JLIFAD

Investing in rural people

President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA)

Volume I: Main report

Executive Board – 115th Session
Rome, 15-16 September 2015

For: Review

Contents

Abbreviations and acronyms

APR	Asia and the Pacific region
ARRI	Annual Report on Results and Impact of IFAD Operations
CLE	corporate-level evaluation
COSOP	country strategic opportunities programme
CPE	country programme evaluation
ESA	East and Southern Africa region
FAO	Food and Agriculture Organization of the United Nations
ICO	IFAD country office
ICT	information and communications technology
IOE	Independent Office of Evaluation of IFAD
KM	knowledge management
LAC	Latin America and the Caribbean region
M&E	monitoring and evaluation
NEN	Near East, North Africa and Europe region
PBAS	performance-based allocation system
PCR	project completion report
PMD	Programme Management Department
PPA	project performance assessment
PRISMA	President's Report on the Implementation Status of Evaluation Recommendations and Management Actions
PTA	Policy and Technical Advisory Division
QA	quality assurance
QE	quality enhancement
RIDE	Report on IFAD's Development Effectiveness
RMF	Results Measurement Framework
SIS	IFAD's Supervision and Implementation Support Policy
WCA	West and Central Africa region

Executive summary

1. The 12th edition of the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) reviews follow-up actions on the recommendations made by the Independent Office of Evaluation of IFAD (IOE) in evaluations completed in recent years.

2. Management has taken substantial action on 120 of the 128 recommendations[1] (94 per cent) analysed in this PRISMA, covering 19 evaluations, including 11 project performance assessments (5 country programme evaluations and 3 corporate-level evaluations). Some 60 per cent of all recommendations have been fully followed up, and another 34 per cent of the committed actions are ongoing. No recommendation is pending, with no action taken. This vigorous follow-up on evaluations is consistent with recent trends: over the last five years, 92 per cent received substantial action (fully followed up and ongoing), with just 1 per cent pending. There has been a significant improvement in compliance over 2011-2015, compared with the previous five-year period, from 75 per cent to 92 per cent.

3. The grants evaluation has been followed up by a new grants policy (submitted to the Executive Board in April 2015): the new policy and accompanying procedures have streamlined processes for the design, implementation and results measurement of all grants. Together, they provide a framework for using grants more strategically in support of activities that contribute to measurable development results.

4. The supervision evaluation has allowed Management to strengthen its approach to supervision, with revised guidelines in preparation. These will reframe supervision as a joint responsibility of IFAD and governments. They will also allow enough flexibility to address the diverse range of project and country contexts.

5. The efficiency evaluation has been followed up for the second consecutive year, given the breadth of the recommendations requiring successive steps. Management has initiated reforms in business processes, upgraded back-end systems and developed new guidelines that aid IFAD's work in decentralized environments. All major actions are on track.

6. At the programme level, in response to evaluations, country programmes increasingly incorporate evaluation lessons, engage in partnerships with diverse actors, and ensure that IFAD-financed projects maintain their focus on vulnerable communities.

7. Management believes that the high number of "followed-up" actions discussed in this PRISMA are a reflection of the strategic nature and timeliness of IOE's recommendations. Management recommends that, beginning in 2016, the PRISMA be presented together with the Management response to the Annual Report on Results and Impact of IFAD Operations (ARRI), in an effort to further streamline corporate reporting. This would allow the Board to consider the Report on IFAD's Development Effectiveness, the ARRI and the PRISMA at the same time, thus having a fully comprehensive view of the evaluation cycle. At the same time, it would enable Management to mainstream the follow-up on recommendations as part of the portfolio review, strengthening the learning loop from evaluation.

---

[1] Of the remaining eight recommendations, one was partially followed up, two were not applicable, and five were not agreed to.

President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA)

I. Introduction and methodology

1. The President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA) closes the evaluation loop in IFAD, responding to recommendations emerging from evaluations conducted by the Independent Office of Evaluation of IFAD (IOE), and reporting to the Evaluation Committee and the Executive Board on the status of actions taken. The PRISMA serves as an accountability tool, both recording and triggering institutional and country-level responses to evaluations. With better mainstreaming as part of IFAD's self-evaluation process, the PRISMA could better serve its learning purpose, helping feed evaluation recommendations into future programme design and policies.

2. The PRISMA tracks management actions in response to recommendations agreed through the following tools:

   (a) For corporate-level evaluations, commitments made by IFAD Management are presented in the Management responses.[1]

   (b) For country programme evaluations, the agreements at completion point signed by IFAD and government representatives are used to track follow-up actions that signatories agreed to implement;

   (c) For project performance assessments (PPAs), the current PRISMA has listed recommendations that were specifically addressed to IFAD. PPAs are covered in this PRISMA for the first time, following the 2014 PRISMA discussions during the Evaluation Committee's eighty-fourth session.[2] Only those recommendations from the texts of the reports directly addressed to IFAD have been included (as governments do not currently sign off on PPAs and cannot be held accountable for them). The second edition of the Evaluation Manual, currently being drafted by IOE, includes provision for Management response to PPAs, which will be the basis for PRISMA review in subsequent years. The PRISMA also includes responses to recommendations contained in the previous Annual Report on Results and Impact of IFAD Operations (ARRI)[3] and IOE comments on the previous Report on IFAD's Development Effectiveness (RIDE).[4]

3. This PRISMA covers the following 19 evaluations finalized in 2013 and 2014, selected jointly by Management and IOE:

   (a) Three corporate-level evaluations (CLEs): (i) IFAD's institutional efficiency and efficiency of IFAD-funded operations[5] (a second-round review has been conducted); (ii) the IFAD Policy for Grant Financing;[6] and (iii) IFAD's Supervision and Implementation Support Policy;[7]

   (b) Five country programme evaluations (CPEs): Ecuador, Indonesia, Jordan, the Republic of Moldova and Senegal;

   (c) Eleven project performance assessments (PPAs): projects in Azerbaijan, Bangladesh, Bhutan, Cambodia, China, Georgia (two projects), India, Mongolia, the Plurinational State of Bolivia and Uruguay.

