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## Report on IFAD's Development Effectiveness for 2018

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For: **Review**

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## **Abbreviations and acronyms**

APR	Asia and the Pacific
ARRI	Annual Report on Results and Impact of IFAD Operations
ASAP	Adaptation for Smallholder Agriculture Programme
ICO	IFAD Country Office
IFAD10	Tenth Replenishment of IFAD's Resources
IOE	Independent Office of Evaluation of IFAD
LAC	Latin America and the Caribbean
OpEx	Operational Excellence for Results exercise
PCR	project completion report
PoLG	programme of loans and grants
RIDE	Report on IFAD's Development Effectiveness
RMF	Results Management Framework
SDG	Sustainable Development Goal
WCA	West and Central Africa

# Report on IFAD's Development Effectiveness for 2018

## I. Executive summary

1. A fast-changing climate, conflict, inequality, persistent pockets of poverty and hunger are challenging countries' efforts to achieve the Sustainable Development Goals, as pointed out in the 2018 Sustainable Development Goals Report. IFAD's mandate of investing in rural people, empowering them to reduce poverty, increasing food security, improving nutrition and strengthening resilience remains highly relevant and crucial. It also requires the Fund to become more responsive, efficient and effective in providing tailored support to countries for collectively achieving the 2030 Agenda for Sustainable Development.
2. IFAD's investments through loans and grants reached a record high in 2017 of more than US\$1.3 billion – the highest project approval volume since the Fund's establishment. Disbursements reached almost US\$1 billion across all financing sources, with a nearly US\$800 million programme of loans and grants (PoLG)– also unprecedented in the Fund's history. This record of investments comes against the backdrop of a marginal increase in administrative expenditures, which further underscores the Fund's efforts to improve efficiency.
3. When it comes to translating these achievements into results, IFAD has shown an overall improvement in project-level outcome ratings for projects closing in 2017. However, portfolio performance on average remains moderately satisfactory, with some dips in 36-month rolling averages. The Fund recognizes the need to address persistent challenges and bottlenecks.
4. Within the context of the ambitious 2030 Agenda, IFAD has also set ambitious targets for its Tenth and Eleventh Replenishment exercises. Recognizing that these ambitious targets cannot be met through business as usual, IFAD has undertaken a series of concrete steps designed to move its performance beyond moderately satisfactory and improve the delivery of results.
5. At the institutional level, IFAD has taken the important and necessary step of decentralization in order to bring its teams closer to the countries it is supporting. A critical mass of technical and programme staff close to IFAD's beneficiaries is expected to improve the effectiveness of its support.
6. Achieving the ambitious 2030 Agenda is a collective effort requiring global, regional and country-level partnerships with governments and other development partners. While cofinancing, which provides an indication of successful partnerships, has declined in the current reporting period, IFAD's efforts in this area have increased. IFAD is positioning itself to become an assembler of rural development financing and is designing a cofinancing strategy and action plan to achieve this ambition.
7. At the national level, IFAD is adopting a programmatic approach to its support. The transition framework to be presented to the Executive Board at the end of 2018 will serve as an umbrella for providing countries with tailored and context-specific support. There is an increasing focus for country teams on strengthening non-lending activities (including policy engagement, partnership-building, knowledge management and South-South and Triangular Cooperation) at the country level in order to achieve greater impact.
8. At the project level, persistent challenges in efficiency and sustainability remain as highlighted in the current and previous Reports on IFAD's Development Effectiveness (RIDE), the Annual Report on Results and Impact of IFAD Operations (ARRI) and the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA). Analyses have shown that: IFAD's systems are adequate for early identification of problem projects (including inefficiency and a lack of sustainability); and that the Fund has been able to

improve performance of the majority of problem projects. In order to improve performance further, IFAD is launching a number of interlinked initiatives including: a streamlined design process to reduce time lags; a facility for faster project start-up; and a tailored programme for countries with fragile situations.

## II. Introduction

9. The RIDE is the Fund's principal instrument summarizing IFAD's development effectiveness and institutional performance. It reports on progress towards achievement of the Results Management Framework (RMF) for the Tenth Replenishment of IFAD's Resources (IFAD10) (2016-2018). More than just a reporting tool, the RIDE is designed to boost transparency in reporting achievements and challenges, identify systemic issues affecting organizational performance and strengthen accountability.
10. The 2018 RIDE is the twelfth edition of this document and includes two new features: (i) an annex summarizing progress in implementing the Fund's Development Effectiveness Framework; and (ii) this year's "in focus" chapter on climate change mainstreaming – one of the four areas highlighted in IFAD's loan portfolio.<sup>1</sup>

