poor?
 - What are we going to do?
 - How will we do it?

Lesson 3: **Government commitment** critical for pro-poor policies and project designs

- Governments require the willingness, resolve and capacities to create and maintain a pro-poor policy environment
- IFAD advocacy efforts may require improving countries' regulatory frameworks to allow the poorest people (women, youth, pastoralists, ethnic minorities) to compete on a level playing field
- A lack of implementation readiness is often related to limited government ownership

Lesson 4: Relevance of best design can be impeded by **limited implementation capacity**

- Longer term engagement with selected borrowers could break the persistence of implementation issues
- Continued and sometimes decentralized government ownership during implementation
- Timely support from IFAD staff and technical advisers, particularly support from country offices
- Adaptation of the project where and when necessary while maintaining the project's focus on rural poor people

Lesson 5: **Well-functioning institutions** are a key determinant of higher relevance.

- Insufficient understanding of institutional leads to problems such as slow implementation, overly ambitious and complex projects, and underperforming PMUs
- A better understanding of institutional arrangements could be achieved with a comprehensive institutional assessment as a design pre-requisite
- A depository of institutional knowledge and experience could also be created and used in countries with longstanding collaboration

2019 ARRI Recommendations

1. Dedicate more **resources to country programme delivery** – specifically to project design, supervision and implementation – to achieve the improved quality needed for "better" IFAD performance.
2. Design IFAD programmes and projects based on **country capacities** and ensure that **implementation arrangements** are the most appropriate for country delivery.

2019 ARRI Recommendations

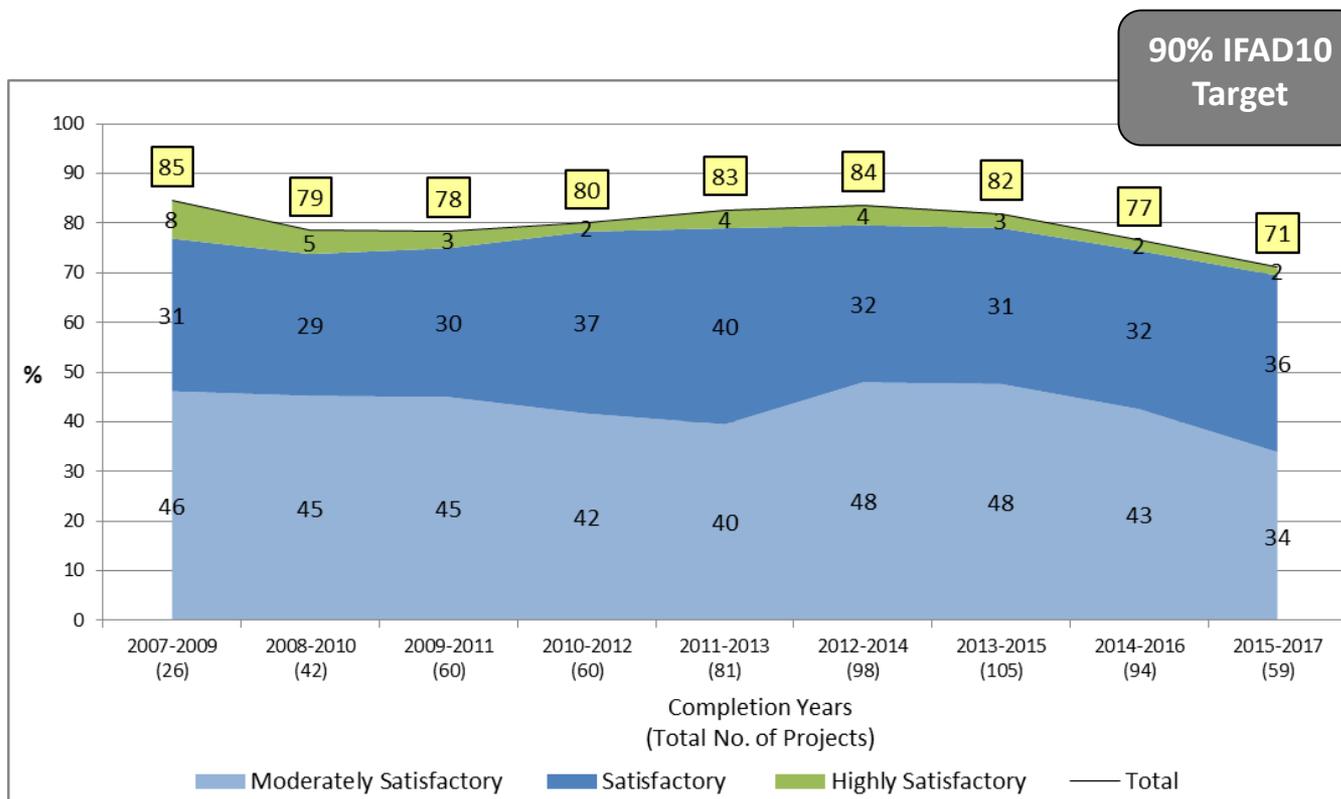
3. Develop **government capacities to design and implement** country programmes and projects in collaboration with other partners.
4. Determine earlier the need to **adjust project designs** to ensure their "continued relevance" to the country context.
5. Devise a more **comprehensive and coherent system** to better **mitigate risks** in IFAD projects and programmes.

Thank you for your attention.