---

[1] Recommendations.
[2] EC 2014/ 84/ W.P.4.
[3] EB 2014/113/R.8.
[4] EB 2014/113/R.8.
[5] EB 2013/108/ R.3/Rev.1.
[6] EB 2014/113/ R.7.
[7] EB 2013/109/ R.6.

4. In order to facilitate the analysis, and in line with previous years, this report classifies the recommendations by the following criteria:

5. Level. This refers to the entity targeted by the recommendation and primarily responsible for implementation. The levels usually are:

    •   Project authorities;

    •   IFAD at the country level, in partnership with government;

    •   Partner country government authorities;

    •   IFAD at the regional level; and

    •   IFAD at the corporate level.

6. Nature. This categorizes the recommendation in accordance with the revised IFAD Evaluation Policy:

    •   "Operational" if the recommendation proposed a specific action;

    •   "Strategic" if it suggested an approach or course of action; and

    •   "Policy" if it was related to the principles guiding IFAD.

7. Theme. This lists the recommendations by themes spread across six broad categories: targeting and gender, technical areas, project management, non-lending activities, cross-cutting themes and corporate. These are further divided into 29 sub-areas. Grants have been marked as a separate theme under the cross-cutting category to cover updates from the grants-financing evaluation.

8. Once country teams (and cross-departmental resource people for CLEs) responded with the latest status, the degree of compliance was assessed using the following criteria:

    •   Full follow-up: recommendations fully incorporated into the new phase/design of activities, operations or programmes, and the relevant policies or guidelines;

    •   Ongoing: actions initiated in the direction recommended;

    •   Partial: recommendations followed up partially, with actions consistent with the rationale of the recommendation;

    •   Not yet due: recommendations that will be incorporated into projects, country programmes or country strategic opportunities programmes (COSOPs) or policies still to be designed and completed;

    •   Not applicable: recommendations that have not been complied with because of changing circumstances in country development or IFAD corporate governance contexts, or for other reasons;

    •   Pending: recommendations that could not be followed up; and

    •   Not agreed to: recommendations that were not agreed to by Management or the respective country team or government.

9. This report, the first volume of the PRISMA, provides a synthesis of the follow-up actions taken and flags any major emerging issues. It is structured as follows: II.A. Evaluation coverage and contents; B. Implementation status: extent of compliance; C. Responses at country and project level (key themes); D. Responses to CLEs; E. Historical recommendations: CLE of efficiency; and F. Responses to IOE recommendations and learning theme. Section III presents Conclusions and recommendations. Comments from IOE are provided in annex I. Finally, volume II, attached, lists the individual follow-up actions taken in response to each recommendation covered in the PRISMA.

II.   Implementation status of the recommendations

A.   Evaluation coverage and contents

10.   Regional distribution. In addition to the 3 CLEs, this year's PRISMA covers 16 evaluations at the country/project level, including 7 from the Asia and the Pacific region (APR), 5 from the Near East, North Africa and Europe region (NEN), 3 from the Latin America and the Caribbean (LAC) region and 1 from the West and Central Africa (WCA) region.

11.   Number of recommendations from each evaluation. The 5 CPEs yielded 35 recommendations, or about 7 per CPE. The 2 PPAs (Georgia and India) had no recommendations addressed to IFAD, and thus no follow-up. The remaining 9 PPAs had 22 recommendations, or 2 to 3 per PPA.

12.   In terms of CLEs, 50 actions were covered for the efficiency CLE. These were action points presented to the Board in the IFAD Consolidated Action Plan to Enhance Operational and Institutional Efficiency.[8] The supervision CLE covers 8 action items. The grants financing CLE included 13 items. Overall, there has been a trend towards fewer, but more strategic recommendations from IOE and commitments from Management.

13.   Level assigned for follow-up. Responsibility for follow-up is mostly split between the IFAD corporate and country levels (table 1). All 71 recommendations from CLEs (55 per cent of the total) are to be followed up at the corporate level. With three major CLEs covered, this is by far the most corporate-level recommendations followed up in a PRISMA review.

14.   With regard to CPEs, recommendations are assigned to country teams in coordination with relevant government authorities (and almost never to projects or governments alone). This is appropriate, given increasing IFAD capacity at the country level, and the joint ownership of country programmes. From PPAs, only the recommendations addressed to IFAD have been selected – all assigned to IFAD at the country level (no recommendation was directly addressed only to governments or projects). The distribution is presented in table 1.

Table 1
Number of recommendations in PRISMA 2015 by type of evaluation and level

	PPA	CPE	CLE	Total (number)	Total (percentage)
IFAD corporate level			71	**71**	**55**
IFAD regional level		1		**1**	**1**
IFAD country/government	22	34		**56**	**44**
Total (number)	**22**	**35**	**71**		**100**
Total (percentage)	**17**	**27**	**55**	**100**	

Note: Percentages in the tables may not add up to 100 due to rounding.

15.   Nature of recommendations. Most of the actions recommended are strategic or policy-oriented, as most actions emerged from CLEs. This year, only 15 per cent of recommendations are operational (compared with over 30 per cent in the previous three PRISMAs).[9]

B.   Implementation status: extent of compliance

16.   The extent of follow-up on the 128 recommendations included in PRISMA 2015 is presented in table 2. This includes recommendations from all country and project-level evaluations and CLEs.

---

[8] EC 2013/78/W.P.5.
[9] See table A in annex II for the distribution by level and nature.

Table 2
Implementation status of evaluation recommendations

Level	Full follow-up	Ongoing	Partial	Not yet due	Not applicable	Pending	Not agreed to	Total (number)
IFAD corporate level	38	27	1				5	**71**
IFAD regional level		1						**1**
IFAD country/government	39	15			2			**56**
Total (number)	**77**	**43**	**1**		**2**		**5**	**128**
Total (percentage)	**60**	**34**	**1**		**2**		**4**	**100**

17. Strong follow-up is observed at all three levels, with 94 per cent of
     recommendations receiving substantial action, 60 per cent of which have been fully
     followed up and 34 per cent are ongoing. This performance is similar to the 2014
     performance, when 62 per cent were fully followed up and 31 per cent ongoing.
     Both categories of 'fully followed up" and "ongoing" reflect substantial and clear
     action taken (with the difference often being the nature of the recommendation,
     with recurrent or long-term actions classified as ongoing).

18. This year's performance follows a historical pattern that shows continuous
     improvements in the medium-to-longer term. As shown in graph 1, over 2006-
     2010, the share receiving substantial action (fully followed up/ongoing) was about
     75 per cent. And for this five-year period (2011-2015), about 92 per cent.[10]

Graph 1
Long-term compliance trends
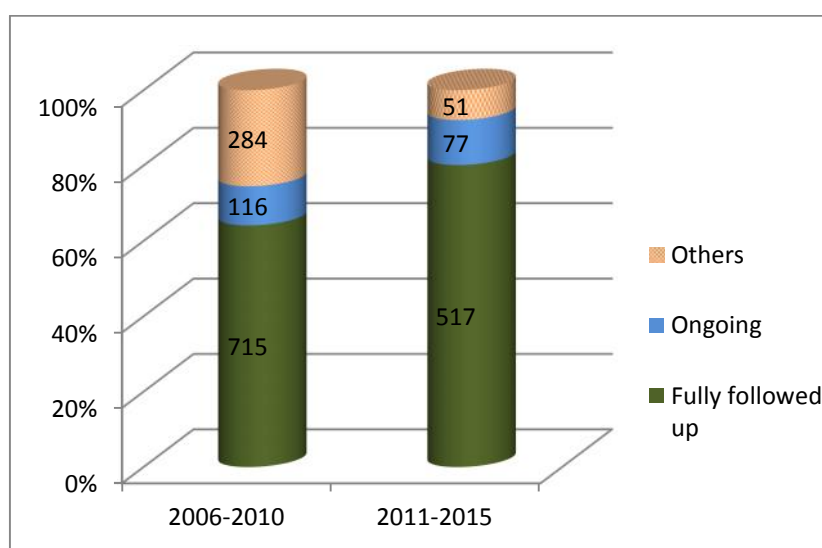
19. Management believes that several reasons explain this upward trend in
     performance. First, the total number of recommendations declined from 1,115 to
     645 (by 32 per cent) between the two five-year periods, reflecting a move towards
     more strategic evaluation recommendations. Second, Management has pursued
     more vigorous follow-up across divisions. Third, quality assurance (QA)
     mechanisms pay more systematic attention to lessons emerging from evaluations.
     Finally, the second-round historical follow-up on recommendations that were not
     initially fully followed up has helped increase compliance.

20. This year, the second-round historical follow-up presents an in-depth update on the
     efficiency evaluation. This has been tracked for the second year in succession,
     given the evolving nature of the reforms. PRISMA 2016 will cover
     recommendations that were not fully followed up from PRISMA 2013 and 2014. (In

---

[10] See annex III for five-year PRISMA review figures by level and region.

general, the Programme Management Department [PMD] will maintain a 2 to 3-year time lag to allow programmes or policies to mature so that recommendations can be addressed.)

21. Some examples of recommendations being followed up are provided here.

22. **Recommendations fully followed up.** As an example of recommendations fully followed up, Management has developed a new grants policy and procedures, instead of simply updating the 2009 policy.

23. In response to the efficiency evaluation, the quality enhancement (QE) process has been reformed, with a view to enhancing the effectiveness and efficiency of the contribution of the Policy and Technical Advisory Division (PTA) to the quality of IFAD-funded projects.

24. In response to the Indonesia CPE, IFAD has strengthened a range of partnerships with the Government at national, provincial and district levels. At the national level, IFAD will work closely with the Ministries of Finance, National Development Planning, Agriculture, Marine Affairs and Fishery Resources and other related ministries. The private sector engaged in the provision of financial services, input supply, processing, marketing and export, and will also be an important partner in IFAD's country strategy.