## III. Assessing results: Reporting on the IFAD10 RMF

11. This section captures progress against indicators in the five levels of the RMF. The data supporting this analysis are provided in annex I.
12. **Overview of 2017 performance.** 2017 was a record year for IFAD with more than US\$1.3 billion in its PoLG approved. This is the highest project approval volume since the Fund's establishment and an increase of 60 per cent over 2016 approvals. Almost US\$1 billion was disbursed across all financing sources,<sup>2</sup> which constitutes another record for the Fund. This record of investments comes against a backdrop of a marginal increase in administrative expenditures, which underscores IFAD's increased efficiency.
13. With 32 new project approvals as of 31 December 2017, the portfolio of IFAD-funded projects included 211 ongoing initiatives in 97 countries: IFAD's investment in this ongoing portfolio accounted for US\$6.6 billion while domestic and external cofinancing totalled US\$8.3 billion.
14. Project-level outcomes from 2017 showed a positive trend; however, the overall project outcome ratings in the RMF, which builds on 36-month averages, were below the ambitious targets set for IFAD10 – largely due to lower ratings in 2015 and 2016. Cognizant of the challenges to its development effectiveness, IFAD has initiated a range of initiatives aimed at addressing them, which are presented in section V.
15. Additional highlights include the following:
  - (a) Performance in fragile situations is lagging behind that of IFAD's overall portfolio in terms quality of design, funds disbursed and development outcomes at project completion. This calls for differentiated approaches to increase development effectiveness in fragile contexts.
  - (b) Quality of project design as rated by the quality assurance function is above the target for all criteria.

<sup>1</sup> While originally conceived for reporting on non-lending activities, this year's "in focus" chapter reports on climate mainstreaming, an important commitment under IFAD10. Reporting on non-lending activities will resume in next year's RIDE, which will benefit from several ongoing initiatives to strengthen non-lending activities and related data management. These include the development of a new knowledge management strategy and a new framework for strategic planning and monitoring IFAD's partnerships at the country, regional, global and institutional levels.

<sup>2</sup> Disbursements from IFAD's PoLG totalled US\$792 million whereas disbursements of supplementary funds, the Spanish Food Security Cofinancing Facility Trust Fund (Spanish Trust Fund) and the Adaptation for Smallholder Agriculture Programme amounted to US\$190 million.

- (c) Cofinancing is below the target and an institutional strategy is being developed.
  - (d) Decentralization is on track with almost half of budgeted positions in regional divisions now located in IFAD Country Offices (ICOs).
16. **RMF level 1: Global poverty, food security and agricultural investment outcomes.** The report on progress towards the Sustainable Development Goals (SDGs) was issued in June 2018. It provides a global overview of current progress towards the SDGs based on the latest available data for indicators in the global indicator framework. Table 1 in annex I details progress against six SDG indicators that IFAD contributes to.
  17. **RMF level 2: Country-level development outcomes and impact delivered by IFAD-supported projects.** RMF level 2 includes 13 indicators: four impact indicators and nine outcome indicators (see table 2 in annex I).
  18. A report on the achievement of impact through IFAD's impact assessment initiative will be provided after the completion of IFAD10 and presented at the April 2019 Executive Board meeting. The estimates of IFAD's impact on key indicators will be based on 15 to 20 ongoing impact assessments of IFAD-funded projects representative of IFAD's entire portfolio. The aggregation of these results will provide an estimate of the extent to which impacts have been achieved. An overview of the methodology can be found in a recent paper published in *Rural 21*.<sup>3</sup>
  19. Regarding outcome indicators, data analysis for the 2015-2017 cohort was based on ratings from the project completion reports (PCRs) of 94 closed projects. Of these projects: 19 were in the Asia and the Pacific (APR) region; 14 were in East and Southern Africa; 14 were in Latin America and the Caribbean (LAC); 23 were in the Near East, North Africa and Europe region; and 24 were in West and Central Africa (WCA).
  20. Major findings stemming from reporting on outcome indicators include the following:
    - (a) Although IFAD10 targets have so far only been met for two indicators, results for projects closed in 2017 are encouraging, with an average increase in ratings of seven percentage points compared to those closed in 2016.
    - (b) For five of the nine outcome indicators (rural poverty impact, gender equality, innovation and scaling up, environment and natural resource management, government performance), at least 80 per cent of the projects assessed between 2015 and 2017 were rated as moderately satisfactory or better.
    - (c) While IFAD10 targets are already being met for adaptation to climate change and government performance, the Fund is lagging behind targets for the remaining seven indicators. However, for indicators such as gender equality, innovation and scaling up, IFAD is only a few percent points from the target.
    - (d) The indicators presenting the weakest performance are efficiency and sustainability of results. These are also among the indicators for which performance is most often rated as moderately satisfactory (rating of 4 compared to satisfactory ratings 5 and 6).
  21. **Analysing trends in outcome ratings.** This year's RIDE shows that IFAD's performance, as measured by a 36-month rolling average from 2015 to 2017, has declined (see table 1 below). However, a disaggregated analysis of project performance by year is encouraging across most functional areas for 2017.

<sup>3</sup> <https://www.rural21.com/english/current-issue/detail/article/corporate-level-impact-measurement-ifads-experience-00002734/>