Last year's overall **declining** trend in GEWE confirmed, though the proportion of "satisfactory" ratings rose

GEWE: 71% of projects MS+ (PCR/PPE data series)



Positive Factors

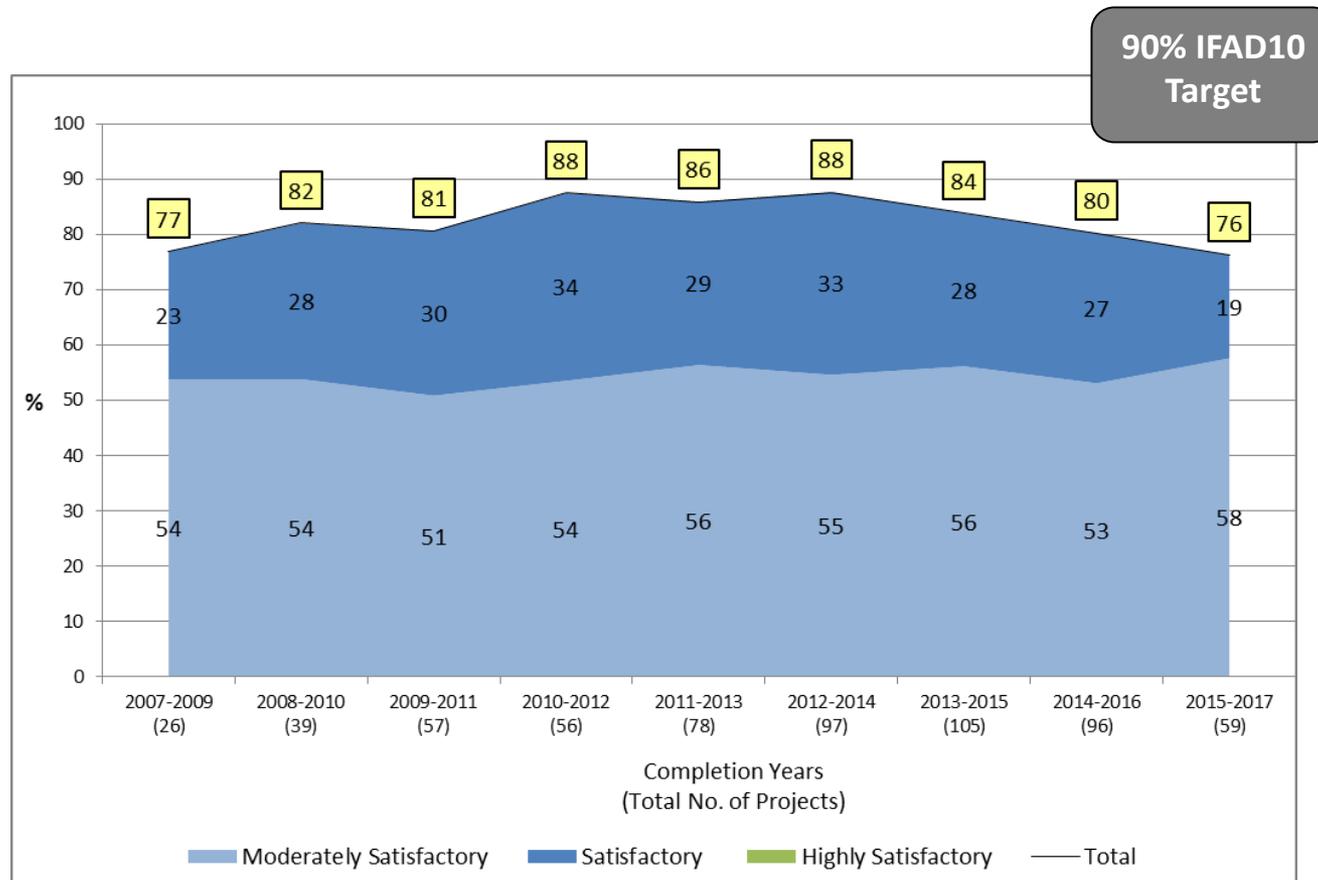
- Gender-sensitive project design and including women in self-help and farming group
- Promoting women's participation in value chains activities and leadership roles, as well as in business management and technology transfer training

Negative Factors

- Absence of gender strategy at design and lack of gender specialist during implementation
- Lack of dialogue with local institutions

Significant gaps in the **targeting strategy** and processes led to a decline in rural poverty impact performance

Rural Poverty Impact: 71% of projects MS+ (PCR/V/PPE data series)



Positive Factors

- Building capacity of public institutions and staff
- Diversifying cultivation techniques, with increased access to technology
- Supporting bottom-up approach and empowerment of young and ethnic minorities
- Forming community-based organizations

Negative Factors

- Significant gaps in the targeting strategy and processes
- Missing structured value chains approach
- Lack of data and of clear policy frameworks to guide long-term sustainability

Only **adaptation to climate change** ratings improved between IFAD9 and IFAD10, based on PCR ratings

Evaluation criteria assessment PCR (IFAD9 and IFAD10)

% projects rated moderately satisfactory or better

Outcome indicators	IFAD9 PCR ratings (2013-2015) 113 projects	IFAD10 PCR ratings (2016-2018) 73 projects	IFAD10 RMF Target 2018
Adaptation to climate change	79	87	50
Government performance	84	79	80
GEWE	90	88	90
Innovation	92	88	90
Scaling-up	93	88	90
ENRM	88	84	90
Rural Poverty Impact	89	83	90
Effectiveness	86	82	90
Efficiency	75	67	80
Sustainability	80	70	85
Project performance	83	68	
Overall project achievement	92	82	
IFAD performance	96	88	
Relevance	99	93	