25. In response to the Bhutan CPE, the Market Access and Growth Intensification Project has developed public/private partnerships. This includes a model in which agricultural machinery is funded by the project, but investments for land, construction and operating costs are undertaken by private entrepreneurs. In addition, "one-stop farmer shops" are supported by the Government to supply farm tools and other inputs, and are housed either in government buildings or private buildings with government support. These are operated and managed by private entrepreneurs with periodic supervision by the government marketing agency.

26. **Recommendations ongoing.** These include actions currently being implemented, and that usually entail long-term processes. IFAD has initiated a grant programme with the Food and Agriculture Organization of the United Nations (FAO) to address persistently underperforming projects. Based on the results of this initiative, further project preparation facilities could be designed as suggested by the supervision evaluation.

27. In Ecuador, IFAD is seeking greater counterpart involvement in cofinancing and jointly developing flexible instruments. New ways of collaborating are being explored, in particular with the Latin American Development Bank.

28. **Recommendations partially followed up.** These recommendations were partially followed up, and noteworthy actions were taken in accordance with the principle of the recommendation. As an example, the Nairobi regional office was scaled up and now services all disbursements in the East and Southern Africa region (ESA) and 90 per cent of disbursements in WCA. But NEN disbursements continue to be processed at headquarters, as the office slowly reaches scale.

29. **Recommendations that are not applicable.** This includes recommendations that are no longer applicable due to changed circumstances. For example, Mongolia did not receive a performance-based allocation system (PBAS) allocation for the 2013-2015 cycle, so new projects were not designed in the past three years. Should Mongolia receive a PBAS allocation, and a new project be designed, the lessons from the previous Rural Poverty Reduction Programme will certainly be taken into consideration.

30. **Recommendations not agreed to.** In order to ensure that lessons from evaluation are appropriately contextualized and aligned with corporate priorities, Management reserves the right to disagree with IOE recommendations. For example, Management did not agree that loan component grants should be discontinued or that IFAD should abandon the PBAS for grant allocation.

31. No recommendations were classified as not yet due or pending.

C. Responses at country and project level (key themes)

32. Classifying recommendations by theme allows Management to understand areas that need sharper focus. Recommendations are classified into 29 thematic areas within six broad blocks.[11]

33. An outline of actions taken in response to CLEs is in the next section and covers the most common themes (efficiency, grants and supervision). Recurrent themes at the programme level are design of COSOPs and targeting.

Table 3
Evaluation recommendations by theme

Thematic area	Total	Percentage
Targeting and gender	10	8
Technical areas (natural resource management, private sector, etc.)	11	9
Project management (M&E, etc.)	31	24
Non-lending activities (partnership, policy engagement, KM)	15	12
Cross-cutting themes (grants, efficiency, sustainability, COSOPs, etc.)	41	32
Corporate (ICT, human resources)	20	16
TOTAL	**128**	**100**

34. Some examples of follow-up on COSOPs and targeting are presented here.

35. COSOP design. This was addressed in 11 recommendations. In Indonesia, a new COSOP is being designed in line with government priorities, as recommended in the CPE. The overall objective of IFAD's interim country strategy – bridging the period between the CPE and the new COSOP – was to support the Government in achieving its development targets related to the agriculture and fisheries sectors and to empower the smallholder in becoming more productive and better integrated into markets to achieve enhanced food security and increased income and to reduce poverty and vulnerability.

36. In Jordan, in accordance with IFAD's Business Model and Strategy for Engagement in Middle-Income Countries, the country programme will go beyond loan financing to include policy engagement, knowledge-sharing and cofinancing initiatives. The overall strategic objectives of the country programme and the modalities for achieving them are based on the needs and preferences of the Government and IFAD's own areas of comparative advantage.

37. In Senegal, the country programme is being developed as suggested in the CPE. All three IFAD-funded projects are being structured to build the capacities of farmers' organizations, to facilitate capital investment in the sector and to ensure market access for smallholders.

38. Targeting. Targeting was covered in seven recommendations. In China, in accordance with the Government's request, IFAD is developing and piloting innovative rural finance products in poor rural areas. The last three operations approved in China include components to facilitate access to financial services for target groups (i.e. poor smallholders, farmers' cooperatives).

39. In the Plurinational State of Bolivia, projects in the current portfolio now clearly emphasize the participation of women and youth in project activities. In addition, geographical targeting is achieved through an analysis of the characteristics of diverse socio-economic groups. Clear criteria are used, including areas high in households with "unsatisfied basic needs" and areas affected by climate change.

---

[11] See table B in annex II for the detailed distribution by theme.

40. Within the framework of its ongoing projects in the Republic of Moldova, IFAD will provide support to young entrepreneurs in rural areas. The newly approved Inclusive Rural Economic and Climate Resilience Project has secured financing from the Danish International Development Agency to finance the activities of young rural entrepreneurs through matching grants.

D. Responses to corporate-level evaluations

41. This year's PRISMA review covers three CLEs on grant financing, on supervision/ implementation support, and on efficiency, which is part of the historical recommendation follow-up (i.e. followed up for a second time in 2015).

42. Grants. Following a comprehensive review of IFAD's experience with grants, an updated policy has been developed. In keeping with the strategic importance of the grants portfolio, the Vice-President has led this exercise. Echoing the CLE finding, IFAD Management concluded that a new policy and revised procedures were needed (rather than an update of the 2009 policy). The policy was presented to the April 2015 Executive Board session,[12] and implementing procedures are being prepared. The new policy aims to achieve:

    (a) Improved relevance and focus of grants, clearer selection criteria and stronger integration with country programmes;

    (b) Increased effectiveness and impact through rigorous QE and QA, supervision and greater accountability;

    (c) Greater efficiency through streamlining processes, reducing transaction costs and containing the number of grant-funded operations; and

    (d) Enhanced knowledge management (KM)/dissemination.

43. As recommended by IOE, there is no separate window for regional grants, but these have been subsumed within the global/non-country grants. Also, clear eligibility criteria have been established. The principles for grant financing include: (i) making a significant contribution to public goods; (ii) focusing on interventions in which grants have clear value added; and (iii) not using grants as a substitute for IFAD's administrative budget resources. With regard to simplification of processes, implementing procedures for the grants policy have developed one consistent process applicable to all grants. The policy also includes an annex addressing the CLE findings.

44. There were some recommendations that Management had not agreed to, and these were clearly specified in the Management response. This included suggestions to have third-party evaluations (deemed impractical in terms of cost and resources), to discontinue loan component grants (which contradicted the recent emphasis on non-lending activities) and to abandon the PBAS for allocating grant resources (as Management considers the PBAS, in conjunction with the grants policy, to be a transparent system for allocating both grant and loan resources).

45. Supervision. The CLE of IFAD's Supervision and Implementation Support Policy (SIS)[13] emphasized that SIS activities be reframed as the joint responsibility of IFAD and governments. Accordingly, Management is updating supervision guidelines with a clear focus on these joint accountabilities and responsibilities. To reflect joint ownership (as suggested by IOE), the term "supervision" has been replaced with "joint implementation review" and "recommendations" with "agreed actions". As suggested by the evaluation, draft guidelines will also focus on scaling up and KM.

46. Thus all major CLE recommendations are being addressed, with disagreements clearly noted in the Management response. Individual actions are listed in volume II.

---

[12] EB 2015/114/R.2.
[13] EB 2013/109/R.6.

E. Historical recommendations: CLE of efficiency

47. The efficiency evaluation has been followed up a second time as part of the historical follow-up. This evaluation has been tracked through the actions committed to in the Action Plan.[14] Almost all items in the plan are on track, and significant efforts and reforms have been initiated across departments.

48. Management has carried out reforms at the corporate level, including an updated accountability framework that has already been presented to the Executive Board. It has also completed the process of reviewing and modernizing IFAD's Delegation of Authority Framework. In terms of managing human resources, the Fund initiated its Reward and Recognition Framework in 2014; in fact, the International Civil Service Commission is now examining this, as it plans to introduce incentive frameworks across the United Nations Common System. Staff and performance management systems have been reformed, including: a more responsive performance evaluation system; staff receiving non-monetary rewards; and, since 2012, improvements in all areas measured in the staff survey. These changes have been underpinned by cultural changes, reflected in the fact that Strategic Workforce Planning has now been institutionalized as an annual exercise. Technical capacity in IFAD has been strengthened, with all identified positions in PTA now filled. Changes in corporate processes have also been accompanied by information and communications technology (ICT) upgrades, including integration of diverse platforms and more agile support to IFAD country offices (ICOs).

49. Key guidelines and policies are being developed to make the action plan operational so as to achieve higher effectiveness and impact. This includes the updated IFAD Country Presence Strategy (2014-2015) submitted to the Board,[15] COSOP guidelines and Joint Supervision and Implementation Review Guidelines. In terms of more differentiated approaches across the portfolio, greater attention to fragile contexts and underperforming projects is being paid through the grant programmes. Moreover, options with regard to country selectivity and IFAD's approach to middle-income countries are being discussed with the Board.

F. Responses to IOE recommendations and learning theme

50. This section briefly addresses: (i) recommendations from the 2014 ARRI; (ii) comments made by IOE on the 2014 RIDE; and (iii) the ARRI learning theme. Brief responses are provided here, with some further details provided in annex IV.

51. Recommendations from the ARRI are first addressed through the Management response,[16] and PRISMA updates follow from the commitments made by Management. With regard to COSOP completion reviews, Management has noted the recommendation, but believes that this can only be undertaken at the expense of another activity. With regard to budget allocation for COSOPs and projects, budgets are already suitably differentiated and managed by regional divisions, which is the appropriate level. Organizational decentralization was raised in the ARRI comments: this is underway, with 40 ICOs already fully operational and one third of PMD staff outposted. Finally, IOE ratings have been included in the Results Measurement Framework (RMF) for the Tenth Replenishment of IFAD's Resources (IFAD10)[17] (together with the current use of PMD ratings).

52. With regard to IOE comments on the RIDE (a number of which were also provided during the development of the IFAD10 RMF), an elaboration of the methodological underpinnings has begun, with definitions and operational guidelines presented in the Report of the Consultation on the Tenth Replenishment of IFAD's Resources.[18] Management presentations during both the Consultation and the development of the IFAD10 RMF also included a theory of change, outlining the linkage between

---

[14] EC 2013/78/W.P.5.
[15] EB 2013/110/R.5/Rev.1.
[16] EB 2014/113/R.8/Add.1/Rev.1.
[17] IFAD10/3/R.3.
[18] GC 38/L.4/Rev.1, annex II.

levels 1 and 2-5 in response to IOE comments. With regard to alignment of evaluation systems and indicators to be included in or removed from the RMF, clear rationales were presented to the Board, including in an intersessional paper circulated during the Consultation.[19] The recommendation for removal of QA ratings was not followed, because Management believes that IFAD provides clear value added in the design process and this should be captured. Finally, project completion report (PCR) ratings have been made publicly available, as recommended.

53. With regard to the learning theme of project management in the 2014 ARRI, Management agrees with IOE on the importance of such management in achieving results, and looks forward to engaging with IOE to study the diversity in project management arrangements and to extract evidence-based good practices and lessons.

III.   Conclusions and recommendations

54. IFAD's follow-up on recommendations to the 19 evaluations covered in this PRISMA has been vigorous, with significant actions across the organization and country teams. Management has taken substantial action on 94 per cent of the recommendations, confirming an upward trend over the past five years. About 60 per cent of recommendations were fully followed up and 34 per cent are ongoing. Not a single recommendation was pending, in keeping with negligible non-compliance in recent years.

55. Management believes that this high level of followed-up actions is partly a reflection of the strategic nature and timeliness of the recommendations. Management thus commends IOE for consistently making insightful recommendations on issues that are at the heart of IFAD's ongoing efforts to enhance its operational efficiency and effectiveness.

56. With regard to CLEs, the efficiency evaluation has set off sizeable changes across the organization. This includes reforms in human resources and management processes across departments, upgraded and integrated ICT systems, and guidelines to support IFAD's work in a decentralized environment. The grants evaluation has been addressed through the new grants policy. The new policy and procedures provide a framework for using grants more strategically in support of activities that contribute to measurable development results. The supervision evaluation will allow Management to recast supervision as a joint responsibility of IFAD and borrowers, with clearer accountabilities. New guidelines are being drafted and will enable supervision activities to contribute to greater effectiveness and impact, while still maintaining enough flexibility to address the diversity of project contexts.

57. Management believes that continuing such vigorous efforts to address the recommendations and knowledge emerging from independent evaluation will require that recommendations from evaluation more adequately consider the implications for operational efficiency in an environment of flat or declining budgets.

58. At a time when Management is putting considerable efforts into strengthening IFAD's client-centric model and field presence, it would like to ensure that the knowledge generated by these evaluations – as well as by self-assessments – adequately informs operational processes (the inclusion of PPAs in PRISMA will also help in this regard). Thus Management is particularly interested in seeing specific examples, based on IOE's extensive knowledge and experience, of which types of learning are more effective in improving development results and how IOE could assist Management's efforts in that direction.

---

[19] IFAD10/3/R.6/Add.2, annex I.

59.   Management recognizes that adequate learning from operations requires stronger monitoring and evaluation (M&E), as pointed out by IOE through many recommendations analysed in this PRISMA. Thus, Management has taken steps in recent years to work with borrowers to strengthen it. The effectiveness of M&E depends on borrower capacity and national processes; it requires coordinated efforts by governments and development partners alike. With both borrowers and donors operating under shrinking budgets, international standards for M&E are increasingly revisited with a view towards agility, cost-efficiency and timeliness, while maintaining the necessary rigour. This is even more relevant in countries affected by conflict and fragility. Management believes that it is crucial that both IFAD and independent evaluation standards embrace these emerging M&E trends.

60.   In an effort to further strengthen the learning loop from evaluations, particularly at the operational level, Management recommends that, beginning in 2016, PRISMA be presented together with the Management response to ARRI, facilitating a stronger learning loop from evaluations, while streamlining corporate reporting. This would enable Management to mainstream the follow-up on evaluation recommendations as part of the portfolio review process, fostering more evidence-based conversations. It would also allow the Executive Board to consider the RIDE, ARRI and PRISMA (all key products of the self- and independent evaluation systems) at the same time, thus having a fully comprehensive view of the evaluation cycle.

61.   Finally, Management is of the view that Management recommendations in the PRISMA directly addressed to IOE should be followed up to ensure simultaneous and coherent improvements in both evaluation processes.

Comments of the Independent Office of Evaluation of IFAD on the 2015 President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA)

I.   General observations

1.   This is the twelfth edition of the PRISMA document submitted by IFAD Management to the Evaluation Committee and the Executive Board for their review. In accordance with the IFAD Evaluation Policy,[20] the Independent Office of Evaluation of IFAD (IOE) hereby provides its comments on the report for consideration by the Committee and the Board. On a general note, IOE welcomes the PRISMA as a key instrument to strengthen organizational accountability and learning for better institutional and development effectiveness.

2.   The 2015 PRISMA is a well prepared and succinct document. It analyses the implementation status of the recommendations contained in 19 independent evaluations released in previous years. In addition, as agreed by the Board, this year's PRISMA for the first time also covers how IOE comments on the Report on IFAD's Development Effectiveness (RIDE) have been addressed by IFAD Management.

3.   IOE acknowledges the strong follow-up of evaluation recommendations reported in the 2015 PRISMA, consistent with trends in recent years. This reflects Management's commitment to using independent evaluations to enhance organizational and operational performance. IOE also appreciates Management's recognition of the more strategic nature of independent evaluation recommendations. In this regard, IOE is committed to providing recommendations that Management and other concerned partners will find useful and timely.

II.   Specific comments

4.   Evaluations included in PRISMA. Para. 3 lists the 19 evaluations covered in this year's PRISMA. It includes a subset of evaluations finalized in 2013 and 2014, with recommendations agreed prior to 30 June 2014. With specific reference to the corporate-level evaluation on the grants policy completed in December 2014, IOE notes that this evaluation was included as an exception in the 2015 PRISMA to provide a more current assessment of how the evaluation's recommendations have been addressed in the new Policy on Grant Financing, approved by the Board in April 2015. In general, it would be useful if a short section were included in future editions, summarizing the rationale for the selection of evaluations to be reported upon in each PRISMA.

5.   Classification of evaluation recommendations. As in the past, table 3 provides the total number and percentage of evaluation recommendations covered, classified according to six thematic areas. The use of thematic areas is an effective way of grouping evaluation recommendations and reporting on their implementation status. At the same time, it may be opportune to reassess the relevance of these thematic areas and determine whether some of them may merit further disaggregation. For example, follow-up to evaluation recommendations on knowledge management, partnership-building and policy dialogue are currently gathered together in one thematic area (i.e. non-lending activities). This might not be conducive to obtaining a clear picture of the implementation status of recommendations for each of these non-lending activities.

6.   Country strategic opportunities programme (COSOP) completion reviews. In para. 51, Management notes IOE's recommendation to undertake COSOP

---

[20] See paragraphs 11 and 31(i) of the revised IFAD Evaluation Policy (EC 2011/66/W.P.8).

completion reviews, but believes that this can only be undertaken at the expense of another activity. IOE is aware that some COSOP completion reviews are being undertaken; however, they are not carried out for all COSOPs. In this regard and notwithstanding budget constraints, IOE underlines the importance for Management to consider conducting COSOP completion reviews more systematically. Such reviews are standard practice in other international financial institutions.

7.   Conducting COSOP completion reviews is particularly important because IOE is able to conduct at most only four to five country programme evaluations (CPEs) per year, which serve to inform the preparation of subsequent COSOPs in the relevant country. Therefore, if Management were to undertake COSOP completion reviews systematically, it would ensure that all IFAD country programmes are assessed either by IOE or Management. Moreover, the costs of CPEs are likely to decrease with the introduction of COSOP completion reviews, as the latter would serve as important self-assessment products to underpin the undertaking of the CPE.

8.   **Budget implications of IOE recommendations.** Para. 57 suggests that recommendations from evaluations need to take more account of implications for operational efficiency in an environment of flat or declining budgets. In this regard, it is important to recall that IOE recommendations are based on robust analytic work and a coherent evidence trail, with the aim of contributing to better results. The issue of cost neutrality of IOE recommendations was already discussed at the 113th session of the Executive Board with the following conclusion: "the Board agreed that IOE should not be expected to make cost-neutral recommendations: it would be the role of the Board, together with Management, to decide on the final trade-off between budget implications and the impact of specific recommendations. However, IOE recommendations should consider cost implications."[21]

9.   **Recurrent recommendations.** IOE evaluations often generate a number of recurrent recommendations on specific topics, for example on the importance of improving monitoring and evaluation systems and the need to ensure more realistic project objectives and simple designs. In this regard, IOE encourages Management to consider including a new section in future editions of PRISMA that groups together recurrent recommendations , and reports on follow-up actions accordingly. This would provide Member States with an account of the actions Management is taking to address recurrent recommendations that often affect IFAD activities across projects, countries and regions.

10.   **IOE comments on the RIDE.** IOE welcomes the effort made in PRISMA for the first time to report on the comments provided by IOE on the RIDE. This reflects Management's commitment to further strengthening the evaluation learning loop and promoting accountability. At the same time, it is to be noted that several suggestions contained in IOE's comments on the 2014 RIDE have not been reported upon. As such, IOE invites Management to provide a more comprehensive account of the follow-up to all major IOE comments and recommendations on the RIDE in future PRISMAs.

11.   **Management recommendations to IOE.** Para. 61 suggests that Management recommendations in the PRISMA that are directly addressed to IOE should be followed up to ensure simultaneous and coherent improvement in both evaluation processes. It is important to underscore that making any such recommendations to IOE would be inconsistent with the provisions of the IFAD Evaluation Policy adopted by the Board, and incompatible with the broader framework of governance for evaluation functions within the United Nations system and international financial institutions.

_____
[21] EB 2014/113/INF.6.

Evaluation recommendations by nature and theme (2015 PRISMA)

Table A. Evaluation recommendations by level and nature

	Operational	Strategic	Policy	Total (number)
IFAD corporate level	13	29	29	**71**
IFAD regional level		1		**1**
IFAD country/government	6	50		**56**
Government authorities and institutions				
Project				
Total (number)	**19**	**80**	**29**	**128**
Total (percentage)	**15**	**63**	**23**	**100**

Table B. Evaluation recommendations by theme

Block	Theme	Number
Targeting and gender	Targeting	9
	Gender	1
	Beneficiaries	
	Organizations of the poor	
Technical areas	Private sector and markets	5
	Natural resource management	1
	Analysis, studies and research	
	Rural finance	4
	Infrastructure	1
	Training and capacity-building	
Project management	Project design and formulation	4
	Decentralization	1
	Project management and administration	4
	Country presence	5
	Results measurement, M&E	8
	Supervision	9
Non-lending activities	Partnerships	6
	Policy engagement	4
	Knowledge management	5
Cross-cutting	Grants	15
	Efficiency	12
	Sustainability	2
	Innovation	
	Replication and scaling up	1
	COSOP	11
	Governance	
	Strategy	
Corporate	Human resources	13
	ICT	7
Total		**128**

