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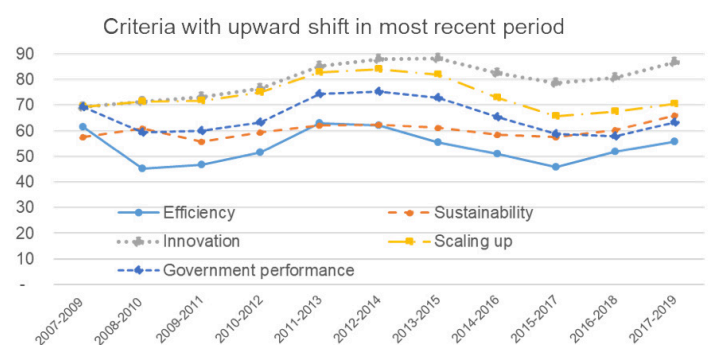
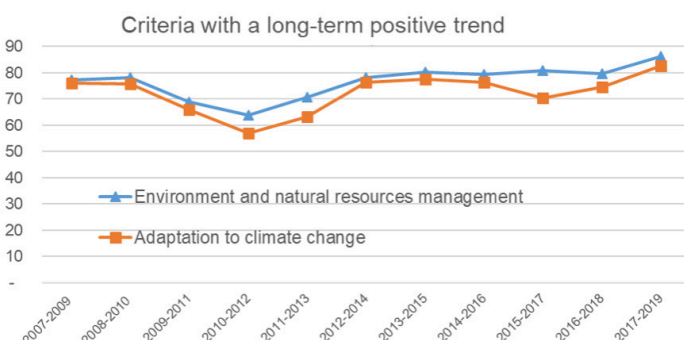
2021 ANNUAL REPORT ON RESULTS AND IMPACT OF IFAD OPERATIONS (ARRI)

The ARRI presents a synthesis of IFAD’s performance based on evaluative evidence. The 2021 edition draws quantitative findings from IOE’s assessment of 298 projects completed between 2007 and 2019, as well as 58 country strategy and programme evaluations conducted and finalized between 2007 and 2020. In addition, this year’s report presents learning-oriented discussions informed by independent evaluations on two themes: project efficiency and operations in countries with fragile situations.

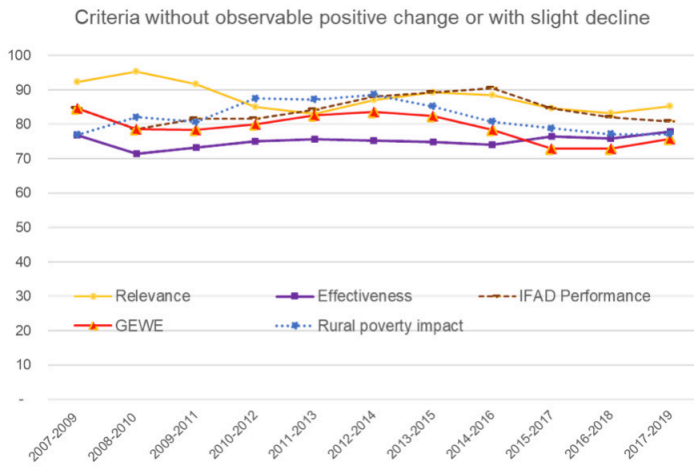
Portfolio performance

Recent project-level assessments indicate that over 75 per cent of the projects completed between 2017 and 2019 were rated 4 (moderately satisfactory) or above on a scale of 1-6 (1 being highly unsatisfactory and 6 being highly satisfactory), for 9 of the 13 evaluation criteria.

When looking at long-term performance by evaluation criteria since 2007, three patterns can be identified:



(i) a positive steady improvement for environment and natural resource management, and climate change adaptation; (ii) an upward shift in recent periods for efficiency, innovation, government performance, sustainability, and scaling-up; and (iii) no observable positive change or slight decline, specifically with reference to IFAD performance and rural poverty impact.



In other cases, support for inclusive natural resource management contributed to reducing the conflicts related to natural resources.

Social inclusion is critical to mitigate the potential factors of fragility and to address the needs of those affected by fragility. The project-level evaluations found some good examples of inclusion (e.g. of young ex-combatants and pastoralists). However, in other cases, target groups such as ex-combatants or war-disabled people were mentioned in design, but there was no actual evidence of their effective targeting or monitoring. In addition, even where the operations integrated relevant elements, they were not clearly supported by solid analysis and strategy development applied with a fragility lens.

Factors influencing project efficiency

The time series data show that project performance in terms of efficiency has improved. However, performance against this criterion continues to be lowest, with only 56 per cent of the projects completed between 2017 and 2019 attaining a score of 4 upon 6 (moderately satisfactory) or above. The main factors contributing to weak performance in efficiency include delays in procurement processes and recruitment, as well as staff turnover and limited staff expertise and capacity. Efficiency was also affected by the fact that administration costs exceeded estimates, in some cases constituting over 30 per cent of total project cost. On the positive side, the 2021 ARRI confirms that IFAD supervision and implementation support missions played a key role in improving the pace of implementation.

Operations in countries with fragile situations

Expectedly, it was found that average long-term project performance ratings in countries with fragile situations were lower than those registered for other countries. Despite this backdrop, the ratings for projects in countries presenting fragile contexts have shown greater improvement compared to other countries, in recent periods. The ARRI identified IFAD's valuable operational experience in working in contexts of fragility. For example, project support has helped address the consequences of fragility, for example by rebuilding production capacity in post-conflict situations.

2021 ARRI conclusions

- With regard to project performance ratings, the majority of projects continues to rate moderately satisfactory or above. While performance improved for a number of criteria, some other criteria show a slight decline.
- IFAD and the Government must act at project design and implementation to improve project efficiency
- Performance of projects in countries with fragile situations shows improvement
- Capitalizing on experience, IFAD needs solid strategies informed by conflict and fragility analyses to address both the drivers and consequences of fragility
- Improving performance of non-lending activities remains a challenge – and requires strategic actions and resources
- IOE-Management engagement is required to develop a shared understanding on the basis for assessing some evaluation criteria with notable or widening rating disconnect, such as relevance, gender equality and women's empowerment, and scaling up

Further information: