

# profile



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## 2016 ARRI

### Annual Report on Results and Impact of IFAD Operations evaluated in 2015

**The 2016 ARRI is the fourteen edition of the annual report which draws from 40 independent, impartial and rigorous evaluations carried out in 2015. This year's report assesses results against the Ninth Replenishment of IFAD's Resources. It also identifies opportunities and challenges in light of the priorities for the Tenth Replenishment of IFAD's Resources and in the broader context of the Sustainable Development Goals (SDGs) and the 2030 Agenda for Sustainable Development (Agenda 2030).**

Each year since 2007, the ARRI has focused on a learning theme. The topics for the learning themes are agreed with the IFAD Executive Board, with the aim of deepening the analysis on selected issues that merit additional reflection and debate in order to enhance the performance of IFAD operations. The learning theme presented in this year's ARRI is knowledge management, with an emphasis on how operations can learn to improve performance.

## Main findings

### Areas of strength

The broad picture of performance in the IFAD9 period emerging from the 2016 ARRI is positive. The 2015 evaluations found that overall

### What is the ARRI?

The ARRI is the flagship report of the Independent Office of Evaluation of IFAD. Published annually since 2003, the ARRI presents a synthesis of IFAD's performance over the years and highlights systemic issues to be addressed to enhance the impact of IFAD operations. The production of the ARRI is a reflection of IFAD's commitment to strengthening accountability and transparency.

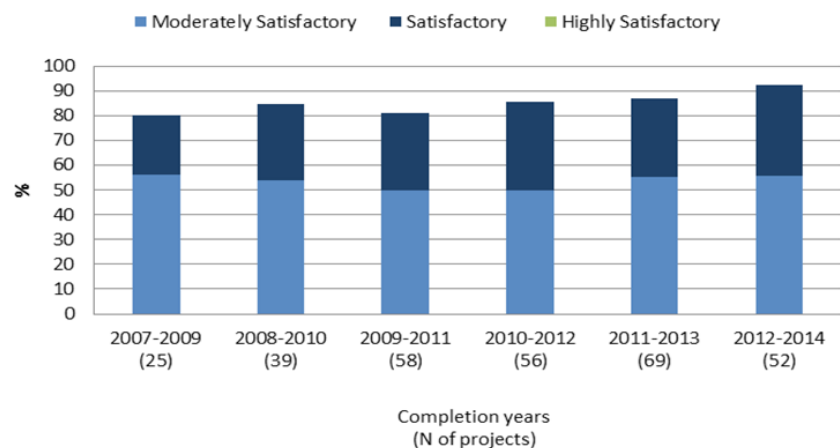
The 2016 analysis draws upon a total sample of 270 independent project evaluations since 2002, including 40 evaluations conducted in 2015, based on a common evaluation methodology.

80 per cent of the projects are rated moderately satisfactory or better for most of the criteria in 2013-2015.

IFAD has made a positive contribution to rural poverty reduction, for which the percentage of moderately satisfactory or better projects increased from 87 per cent for operations completed in 2011-2013 to 92.3 per cent in 2012-2014.

### Rural poverty impact – by year of completion

Percentage of projects rated moderately satisfactory or better (PCR/PPA data series)



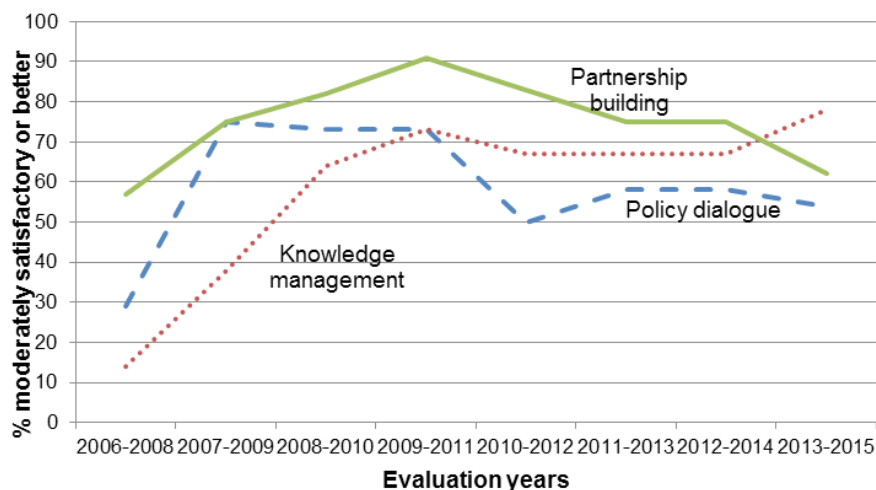
This is mainly a result of the Fund's attention to improving income and assets, supporting human and social capital empowerment, enhancing agricultural productivity and food security and boosting technological innovation and scaling up.

In particular, IFAD operations completed in 2012-2014 achieved the highest impact on household income and assets, as compared to other impact domains, with 92.3 per cent of the projects rated moderately satisfactory or better. The contribution of IFAD's operations to food security and agricultural productivity, which is the keystone of the Fund's mandate, has been substantive in terms of both improving the availability of and access to food, and enhancing agricultural productivity. Eighty-six per cent of projects are assessed as moderately satisfactory or better in 2012-2014, which is the highest percentage since 2007.

Moving beyond the project level, the assessment of non-lending activities (e.g. knowledge management, partnership-building and policy dialogue) in the 2015 Country Strategy and Programme Evaluations show an improvement of performance in knowledge management from 67 per cent moderately satisfactory country programmes since 2010-2012 to 78 per cent in 2013-2015. This confirms the increased attention of the Fund to sharing experiences and lessons learned.

## Performance of non-lending activities 2006-2015

Percentage of country programmes rated moderately satisfactory or better



## Areas for improvement

Notwithstanding the mentioned positive findings, the 2016 ARRI highlights that IFAD's performance is largely only moderately satisfactory and identifies systemic issues at both project and country levels that merit further attention moving forward to achieve satisfactory and highly satisfactory results:

### Project level

Weak targeting strategies, which are often not flexible enough to adapt to changing contexts, and poverty analyses that do not sufficiently capture the differences among groups of rural poor, limit the reach of project activities to all targeted beneficiaries, in particular the poorest.

Poor nutrition mainstreaming in IFAD's portfolio and the lack of evidence of the potential contributions of improved agricultural productivity to food security and nutrition hinder increased impact in rural poverty reduction.

Inadequate management of fiduciary responsibilities which constrains efficiency of operations and better performance of governments.

### Country level

Non-lending activities have historically been the weakest area of IFAD support with 64 per cent of the country programmes rated only moderately satisfactory since 2006. The 2015 Country Strategy and Programme Evaluations found that while performance in knowledge management is improving, policy dialogue and partnership-building at country level show a decline in performance.

Two key issues were highlighted by the 2016 ARRI:

1. Partnerships remain bound to the project level, thus limiting dialogue, dissemination of results and scaling up of successful approaches.
2. Notwithstanding the improvements in performance in knowledge management, the limited allocation of resources, time and incentives restrain the systematization of knowledge management in IFAD and the establishment of stronger learning loops among the project, country and institutional levels. By and large, the knowledge acquired during project implementation is often not systematically captured and widely shared.

## Key recommendations

IFAD's positive performance over the Ninth Replenishment period provides a solid basis for the transition to IFAD10, and it positions the Fund well to face the challenges set by the ambitious SDGs, which place agriculture and rural development at the heart of the sustainable development process. The areas for improvement identified by the 2016 ARRI need to be addressed if IFAD wants to further improve its performance towards highly satisfactory results and be at the forefront of the rural transformation process.

The 2016 ARRI offers five recommendations to address the most urgent challenges:

1. **Targeting.** Future operations must adapt approaches and activities to the complexity of contexts and target groups. M&E systems that identify beneficiaries' needs should be better developed at design.
2. **Food security and nutrition mainstreaming.** When relevant, new projects should be nutrition-sensitive, with explicit nutrition objectives, activities and indicators.
3. **Partnerships at country level for learning and scaling up of results.** Strong partnerships should be clearly articulated in the country strategic opportunities programmes (COSOPs) and implemented through country programme activities. Performance should be monitored and reported.
4. **Knowledge management.** Resources, time and effort should be invested in systemizing knowledge management. Strategy, systems and incentives must be aligned to facilitate the gathering, dissemination and use of knowledge.

## Learning theme on knowledge management: How can operations learn to improve performance?

The 2016 ARRI learning theme presents six cross-cutting lessons to strengthen and systematize IFAD's learning loops at the project, country and institutional levels:

1. **Integrating knowledge management into country strategies** is essential for success. COSOPs do not always address knowledge management thoroughly, so IFAD falls short in making knowledge management a strategic advantage.
2. **Allocating time and budget** is crucial to enhancing learning and knowledge management. IFAD's strategy and framework have not discussed the financing of knowledge management, leaving knowledge management activities in competition for scarce resources.
3. **Aligning human resources with incentives** strongly supports the promotion of knowledge management. In addition to being overburdened, staff are not evaluated directly on knowledge management. These factors make it difficult for staff to justify spending time on knowledge management.
4. **Having strong monitoring and evaluation systems** at the project level to capture experiences and lessons and provide necessary feedback loops for both current and future work.
5. **Capturing and communicating tacit knowledge** in a systemic way is important to build on the wealth of experiences and lessons which are not documented.
6. **Creating or strengthening knowledge partnerships** enhance the reach of knowledge management. Widening knowledge partnerships is key to strengthening the analytical base of IFAD's knowledge management work at country level.

### New features of the 2016 ARRI

- Ratings for portfolio performance, non-lending activities and COSOPs generated by the country programme evaluations undertaken by the Independent Office of Evaluation of IFAD since 2006 are made publicly available in the independent evaluation database, adding to its comprehensiveness, accountability and transparency.
- A specific section is included on the experiences of IFAD-supported South-South and triangular cooperation initiatives.
- The results of the analysis of IFAD's performance on cofinancing are presented.
- The effects of financial management and fiduciary responsibilities on government performance as a partner are explored in-depth.

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#### Further information:

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