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Report on IFAD's Development Effectiveness

Comments by the Independent Office of Evaluation of IFAD

Note to Executive Board representatives

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For: Review

Report on IFAD's Development Effectiveness

Comments by the Independent Office of Evaluation of IFAD

1. Background. In line with the Terms of Reference and Rules of Procedure of the Evaluation Committee and the decision taken by the Executive Board at its session in December 2006, this document contains the comments of the Independent Office of Evaluation of IFAD (IOE) on the Report on IFAD's Development Effectiveness (RIDE).
2. The RIDE provides Management's perspectives on the organization's overall performance and it is therefore a key tool for promoting accountability and learning. Its preparation process is strengthened by the fact that IOE is given the opportunity to review and share its comments on the document, which enhances the credibility and transparency of IFAD's overall self-evaluation system.
3. General comments. At the outset, IOE would like to commend IFAD Management for producing an informative and well-written tenth edition of the RIDE. IOE welcomes the new features of the report, among them the peer review process within the Strategy and Knowledge Department (SKD) that underpinned the report's finalization and enhances transparency. The RIDE was also presented at two in-house learning events with key external speakers to stimulate learning and dialogue among IFAD staff.
4. In a spirit of contributing to further enriching the content and enhancing the quality of the report, IOE encourages IFAD Management to address the four issues outlined below in future editions of the RIDE:
 - (i) With a view to enhancing the transparency of the report and reliability of its findings, the RIDE would benefit from the inclusion of a section describing its methodological and analytical underpinnings. This recommendation was included in IOE comments on previous editions of the RIDE but has not yet been implemented;
 - (ii) In line with the analysis included in the Annual Report on Results and Impact of IFAD Operations (ARRI), the RIDE could benchmark the performance of operations externally with the performance of the agriculture sector operations of other development organizations. Moreover, internal benchmarking could be done across the five geographic regions covered by IFAD operations to allow Management to identify regions or thematic areas that need more attention and resources in the future;
 - (iii) IOE appreciates the description of the features of performance for key criteria. However, in order to maximize learning, a wider narrative including examples from the projects reviewed, and in particular from those selected for impact evaluation in the context of the Ninth Replenishment of IFAD's Resources (IFAD9) Impact Assessment Initiative (IAI), would help in identifying key cross-cutting and systemic issues that need to be addressed for better development effectiveness on the ground;
 - (iv) Finally, the Fund performed well in the IFAD9 period, as confirmed by both the 2016 ARRI and the RIDE. However, the 2016 ARRI revealed that this performance was largely only moderately satisfactory. One way to raise the "performance bar" from moderately satisfactory, to satisfactory or better projects, is to lift the "reporting bar" from the current standard of 4, to 5 and 6. Therefore, IOE encourages Management to include in future editions of the RIDE an assessment of projects rated 5 and 6 for key evaluation criteria.

5. Overview of operational performance. The table below compares the percentage of IFAD-funded projects rated as moderately satisfactory or better in 2012-2014 in the RIDE (section III), with the results reported in the 2016 ARRI based on independent evaluations by IOE. The right hand column of the table contains the targets agreed with the governing bodies, as contained in the Results Measurement Framework (RMF) for the IFAD9 period (2013-2015).
6. On the whole, there is broad consistency between the results reported in the 2016 ARRI and the RIDE. Both annual reports rated over 80 per cent of the projects as moderately satisfactory or better for most criteria in 2012-2014. Notwithstanding recent improvements, efficiency and sustainability of benefits are the worst performing criteria and they are therefore areas that merit continued attention moving forward, as highlighted in the 2016 ARRI.

Table

<i>Indicators</i>	<i>RIDE results</i>	<i>ARRI PCR/V/PPA*</i>	<i>Target 2015</i>
	<i>2012-2014 (97)</i>	<i>2012-2014 (56)</i>	
2.1. Outcome indicators (percentage of projects rated moderately satisfactory or better) at completion			
2.1.1 Relevance	100	89.4	100
2.1.2 Effectiveness	93	84	90
2.1.3 Efficiency	82	69	75
2.1.4 Rural poverty impact	94	92	90
2.1.5 Gender equality	91	91	90
2.1.6 Sustainability of benefits	87	69	75
2.1.7 Innovation and learning	94	88	90
2.1.8 Replication and scaling up	97	88	90
2.1.9 Environment and natural resources management	89	84	90
2.1.10 Government performance as a partner	90	82.2	80

* Project completion report validation/project performance assessment.

7. The largest difference in the percentage of moderately satisfactory or better projects is observed for relevance and innovation and scaling up. This is attributable to the fact that IOE and Management use different definitions and evaluation questions. Also, while IOE rates innovation and scaling up together, Management rates them separately. Therefore, significant opportunities exist for further harmonizing IFAD's self and independent evaluation systems. Full implementation of the second edition of the IFAD Evaluation Manual introduced in 2016 and preparation of the revised harmonization agreement between the Fund's self and independent evaluation systems will ensure better comparability of results reported by IOE and Management in the future.
8. Along the same lines, performance at the country level is also an area that would require harmonization between IFAD's self and independent evaluation systems in terms of data sources (see also paragraph 11 below) and methodologies for the assessment of indicators (e.g. policy dialogue, partnership-building, knowledge management). While the RIDE depicts good results in performance on policy dialogue and partnership-building at the country level, the 2016 ARRI shows a moderately satisfactory picture in which performance on both indicators declines in the period 2013-2015 as compared to the past.
9. Moreover, there is no reference to non-lending activities in section V of the RIDE, which summarizes results in terms of the operational effectiveness of country programmes and projects. Given the increasing importance of non-lending activities, it would be useful if future editions of the RIDE provided contextual and

qualitative information on non-lending activities – for example, by identifying the main constraints and explaining how IFAD intends to respond to them.

10. The way forward to improve performance. IOE appreciates the inclusion of a section depicting areas of challenge and ways to address them. Both the 2016 ARRI and the RIDE point to the need to further strengthen IFAD's approach to measuring results and to reduce delays and increase disbursement levels to improve project performance. However, the 2016 ARRI recommendations also highlight the need to improve IFAD's targeting strategies, focus on food security and nutrition, and partnerships at country level to ensure better development effectiveness and impact on the ground.
11. As mentioned in paragraph 4 above, a more nuanced analysis of the factors underlying good and less good performance would help in identifying systemic issues from Management's perspective and would make the RIDE more comparable with the ARRI.
12. Project monitoring and evaluation (M&E) and quality of data. According to the information presented in table 8 of annex I, which summarizes progress against project M&E indicators, good progress has been made on M&E indicators, the only exception being the percentage of projects submitting the Results and Impact Management System (RIMS) impact survey. IOE commends this improvement. However, it notes that these are output indicators that do not reveal much about the quality of these surveys. In this regard, the 2016 ARRI concludes that persistently weak project M&E systems (lack of baselines, poor quality of data, output focus of RIMS, etc.) and results measurement impinge on the assessment and attribution of the impact of IFAD operations on rural poverty, and in particular on income, food security and nutrition.
13. Annex III contains the lessons from the IFAD9 IAI. Paragraph 3 states that "The IFAD9 IAI has demonstrated that IFAD beneficiaries are, on average, better off in percentage terms when compared with a control group". This is commendable and is in line with the Fund's overall positive contribution to rural poverty reduction depicted by the 2016 ARRI. However, the figures for the comparison group are neither reported in paragraph 3 of the RIDE nor in the table "Percentage of estimated impacts (average effects) on beneficiaries compared with the control group, overall and by project grouping". IOE encourages Management to report on the results for both groups in the RIDE.
14. Structure of the report. This year's edition of the RIDE is structured as a four-page summary and conclusions, and six pages on the analysis of results and impacts against the IFAD9 RMF. Although important reports are annexed to the RIDE,¹ the analysis in the main report does not reflect the wealth of information contained in these annexes, with the exception of the data deriving from the IFAD9 IAI.
15. This may be due to the length limitations that apply to all governing bodies documents. In order to overcome this limitation and in line with the ARRI, future editions of the RIDE could be presented as follows: (i) a short executive summary as the main report; and (ii) an appendix that could include an in-depth analysis of performance on lending and non-lending activities with examples from the projects reviewed and clear references to supporting documents.

¹ In particular: Summary of lessons learned from the IFAD9 Impact Assessment Initiative; the annual report on the implementation of IFAD's policy on gender equality and women's empowerment; Implementation of the Istanbul Programme of Action for Least Developed Countries; and Progress report on the Adaptation for Smallholder Agriculture