22. While calculating the 36-month rolling average is useful for smoothing major fluctuations and allows for a large data set, it does not account for improved performance in individual years. This is particularly relevant in IFAD10, in which the decrease in ratings is related to the fact that 2014 produced the highest ratings in the past decade. Yet the good performance in 2017 was not sufficient to elevate the 36-month average to meet the targets due to weak performance in 2015 and 2016.
23. Management is pleased to note that performance of projects closed in 2017 increased for seven out of the ten indicators from the previous year. Particularly notable is a 17 per cent improvement in ratings of overall rural poverty impact, a 14 per cent increase in efficiency and effectiveness, and a 10 per cent increase in gender equality and sustainability. Management is committed to improve performance further in 2018 and beyond.
24. At the same time, Management notes that while the efficiency of IFAD's operations improved in 2017, it remains a challenge. In this performance area, 68 per cent of projects were rated as moderately satisfactory or better compared to the IFAD10 target of 80 per cent. The Independent Office of Evaluation of IFAD (IOE) corporate-level evaluation of IFAD's institutional efficiency and the efficiency of IFAD-funded operations, and the 2018 Annual Report on Results and Impact of IFAD Operations (ARRI) identified problem areas impacting project efficiency including: deficiencies in project design such as excessive complexity; lack of readiness for implementation; weak monitoring and evaluation systems, which undermine early identification of unforeseen problems; and slow response to issues emerging during implementation.
25. A second area of relatively weak performance is sustainability of benefits, which relates to whether the benefits resulting from project implementation are likely to continue after completion. While the IFAD10 target is 85 per cent, 69 per cent of IFAD's projects were rated as moderately satisfactory or better. The reasons why nearly one in three projects were rated as unsatisfactory in this area include: a lack of well-defined exit strategies (also a conclusion of the 2018 ARRI); and borrowing countries' low capacity or commitment to scale up development approaches.
26. Both of these weaker-performing domains are affected by fragility. Almost one third of projects rated unsatisfactory for efficiency were implemented in countries with fragile situations, which contributed to a drop in their average performance on efficiency. In addition, 34 per cent of the projects rated as unsatisfactory for this indicator were implemented in countries with fragile situations. In some cases, threats to project outcomes and impact arose from worsening conflicts and insecurity (e.g. the Syrian Arab Republic and South Sudan). In others, low performance on sustainability was linked to inadequate capacity-building or ownership (e.g. Côte d'Ivoire and Togo).

Table 1  
Projects rated as moderately satisfactory or better (percentage)

Indicators	Yearly ratings						2017 RIDE <sup>a</sup>	2018 RIDE <sup>b</sup>	IFAD10 targets
	2012	2013	2014	2015	2016	2017			
Gender equality	92	90	93	82	87	97	87	88	90
Innovation	80	86	98	88	87	90	93	88	90
Potential for scaling up	83	93	100	88	87	87	92	87	90
Environment and natural resource management	86	83	92	83	86	83	88	84	90
Overall rural poverty impact	84	93	96	79	76	93	86	82	90
Government performance	72	83	87	85	77	81	90	81	80
Effectiveness	84	93	96	73	73	87	84	78	90
Adaptation to climate change	-	67	94	72	80	80	84	77	50
Sustainability	72	86	89	64	67	77	78	69	85
Efficiency	68	79	79	76	57	71	77	68	80
<b>Average across indicators</b>	<b>80</b>	<b>85</b>	<b>92</b>	<b>79</b>	<b>78</b>	<b>85</b>	<b>86</b>	<b>80</b>	

<sup>a</sup> The cohort of PCRs included in the 2017 RIDE covers 2014-2016.

<sup>b</sup> The cohort of PCRs included in the 2018 RIDE covers 2015-2017.

27. **Regional variations in ratings.** There are large variations among the performance of projects implemented in different IFAD divisions. These variations reflect differences in country context, including countries with fragile situations, weak institutional frameworks and political instability, which can lead to problem projects and poor overall performance.<sup>4</sup>
28. APR achieved the best outcome ratings overall whereas WCA showed the weakest performance. This may be explained by the fact that WCA contains the most countries with fragile situations. The regional breakdown shows that APR met IFAD targets for performance on all indicators while East and Southern Africa met the targets for five indicators. The other regional divisions fell below IFAD targets on a range of indicators (e.g. WCA on efficiency and government performance; LAC on innovation; and the Near East, North Africa and Europe on gender equality and women's empowerment).
29. The decline in ratings in 2015 and 2016 can be tracked to the relatively high percentage of low-performing projects in LAC and WCA that closed in this period.<sup>5</sup> Indeed, for six of the nine outcome indicators (effectiveness, overall rural poverty impact, sustainability, environment and natural resources management, adaptation to climate change, government performance), LAC and WCA reported the highest average percentage of projects rated as moderately unsatisfactory or below between 2015 and 2016. In LAC, this can be partially explained by the relatively higher percentage of problem projects compared to the other regions. Poor performance in WCA can be explained by the high number of fragile situations in this region, which was exacerbated by the outbreak of Ebola in West Africa during 2014 and 2015, halting the implementation of several projects.
30. **Detecting and correcting weak performance.** The analysis shows that IFAD has been successful at early identification of problem projects. Of the projects rated in the unsatisfactory zone for overall project achievement at completion,

<sup>4</sup> As highlighted in the 2012 ARRI learning theme on understanding exceptional projects, country-level gross national income explains little about project performance, whereas less-favourable policy, institutional and governance contexts (as found in countries with fragile situations) are associated with more poorly performing projects and fewer well-performing projects than countries with more favourable contexts.

<sup>5</sup> The projects with low ratings that closed in this period include those implemented in Burkina Faso, Côte d'Ivoire, the Democratic Republic of the Congo, the Dominican Republic, Ghana, Panama and two projects in Haiti.



81 per cent had already been flagged as actual problem projects<sup>6</sup> during implementation through IFAD supervision.

31. Another significant finding relates to how identified problems are addressed and performance corrected. The data show that 43 per cent of all IFAD-financed projects were flagged as actual problem projects at least once during implementation. This underscores the challenging conditions in which many projects are implemented. However, of those flagged as actual problem projects at least once during implementation, 73 per cent were rated as moderately satisfactory or better at completion. This indicates that IFAD was able to assist the majority of its projects in improving performance and showing good results at completion despite challenges faced during implementation.
32. **Strengthening of results and self-evaluation architecture.** In 2015, IFAD significantly strengthened its quality assurance process for rating project performance at completion by instituting a more rigorous PCR review process. This new process might have led to disproportionately modest ratings when it was first instituted, but the ratings have now been calibrated.
33. Furthermore, as mentioned in the 2018 ARRI and evaluations by IOE, the quality of PRCs has significantly improved, with 90 per cent rated satisfactory or better.<sup>7</sup> This is also reflected in the increasing alignment of Management and IOE ratings: the average difference for the cohort of projects closing between 2014 and 2016 was -0.30. This is an improvement from the 2013-2015 period, when the difference was -0.42.<sup>8</sup>
34. **RMF level 3: Country-level development outputs delivered by IFAD-supported projects.** This year's output-level results were drawn from 170 ongoing IFAD-financed projects. Performance was mixed: results from three out of the 12 RMF level 3 indicators are already within IFAD10 targets (projects associated with rural financial services, microenterprise and policy, and institutions). Indeed, 16.14 million voluntary savers and 7.68 million active borrowers were reached, achieving IFAD10 targets. In addition, 91,250 enterprises accessed business promotion services (IFAD10 target range: 80,000-120,000) and 1.94 million people were trained in community management topics (IFAD10 target range between 1.6 million and 2.3 million).
35. IFAD is also close to achieving IFAD10 targets for an additional three indicators: number of people receiving services from IFAD-supported projects (97.9 million, with Bangladesh, Ethiopia, India and Nigeria as the countries with most people reached); common property resources under improved management practices (3 million hectares); and market facilities constructed or rehabilitated (2,700). However, IFAD is far from reaching the target for: indicators on land under irrigation schemes constructed or rehabilitated (57,500 hectares); and people trained in crop and livestock production practice and technologies. Detailed information on performance against all output indicators is provided in table 3 of annex I.
36. **RMF level 4: Operational effectiveness of IFAD-supported country programmes and projects.** This indicator measures progress towards operational effectiveness in country programmes and projects. Performance is measured on country programme implementation, project quality at entry, portfolio management and cofinancing. Performance at this level has been positive overall, with targets met for non-lending activities at the country programme level as well as for the quality of new project design as rated by the Quality Assurance function. Both the

<sup>6</sup> IFAD tracks both actual problem projects and potential problem projects. Only the former were included in this analysis. If potential problem projects had been included, the percentage would be even higher.

<sup>7</sup> From the 2018 ARRI analysis.

<sup>8</sup> The difference was calculated by comparing the average rating of IOE PCR validations (PCRVs) for projects closed between 2013 and 2015 and between 2014 and 2016 with the average ratings of the corresponding PCRs.

disbursement ratio and the time from approval to first disbursement improved. Only cofinancing showed a deterioration in performance.

37. **Country programme implementation.** For IFAD10, performance in country programme implementation was primarily assessed through a client survey.<sup>9</sup> Realizing the limitation of assessing performance on non-lending activities solely through a perception survey of clients and national partners, Management will also report through self-assessments of country programmes in IFAD11. In addition, the client survey is being redesigned to make it a more effective and robust measurement.
38. Notwithstanding these limitations, this year's results are very positive, with all four indicators well above the IFAD10 targets: contributing to increased incomes; adherence to the aid effectiveness agenda; policy dialogue; and partnership building. IFAD is currently updating its country strategic opportunities programme (COSOP) guidelines to assist teams in developing longer-term transition strategies for engagement with governments, leading to a more programmatic approach. Enhancing synergies between project-level engagement and national policy-level engagement is a priority for the Fund to improve country programme performance.
39. **Project quality at entry.** Ratings were above target for all indicators related to quality at entry of investment project design. A particular improvement could be seen in environment and climate change, which increased from 90 per cent to 98 per cent satisfactory ratings. This is a sign of the Fund's significant progress in mainstreaming this topic into the portfolio. However, quality of design in countries with fragile situations lagged behind the overall portfolio and decreased markedly from 96 per cent to 91 per cent of projects rated moderately satisfactory or better compared to the last RIDE. These data reinforce the need for a of the special programme for countries with fragile situations for enhancing performance.
40. **Portfolio management.** IFAD is increasing its operational effectiveness as evidenced by the record disbursement in 2017 of almost US\$1 billion across all financing sources.<sup>10</sup> This record disbursement amount was sustained by a reduced time span between project approval and first disbursement from 16.8 months to 16.3 months<sup>11</sup> – an increase in the disbursement ratio from 12.8 per cent to 13.1 per cent using the methodology outlined in the IFAD10 Replenishment Consultation Report. Applying a methodology for calculating the disbursement ratio that is aligned with that of other international financial institutions (and will be used during IFAD11), the disbursement ratio is 19.1 per cent.
41. IFAD's improved disbursement is a result of increased attention by Management, which was crystalized in an in-depth study of disbursement issues during 2016. Following this study, a disbursement action plan was developed to address the challenges revealed in the study, including enhancements in corporate information technology systems to track project performance and reviews of policies related to financial management and project procurement.
42. The disbursement ratio in countries with fragile situations dropped from 12.8 per cent to 10.5 per cent over the past year. This decrease resulted from several situations in which project performance was hampered due to external circumstances, including in the Middle East. Management is cognizant of the challenges related to project design and implementation in countries with fragile

<sup>9</sup> In 2018, 37 countries were invited to participate, and 35 out of them returned eligible responses. For the client survey to be valid, the country had to solicit at least 20 responses and achieve a response rate of at least 40 per cent. The countries where the client survey was administered in 2018 were the same as those in 2016, and the results are therefore comparable.

<sup>10</sup> This includes funds from IFAD loans and grants, the Spanish Trust Fund, the Adaptation for Smallholder Agriculture Programme and other supplementary funds.

<sup>11</sup> Management aims to further reduce the time from approval to first disbursement by introducing the Faster Implementation Project Start-up (FIPS) instrument.

situations and is developing the Special Programme for Countries with Fragile Situations, which will be launched by the second quarter of 2019.

43. Cofinancing for the 2015-2017 reporting period totalled US\$3.6 billion, of which 60 per cent was domestic and 40 per cent international. The cofinancing ratio dropped over the past year from 1.2 and now sits at 1.0 for the reporting period. This means that for every United States dollar invested by IFAD, another dollar has been leveraged in domestic and international cofinancing. The overall decrease in cofinancing over the past few years is mainly due to a drop in international cofinancing; domestic cofinancing has decreased only slightly. Several country portfolios have registered a decline in cofinancing since last year's RIDE, including China, Indonesia and Sudan. IFAD therefore fell short of the 1.2 target for IFAD10 and the ambitious IFAD11 target of 1.4 looks even more challenging.
44. A breakdown of the current cofinancing ratio by income group shows that middle-income countries drive resource mobilization, especially when it comes to domestic resources. The domestic cofinancing ratio was highest in upper-middle-income countries and the lowest in low-income countries. With regard to the international cofinancing ratio, this pattern was reversed, with the highest international ratio recorded in low-income countries and the lowest in upper middle-income countries.<sup>12</sup> Looking at regional trends, the APR and LAC areas recorded the highest overall cofinancing ratios over the past 36 months, while the highest domestic cofinancing was recorded in LAC.
45. Disaggregated cofinancing figures for country groups and regions can be found in annex I. More information on private-sector engagement and contributions can be found in the box below.

**Box: Private sector engagement and contributions.**

Partnership with the private sector is critical for mobilizing additional financial resources to meet investment needs related to the SDGs. In recent years, IFAD's engagement with private companies has been steadily increasing, especially in pro-poor value chain development. There are many examples of successful experiences, including the following:

- The Partnering for Value programme has been piloting public-private-producer-partnership (4Ps) brokerage mechanisms within IFAD-funded value chain projects with governments. The three-year programme (February 2015 to January 2018), implemented by the Netherlands Development Organization in El Salvador, Mozambique, Senegal, Uganda and Viet Nam led IFAD to identify a number of factors influencing 4Ps and provided important lessons on involving the private sector with smallholder farmers and their organizations.
- A joint declaration of intent recently was signed by IFAD and the company Ant Financial for joint work towards the economic development of rural areas in China and other developing countries. This is the first step in the formalization of a partnership forged in the context of an IFAD-funded project in China, but with potential for a global reach.

46. Regarding South-South and Triangular Cooperation, the China-IFAD South-South and Triangular Cooperation Facility was launched in February 2018 and has recently announced its first call for proposals. This will be an important building block in IFAD's quest to facilitate the sharing of technologies and knowledge among developing countries.

<sup>12</sup> These trends were confirmed by a rigorous econometric analysis undertaken by Management in preparation for the upcoming cofinancing strategy using 20-year historical data on project financing.

47. **RMF level 5: IFAD's institutional effectiveness and efficiency.** This indicator measures the Fund's progress against targets on institutional effectiveness and efficiency.
48. Compared to last year's RIDE, all efficiency indicators have improved. These improvements are mainly due to IFAD's record disbursement in 2017 of almost US\$1 billion across all financing instruments and the delivery of US\$1.3 billion in loans and grants. This comprised a 60 per cent increase over the 2016 PoLG while the Fund's administrative budget saw only a slight increase over past years.
49. IFAD is also accelerating its decentralization (indicator 5.3.2), with 47 per cent of budgeted staff positions in regional divisions now located in ICOs. This is an increase from 2016 and above the target of 45 per cent. The increase reflects new full-time equivalent positions in ICOs as a result of implementing the 2017 Strategic Workforce Plan for Regional Divisions.
50. The percentage of women in P-5 posts and above has increased from 25 per cent, as reported in the 2016 RIDE, to 28 per cent, although it still falls short of the 35 per cent target. The increase was facilitated by the development of IFAD's Gender Action Plan in 2017, which comprises 20 initiatives towards the achievement of gender parity. Examples include outreach initiatives to attract women candidates, short-list requirements, management of talent and careers, training and educational programmes, and supporting a work-life balance.

#### **IV. In focus: Climate change mainstreaming**

51. This year's "in focus" section provides an overview of IFAD's climate change mainstreaming initiatives during IFAD9 and IFAD10, and describes how IFAD11 will build on these foundations. The full text can be found in annex III.

