

profile

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2014 ARRI

ANNUAL REPORT ON RESULTS AND IMPACT OF IFAD OPERATIONS

The Annual Report on Results and Impact of IFAD Operations (ARRI) is the flagship report of the Independent Office of Evaluation of IFAD (IOE). The ARRI was first published in 2003, and provides an independent assessment of the performance of IFAD operations and identifies issues that need to be addressed to further strengthen results on the ground. This year's ARRI draws on a robust sample of ratings from 224 project evaluations carried out by IOE since 2002 - including 35 project evaluations undertaken in 2013. One of these is the first impact evaluation by IOE, which was carried out in Sri Lanka.

IFAD is one of the very few development organizations that produces an annual report like the ARRI, reflecting its commitment to promoting accountability, learning and transparency in reporting on results and impact.

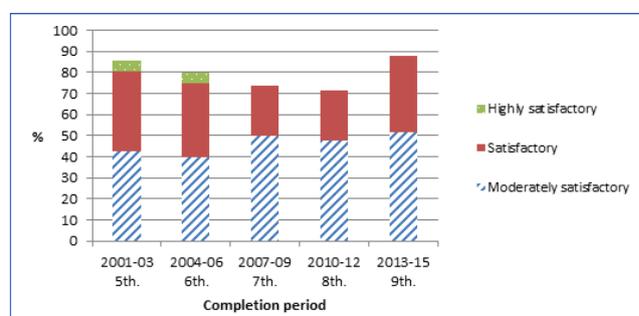
Performance and trends

This year's ARRI shows that IFAD's performance as a partner is the best since the ARRI was first produced in 2003. The numerous changes and reforms to IFAD's operating model – in particular direct supervision and implementation support, the establishment of IFAD country offices and better portfolio management – are contributing to better performance.

Other areas of good performance include the relevance of operations and rural poverty impact, including promotion of gender equality and women's empowerment, and innovation and scaling up. In fact, rural poverty impact is moderately satisfactory or better in 90 per cent of the projects that were evaluated during 2012-2014.

This year's ARRI also analysed independent evaluation ratings grouped by IFAD replenishment periods, starting with the Fifth Replenishment (2001-2003). Generally speaking, with the exception of efficiency, IFAD operations have performed best during the Ninth Replenishment period (2013-2015).

Project performance
All evaluation data by replenishment period



However, there is scope for strengthening the performance of IFAD-supported operations in some critical areas in order to achieve greater development effectiveness. Firstly, efficiency remains the weakest area, with 42 per cent of operations rated as moderately unsatisfactory or worse. Secondly, further efforts will be needed to support governments in enhancing their capacity and performance, since they are ultimately responsible for executing IFAD-funded projects and programmes. Thirdly, although there have been recent improvements, sustainability of benefits is still weak and will require greater attention.

There is scope to further enhance performance in non-lending activities, i.e. knowledge management, policy dialogue and partnerships development, which are also essential for scaling up impact.

VIDEO: 2014 ARRI - Evaluation highlights



Click on the "play" icon to see the video

Benchmarking

As in the past, this year's ARRI benchmarks the performance of IFAD operations externally and internally. Externally, it compares the performance of IFAD operations with that of the agriculture sector operations of selected multilateral development banks. Internally, it compares operational performance across the five geographic regions and against the agreed targets in the corporate results measurement framework.

The ARRI finds that the performance of IFAD operations is on par with or better than the performance of the Asian Development Bank (ADB), African Development Bank (AfDB) and World Bank agriculture operations. When interpreting these findings, the different nature and size of the organizations must be kept in mind – especially the fact that IFAD operations are normally implemented in more challenging contexts, such as remote rural areas, and give special attention to participatory approaches, gender mainstreaming, targeting and grass-roots institution-building.

Internally, the analysis revealed that the performance of IFAD operations is strongest in Asia and the Pacific Region, followed by East and Southern Africa. IFAD's operations performance is weakest in West and Central Africa, even though an important contributing factor is the relatively weaker policy and institutional context, as well as the large proportion of fragile and conflict-affected states in the region. Finally, the ARRI finds gaps in current performance based on independent evaluation ratings and IFAD's Ninth Replenishment targets for operations, to be accomplished by the end of 2015. While the gap is relatively small in some areas (relevance and impact), it is quite large in others (efficiency, sustainability, partnerships and government performance).

Key recommendations

- 1. Completion reviews of country strategic opportunities programmes (COSOPs).** The ARRI found that the preparation of COSOPs is underfunded and would be enhanced if new COSOPs were informed by completion reviews by IFAD Management. The ARRI recommends that these reviews be conducted systematically in the future.
- 2. Budgets for the COSOPs and projects.** Consider a more differentiated approach towards budget allocations (e.g. depending on the country context) for COSOP development and management; project design; supervision and implementation support; and non-lending activities.
- 3. IFAD's organizational decentralization.** For better on-the-ground results, opportunities for greater decentralization of IFAD and further out-posting of CPMs should be explored by building on ongoing efforts. Considerations for establishing other regional/sub-regional offices, based on experience thus far should also be considered.
- 4. Use of independent evaluation ratings.** The independent evaluation ratings of IOE, where available, should be applied in the Report on IFAD's Development Effectiveness (RIDE) against the criteria/indicators in the IFAD Results Management Framework and in other ad hoc reports relating to results. This is consistent with the practice of other selected multilateral development organizations and will ensure consistency in the reporting of the ARRI and the RIDE in relation to country programme and project performance.

2014 ARRI learning theme: Project management

Project management is the **learning theme for the 2014 ARRI**. Overall, evaluations by IOE and others find that a strong project management team is a key determinant of successful project outcomes.

The ARRI identifies a number of features that enhance the performance of project management: the commitment and ownership of project management staff; regular supervision and implementation support by IFAD; participation in annual country-level portfolio review and regional implementation workshops; clear guidelines and procedures for procurement and financial management; and participation in training on issues of priority to IFAD.

There are also several challenges affecting the performance of project management: delays in the appointment of, and frequent changes in, project staff; low priority given to monitoring and evaluation activities; challenges in applying the IFAD Results and Impact Management System; limited knowledge of IFAD policies and procedures; and interference by the designated executing agency.

Good project management is a key driver towards ensuring sustainability of benefits. For instance, evaluations found that sustainability prospects were higher in those cases where project management proactively prepared 'exit strategies' together with IFAD and government early on the project life cycle.

Further information:

The full report and Profile are available online at www.ifad.org/evaluation; E-mail: evaluation@ifad.org.