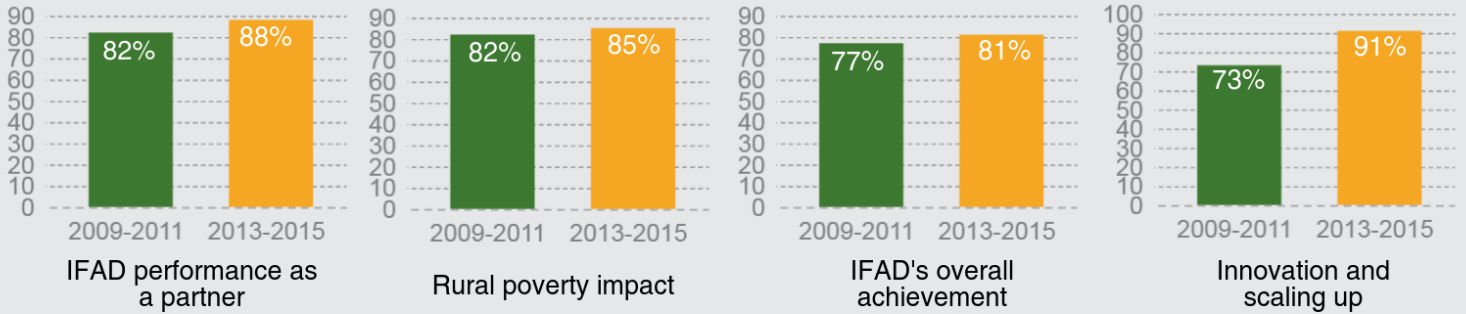


POSITIVE TRENDS

Percentage of projects rated moderately satisfactory or better, by year of project completion



AREAS FOR IMPROVEMENT



SUSTAINABILITY OF BENEFITS

Main recurrent issues: limited beneficiary ownership and the absence of clear project exit strategies



EFFICIENCY

Main inhibiting factors: high project management costs, high staff turnover and implementation delays



ENVIRONMENT AND NATURAL RESOURCES

Greater attention is needed for environmental assessment, monitoring process and data collection



POLICY ENGAGEMENT, PARTNERSHIP-BUILDING AND KNOWLEDGE MANAGEMENT

These non-lending activities should be mutually reinforcing in complementing and leveraging the impact of IFAD-financed operations on the ground

RAISING PERFORMANCE BY BUILDING ON STRENGTHS

TARGETING STRATEGIES

Good operational performance is linked to well-defined targeting strategies

GENDER TRANSFORMATIVE PRACTICES

Adopt gender transformative practices that result in changes in laws, policies, behaviours and government capacities

COLLECT DISAGGREGATED DATA

Raising project-level M&E performance requires collecting disaggregated data on climate change and food security



The ARRI is a synthesis report of IFAD's performance and highlights issues, lessons and challenges that IFAD must address to enhance operational effectiveness.

PROJECT SAMPLE OF THE 2017 ARRI

Project evaluations conducted by IOE since 2002



295

Ratings from project evaluations



1953

2016 project evaluations feeding into the ARRI



35

2017 ARRI LEARNING THEME: FINANCIAL MANAGEMENT AND FIDUCIARY RESPONSIBILITIES IN IFAD-FUNDED OPERATIONS

"Financial management" refers to the organization, budgeting, accounting, internal control, funds flow, financial reporting and internal and auditing arrangements by which borrowers/recipients receive funds, spend them and record their use

"Fiduciary responsibility" is the key principle of IFAD's financial management, whereby "the proceeds of any financing are [to be] used only for the purposes for which the financing was provided, with due attention to considerations of economy, efficiency and social equity"

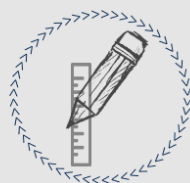


IFAD-financed projects are nationally managed, using national public financial management systems



IFAD requires assurance from borrowers/recipients that they meet IFAD fiduciary standards

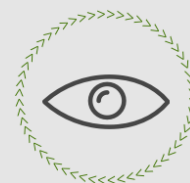
5 LESSONS emerge on the drivers and impediments to successful management of fiduciary responsibilities



Introducing measures that address weaknesses in institutional and project management capacity, ahead of implementation, reduces unnecessary exposure to financial risk



Managing fiduciary responsibilities through national systems and regulations may entail a trade-off between short-term risks and longer-term sustainability



Project supervision contributes to fiduciary compliance when it is backed by credible enforcement and matched by effective implementation support



Implementation support diminishes fiduciary control risks.



Effective fiduciary monitoring enhances financial management controls and fiduciary compliance, but does not eliminate risks.

2017 ARRI - RECOMMENDATIONS

Raise performance to fully satisfactory

Build on strengths and address performance bottlenecks such as efficiency to develop a new modus operandi, particularly for project design, to raise performance to satisfactory or better

Transformative gender approaches

Pursue gender-transformative approaches that address the root causes of gender inequality in order to substantially contribute to the Sustainable Development Goals

Disaggregated evidence

Improve data granularity for climate change and food security to better monitor performance and improve approaches to these strategic areas of importance

Integrated non-lending activities

Systematize knowledge management, partnership-building and policy engagement to unlock their potential to scale up country programme results

Rigorous, not rigid fiduciary compliance

Extend country differentiation of fiduciary requirements to procurement, while supporting long-term national capacity-building

Targeting strategies

Adopt "targeting strategies" to reach the rural poor as the learning theme for the 2018 ARRI