#### **V. Ways forward to improve performance**

52. IFAD delivered impressive results in 2017 in terms of its PoLG and volume of disbursements. However, there is room for improvement in transforming these into development results, particularly in light of structural issues that constrain performance. While recognizing the complex nature of the rural settings where IFAD operates (including geographic remoteness and dispersion of the poorest rural communities), Management is aware of the need to go beyond business as usual in order to optimize its contribution to the 2030 Agenda and meet the SDGs.
53. Through a series of inter-linked efforts, including the Operational Excellence for Results (OpEx) exercise, strengthened IFAD11 business model priorities, the Development Effectiveness Framework and commitments to IFAD11, it is expected that performance will significantly improve in the medium to long term.
54. In the short to medium term, there are certain areas that require immediate and targeted attention. Management would like to highlight five concrete actions being undertaken to push IFAD's performance beyond moderately satisfactory.
55. First, through the OpEx exercise, IFAD has doubled its decentralization efforts and is currently meeting its target for the number of positions located in country offices. A number of IOE recommendations have also pointed to the need for closer proximity to borrowing countries in order to provide closer operational support. With more technical and operational staff based in sub-regional hubs and country offices, it is expected that performance on non-lending activities will improve.
56. Second, to improve the efficiency of its operations, IFAD is revising the project design process to shorten time lags and improve design quality. The newly introduced process supports the development of context-specific, implementable projects that will be more likely to achieve development results. In addition, the Faster Implementation of Project Start-up (FIPS) instrument is being developed and will be launched later in 2018. This instrument will address capacity constraints

to shorten the gap between approval and first disbursement, leading to quicker project initiation and more efficient delivery.

57. Third, the Special Programme for Countries with Fragile Situations will be launched in 2019, providing intellectual leadership, expertise, operational support and quality assurance for IFAD's engagement in fragile situations. The introduction of this programme is particularly timely since Management has also committed to allocate a greater share of core resources (between 25 per cent and 30 per cent) to countries with most fragile situations during IFAD11.
58. Fourth, IFAD's evolving business model is increasingly focused on strengthening partnerships at the country level and beyond. Forming more effective partnerships with governments and international partners can lead to much greater development impact. To achieve IFAD's objective of becoming an assembler of development financing, management is drafting a cofinancing strategy along with a cofinancing action plan for approval as part of the transition framework. This strategy will outline: regional cofinancing targets; innovative strategies to attract cofinancing; and a more rigorous methodology for calculating private-sector and in-kind contributions to cofinancing.
59. Fifth, improved results management lies at the heart of evidenced-based decision-making and timely corrective action. A lack of high-quality and timely data at the project level is often an underlying cause of weak performance, as repeatedly highlighted in IOE evaluations. Management has rolled out an Operational Results Management System to facilitate supervision and ensure that mid-course corrections can be made in an efficient and effective manner during project implementation. At the country level, IFAD has pioneered two interlinked initiatives to strengthen capacities in results-based management: a self-assessment tool to assess monitoring and evaluation capacity gaps in countries and develop action plans to fill those gaps (AVANTI); and a training and certification programme for project staff (PRiME) in monitoring and evaluating rural development.
60. In conclusion, while challenges remain, IFAD is on the move and has performed well over the past year and is committed to further improve its performance even further, going beyond moderately satisfactory and contributing in new ways to achieving Agenda 2030.

## Results against the indicators and targets in the Tenth Replenishment of IFAD's Resources (IFAD10) Results Measurement Framework

Table 1  
RMF level 1 – Global poverty, food security and agricultural investment outcomes

<i>Indicators</i>	<i>Source</i>	<i>Baseline year<sup>b</sup></i>	<i>Results</i>
<b>1.1 Global poverty and food security outcomes</b>			
1.1.1 Proportion of population below the international poverty line of US\$1.90 a day	UNSD <sup>a</sup>	28.0 (1999)	10.9 (2013)
1.1.2 Prevalence of undernourishment in population	UNSD <sup>a</sup>	n/a	11 (2016)
1.1.3 Prevalence of (moderate and severe) food insecurity	UNSD <sup>a</sup>	n/a	23.9 (2015)
1.1.4 Prevalence of stunting among children under five years of age	UNSD <sup>a</sup>	n/a	22.2 (2017)
<b>1.2 Global agricultural investment outcomes</b>			
1.2.1 Total official flows to the agriculture sector (billions of United States dollars)	UNSD <sup>a</sup>	n/a	12.5 (2016)
1.2.2 Government expenditure on agriculture (index)	UNSD <sup>a</sup>	n/a	0.23 (2016)

<sup>a</sup> 2018 Report of the Secretary General on Progress Towards the Sustainable Development Goals (E/2018/64), 10 May 2018.

<sup>b</sup> Baseline years and corresponding data for indicators are still being defined with the assistance of the United Nations Statistical Commission.

Table 2  
**RMF level 2 – Country-level development outcomes and impact delivered by IFAD-supported projects**

<i>Indicators</i>	<i>Source</i>	<i>Baseline 2011-2013</i>	<i>2014-2016<sup>a</sup></i>	<i>2015-2017<sup>b</sup></i>	<i>IFAD10 target 2018</i>
<b>2.1 Impact indicators</b>					
2.1.1 Number of people experiencing economic mobility (million)	IIA	n/a	n/a	n/a	40
2.1.2 Number of people with improved production (million)	IIA	n/a	n/a	n/a	43
2.1.3 Number of people with improved market access (million)	IIA	n/a	n/a	n/a	42
2.1.4 Number of people with greater resilience (million)	IIA	n/a	n/a	n/a	22
<b>2.2 Outcome indicators (percentage of projects rated moderately satisfactory or better) at completion</b>					
2.2.1 Effectiveness	PCR	88	84	<b>78</b>	90
<i>Fragile only</i>	PCR	-	68	<b>59</b>	-
IOE Rating <sup>c</sup>	PCR/PPE	75	76	<b>n/a</b>	
2.2.2 Efficiency	PCR	76	77	<b>68</b>	80
<i>Fragile only</i>	PCR	-	74	<b>59</b>	-
IOE Rating <sup>c</sup>	PCR/PPE	57	53	<b>n/a</b>	
2.2.3 Rural poverty impact	PCR	88	86	<b>82</b>	90
<i>Fragile only</i>	PCR	-	79	<b>73</b>	-
IOE Rating <sup>c</sup>	PCR/PPE	86	81	<b>n/a</b>	
2.2.4 Gender equality	PCR	93	87	<b>88</b>	90
IOE Rating <sup>c</sup>	PCR/PPE	80	77	<b>n/a</b>	
2.2.5 Sustainability of benefits	PCR	81	78	<b>69</b>	85
<i>Fragile only</i>	PCR	-	63	<b>55</b>	-
IOE Rating <sup>c</sup>	PCR/PPE	65	61	<b>n/a</b>	
2.2.6 Innovation and scaling up	PCR	91	92	<b>88</b>	90
• <i>Innovation only</i>	PCR	-	93	<b>88</b>	-
IOE Rating <sup>c</sup>	PCR/PPE	79	86	<b>n/a</b>	
• <i>Scaling up only</i>	PCR	-	92	<b>87</b>	-
IOE Rating <sup>c</sup>	PCR/PPE	79	84	<b>n/a</b>	
2.2.7 Environment and natural resource management	PCR	86	88	<b>84</b>	90
IOE Rating <sup>c</sup>	PCR/PPE	73	85	<b>n/a</b>	
2.2.8 Support for smallholder adaptation to climate change	PCR	n/a	84	<b>77</b>	50
IOE Rating <sup>c</sup>	PCR/PPE	n/a	81	<b>n/a</b>	
2.2.9 Government performance	PCR	78	90	<b>81</b>	80
IOE Rating <sup>c</sup>	PCR/PPE	66	72	<b>n/a</b>	

Note: IIA – IFAD Impact Assessment; PCR – project completion report; IOE – Independent Office of Evaluation of IFAD; PCR/V – project completion report validation; PPE – project performance evaluation.

<sup>a</sup> These results were reported in the 2017 RIDE.

<sup>b</sup> PCR results are presented in a three-year aggregate to account for year-to-year dynamics more accurately.

<sup>c</sup> Source: IOE evaluation database, May 2018.

Table 3  
**RMF level 3 – Country-level development outputs delivered by IFAD-supported projects**

<i>Indicators</i>	<i>Source</i>	<i>Baseline 2013</i>	<i>2016<sup>a</sup></i>	<i>2017<sup>b</sup></i>	<i>IFAD10 projection ranges 2018</i>
<b>3.1 Overall outreach</b>					
3.1.1 People receiving services from IFAD-supported projects (million; male:female ratio)	RIMS	98.6 (52:48)	97.04 (50:50)	<b>97.93 (50:50)</b>	110-130
<b>3.2 Natural resource management</b>					
3.2.1 Land under improved management practices (million hectares [ha])	RIMS	4.1	3.01	<b>3.02</b>	3.3-5.0
3.2.2 Land under irrigation schemes (ha)	RIMS	277 000	57 021	<b>57 517</b>	240 000-350 000
<b>3.3 Agricultural technologies</b>					
3.3.1 People trained in crop and livestock production practices/technologies (million; male:female ratio)	RIMS	6.4 (53:47)	2.51 (47:53)	<b>2.56 (47:53)</b>	5.5-7.7
<b>3.4 Rural financial services</b>					
3.4.1 Voluntary savers (million; male:female ratio)	RIMS	19.1 (28:72)	16.13 (39:61)	<b>16.14 (39:61)</b>	14-21
3.4.2 Active borrowers (million; male:female ratio)	RIMS	6.2 (40:60)	7.68 (35:65)	<b>7.68 (35:65)</b>	5.0-7.5
<b>3.5 Marketing</b>					
3.5.1 Roads constructed/rehabilitated (km)	RIMS	20 120	13 690	<b>13 930</b>	18 000-24 000
3.5.2 Processing facilities constructed/rehabilitated	RIMS	9 391	5 191	<b>5 191</b>	7 500-11 300
3.5.3 Marketing facilities constructed/rehabilitated	RIMS	3 252	2 672	<b>2 709</b>	3 000-5 000
<b>3.6 Microenterprise</b>					
3.6.1 Enterprises accessing business promotion services	RIMS	88 000	91 249	<b>91 250</b>	80 000-120 000
<b>3.7 Policies and institutions</b>					
3.7.1 People trained in community management topics (million; male:female ratio)	RIMS	1.8 (24:76)	1.93 (23:77)	<b>1.94 (24:76)</b>	1.6-2.3
<b>3.8 Climate change adaptation</b>					
3.8.1 Poor smallholder household members supported in coping with the effects of climate change (million)	RIMS	2.3	1.50	<b>1.51</b>	8-15

<sup>a</sup> Results reported in the RIDE 2017. Results are at year-end 2016.

