

# profile



## 2018 ANNUAL REPORT ON RESULTS AND IMPACT OF IFAD OPERATIONS (ARRI)

The 2018 ARRI presents a synthesis of IFAD's performance and highlights results and systemic issues from independent evaluations conducted in 2017. The quantitative analysis draws on ratings from 320 evaluations conducted since 2002.

### Main findings

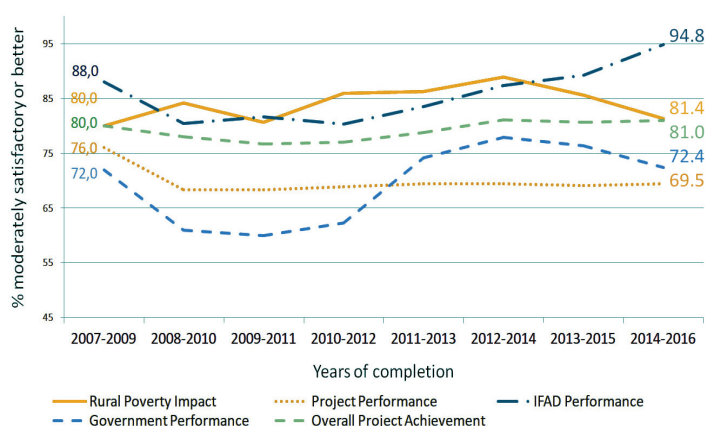
Overall, the majority of project evaluation ratings are positive from 2007 to 2016. Currently, 80 per cent or more projects are rated moderately satisfactory or better in relevance, innovation, scaling up, rural poverty impact and IFAD performance as a partner.

However, the trend is flat or declining in most criteria. In the period 2014-2016, efficiency, sustainability of benefits, innovation, scaling up, gender equality and women's empowerment, government performance, and rural poverty impact all declined slightly. Based on evaluative evidence, IFAD projects are also performing below most of the Tenth Replenishment (2016-2018) Results Measurement Framework targets.

In comparison with agricultural projects of other international financial institutions, IFAD project performance is better than that of the Asian Development Bank and the African

Development Bank in their respective regions. Whereas at the global level, IFAD project performance is slightly below that of the World Bank.

**Evaluation criteria (percentage of projects rated moderately satisfactory or better)**



Efficiency remains the weakest performing criterion due to high project costs, frequent staff turnover, and delays in project start-up. As for sustainability of benefits, recurrent issues are limited beneficiary ownership, delays in implementation, and the absence of clear project exit strategies. Government performance as a partner is strongly correlated with efficiency and sustainability. Its recent under performance is primarily due to insufficient government ownership of projects to scale them up.

Projects rated unsatisfactory for rural poverty impact had insufficient clarity about the target group. Performance in gender equality and women's empowerment also declined in 2014-2016. Evaluations found that women's specific needs were not taken into account in the project design.

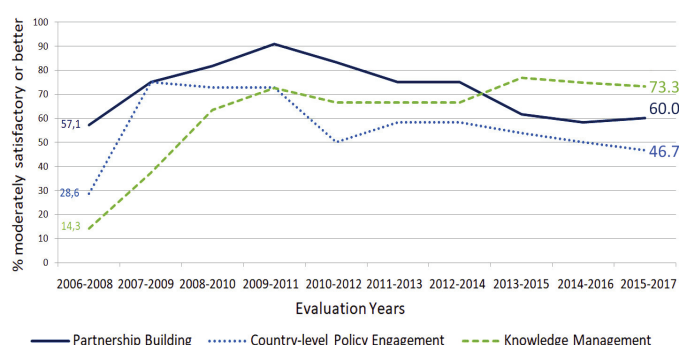
On a positive note, performance in environment and natural resources management has improved. Undertaking specific actions towards the conservation of natural resources are effective in protecting sensitive ecosystems and fragile environments. IFAD performance as a partner received the highest increase in positive ratings. The 2017 evaluations confirm that IFAD is valued and trusted by governments for the quality and timeliness of its support.

#### Changes in percentage of projects rated moderately satisfactory or better, 2013-2015 versus 2014-2016

Criteria	Recent periods		Changes 2014-2016 2013-2015	
	2013-2015	2014-2016		
IFAD performance	89	95	6	▲
Adaptation to climate change	76	81	5	▲
ENRM	80	85	4	▲
Relevance	88	90	2	▲
Effectiveness	76	76	1	▬
Overall project achievement	81	81	0	▬
Project performance	69	69	0	▬
Sustainability	64	61	-3	▼
Innovation	89	86	-3	▼
Efficiency	56	53	-3	▼
GEWE	81	77	-4	▼
Government performance	76	72	-4	▼
Rural poverty impact	86	81	-4	▼
Scaling up	89	84	-5	▼

At the country level, performance in partnership-building, knowledge management, and policy engagement also show flat and declining trends. Evaluations conducted in 2017 underline the need to create synergies between the investment operations and the non-lending activities. Furthermore, a focus on regional sharing, systemization of project experiences and stronger linkages between grant programmes and investment portfolios are key to innovation, scaling up and policy engagement.

#### Performance of non-lending activities 2006-2017



## Raising performance to “leave no one behind”

As IFAD concludes its Tenth Replenishment and looks to start the Eleventh Replenishment in 2019, it is critical to stem the initial deterioration indicated in the 2018 ARRI. Properly designed and implemented targeting strategies play a central role in improving project performance, particularly in terms of relevance, effectiveness, sustainability and rural poverty impact. More resources and technical specialists are especially required to target marginalized communities and individuals.

#### Five findings of the 2018 ARRI learning theme: “Targeting strategies to reach the rural poor”

1. There is a lack of agreement within IFAD on the target group and strategies needed. IFAD needs to find a balance between market-oriented and poverty-focused projects.
2. Effective targeting requires robust poverty analysis and well-informed targeting strategies to meet the needs of poor rural people.
3. Robust data, monitoring, supervision, and implementation support are crucial for good poverty targeting in project design and implementation.
4. Reaching the poorest and the “last mile” is costly but essential to IFAD’s mandate.
5. Government commitment and partnerships are important for reaching the poorest of the poor.

### Key recommendations

- Conduct a systemic review of IFAD project-cycle processes and examine the resources committed to each.
- Revise IFAD’s targeting policy and related guidelines.
- Develop appropriate targeting strategies based on robust and differentiated poverty and context analyses that are flexibly implemented.
- Establish strong monitoring and evaluation systems and tap into local knowledge through country-level partnerships to capture differentiated poverty data.
- Ensure sustainability of rural poverty impacts with projects of sufficient duration that have exit strategies inclusive of targeted beneficiaries.
- Quality of project design at entry is proposed as the 2019 ARRI learning theme.

#### For further information:

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