Long-term follow-up trends

Table A. Implementation status of recommendations by level, 2011-2015 PRISMA reviews

Level	Full follow-up	Not yet due	Ongoing	Partial	Pending	Not applicable	Not agreed	Total
IFAD	92		28	11	3	3	5	**149**
Region	6		2			1		**9**
Country	372	2	37	13	2	7	1	**434**
Government	10			1	1	1		**13**
Project	37		3					**40**
Total (no.)	**517**	**2**	**77**	**25**	**6**	**12**	**6**	**645**
Total (%)	**80**	**0**	**12**	**4**	**1**	**2**	**1**	**100**

Table B. Implementation by regional divisions, 2011-2015 PRISMAs

Level	Full follow-up	Not yet due	Ongoing	Partial	Pending	Not applicable	Not agreed	Total
WCA	102	2	12	4	2	1	1	**124**
ESA	122		11			4		**137**
APR	95		6	5	1	3		**110**
LAC	57		10	2		1		**70**
NEN	49		3	3				**55**
Total (no.)	**425**	**2**	**42**	**14**	**3**	**9**	**1**	**496**
Total (%)	**86**	**0**	**8**	**3**	**1**	**2**	**0**	**100**

Note: The number of recommendations by level does not match the number by region because evaluations addressed to the corporate level are not included in the regional classification.

Responses to IOE recommendations and learning theme

1.   ARRI. The Management position and update on ARRI recommendations are as follows:

    (a)   COSOP completion reviews. Management notes this recommendation. However, without an increase in administrative budgets, this activity can only be undertaken at the expense of another. IFAD is formulating new COSOP guidelines in which this will be considered. Thus, this recommendation is not entirely agreed to.

    (b)   Budgeting for COSOPs and projects. Budget allocation is suitably differentiated and flexible within regional divisions, and is the responsibility of these divisions, which are the appropriate decision-making level. Additional budgets are often mobilized for extraordinary requirements, such as in problem projects or fragile states. In addition, dedicated trust funds have been initiated in this context. Action in this regard is ongoing.

    (c)   Organizational decentralization. IFAD has made significant progress, with about 50 IFAD ICOs and one third of PMD staff working in ICOs. Decisions on regional offices will be made carefully following audit of the Nairobi office. This is ongoing.

    (d)   Use of IOE ratings. IOE ratings will be used for level 2 under the IFAD10 RMF. PMD ratings will also still be used. This has been followed up.

2.   Thus, one recommendation is not agreed to, two are ongoing, and one has been fully implemented.

3.   RIDE. With regard to IOE comments on the RIDE, Management would like to respond as follows (it should also be noted that Management has to bear processes in mind – while designing the RMF, Management responded to specific comments by Member States):

    (a)   Methodological underpinnings of the RIDE. With regard to elaboration of the report's methodological underpinnings, one major action taken was the development of definitions and operational guidelines for indicators presented in the IFAD10 consultation report.

    (b)   Linkages between level 1 and levels 2-5. During IFAD10, Management provided a clear theory of change, illustrating how results from diverse levels contributed to the achievement of IFAD's overall objectives (developed in response to the CLE on IFAD Replenishments).[22]

    (c)   Harmonization of IFAD self-evaluation and independent evaluation. IOE ratings have been incorporated in level 2 of the IFAD10 RMF. With regard to three suggested indicators – relevance, IFAD as a partner and KM – Management has provided the rationale for changes in these indicators, including in the intersessional paper circulated during the IFAD10 consultation.[23] Indicators dropped from the RMF will continue to be measured and monitored through regular operational processes. "Relevance" is assessed through the project cycle, including design. In addition, results reported by self-evaluation and independent evaluation have been uniformly high. The same holds true for "IFAD's performance as a partner". Both self-evaluation and independent evaluation ratings have consistently rated both these indicators very highly, and Management believes this will continue to be the case. While these important indicators are tracked, not all indicators need to be reported through the RMF, bearing in mind that the RMF should track strategic and evolving indicators. With regard to KM, while Management

---

[22] IOE, Report No. 3377, May 2014.
[23] IFAD10/3/R.6/Add.2, annex I.

values the insights from CPEs, it has concerns regarding the aggregation of these data, given the small number of CPEs conducted each year.

(d) Removal of QA ratings. This has currently been retained in the RMF. One of the principle benefits of all review and results measurement processes should be improved design. IFAD provides clear value added in this regard, which should be captured and reported.

(e) Public availability of PCR ratings. This was implemented in 2014, and these databases will continue to be updated and made publicly available.

4. Learning theme. With regard to the learning theme of project management in the 2014 ARRI, Management agrees with IOE on the importance of this in achieving results. IFAD's efforts reflect the principles of the Paris Declaration, and parallel project coordination or management units are established through ministerial decree. Thus they cannot be considered as operating outside the government (IOE also noted the shift from project implementation units to project management units, i.e. from "implementation" to "management", and greater use of national systems). Management notes that competitive processes should be used, but the modality for selecting project managers often remains a government decision.

5. Overall, Management looks forward to engaging with IOE to study the diversity in project management arrangements and to extract evidence-based good practices and lessons. It agrees on the need for further "good practice" guidance. Management is also focusing heavily on problem projects and on timely, clear actions to improve project performance across the portfolio (by greater follow-up in-house through portfolio advisers and through external technical assistance, such as that of FAO).