<sup>b</sup> Results for the RIDE 2018. Results are at year-end 2017.



Table 4  
**RMF level 4 – Operational effectiveness of IFAD-supported country programmes and projects**

Indicators	Source	Baseline	2015 <sup>a</sup>	2016 <sup>b</sup>	2017	IFAD10
		2013-2014				target 2018
<b>4.1 Percentage of country programmes rated 4 or better during implementation for:</b>						
4.1.1 Contribution to increased incomes, improved food security and empowerment of poor rural women and men	Client survey	89	97	100	<b>100</b>	90
4.1.2 Adherence to the aid effectiveness agenda	Client survey	89	100	100	<b>100</b>	100
4.1.3 Engagement in national policy dialogue	Client survey	81	95	100	<b>97</b>	85
4.1.4 Partnership-building	Client survey	92	97	100	<b>94</b>	90
<b>4.2 Percentage of projects rated 4 or better at entry<sup>c</sup></b>						
4.2.1 Overall rating for quality of design	QA	91	91	93	<b>97</b>	90
4.2.2 Overall rating for quality of design (fragile situations only)	QA	83	90	96	<b>91</b>	85
4.2.3 Gender	QA	81	89	97	<b>97</b>	90
4.2.4 Monitoring and evaluation	QA	88	88	88	<b>92</b>	90
4.2.5 Scaling up	QA	83	92	95	<b>92</b>	85
4.2.6 Environment and climate change	QA	n/a	n/a	90	<b>98</b>	80
4.2.7 Loan-financed projects have a verifiable economic analysis	QA	n/a	n/a	100	<b>100</b>	100
<b>4.3 Portfolio management</b>						
4.3.1 Time from project approval to first disbursement (months) <sup>d</sup>	GRIPS	17	17	16.8	<b>16.3</b>	14
4.3.2 Percentage disbursement ratio (overall portfolio) <sup>e</sup>	Flexcube	15.8	13	12.8	<b>13.1</b>	15
4.3.3 Percentage disbursement ratio (fragile situations)	Flexcube	15.3	12	12.8	<b>10.5</b>	14
4.3.4 Gender focus in implementation	PSR/GRIPS	89	91	93	<b>93</b>	90
4.3.5 Percentage of projects rated moderately satisfactory or better with acceptable disbursement rate (against approved annual workplan and budget)	PSR	55	n/a	46	<b>44</b>	65
4.3.6 Percentage of grants rated moderately satisfactory for overall implementation progress	GSR	92	n/a	91	<b>92</b>	80
<b>4.4 Cofinancing</b>						
4.4.1 Cofinancing ratio (overall portfolio)	GRIPS	1.27	1.39	1.27	<b>1.01</b>	1.20
<b>INCOME GROUP</b>						
Upper-middle-income countries	GRIPS	-	-	1.47	1.16	-
Lower-middle-income countries	GRIPS	-	-	1.63	1.23	-
Low-income countries	GRIPS	-	-	0.60	0.58	-
<b>REGION</b>						
APR	GRIPS	-	-	-	1.51	-
ESA	GRIPS	-	-	-	0.58	-
LAC	GRIPS	-	-	-	1.12	-
NEN	GRIPS	-	-	-	0.71	-
WCA	GRIPS	-	-	-	0.77	-

Note: QA – quality assurance; GRIPS - Grants and Investment Projects System; PSR – project status report; GSR – grant status report.

<sup>a</sup> These results were reported in the 2016 RIDE.

<sup>b</sup> These results were reported in the 2017 RIDE.

<sup>c</sup> Quality at entry ratings are aggregated over 24 months (1 January 2016 – 31 December 2017).

<sup>d</sup> Average of projects exhibiting their first disbursement in the last 36 months (1 January 2015 – 31 December 2017).

<sup>e</sup> The disbursement ratio is presented according to the methodology agreed as part of the IFAD10 Replenishment. For IFAD11 a new methodology aligned to other IFIs has been agreed for calculating the disbursement ratio. Using the new methodology, the disbursement ratio sits at 19.1 per cent.

Table 5  
**RMF level 5 – IFAD’s institutional effectiveness and efficiency**

<i>Indicators</i>	<i>Source</i>	<i>Baseline 2014</i>	<i>2015<sup>a</sup></i>	<i>2016<sup>b</sup></i>	<i>2017</i>	<i>IFAD10 target 2018</i>
<b>5.1 Improved resource mobilization and management</b>						
5.1.1 Percentage of IFAD10 pledges over replenishment target	Corporate databases	95	95	83	<b>81</b>	100
<b>5.2 Improved human resources management</b>						
5.2.1 Staff engagement index: percentage of staff positively engaged in IFAD objectives	Global staff survey	76	74	76	<b>76</b>	75
5.2.2 Percentage of workforce from Lists B and C Member States	Corporate databases	40	42	42	<b>43</b>	Tracked
5.2.3 Percentage of women in P-5 posts and above	Corporate databases	29	26	25	<b>28</b>	35
5.2.4 Time to fill professional vacancies (days)	Corporate databases	109	84	91	<b>90</b>	100
<b>5.3 Improved administrative efficiency</b>						
5.3.1 Share of budget allocations to:						
Cluster 1	Corporate databases	n/a	60.6	n/a	n/a	Tracked
Cluster 2	Corporate databases	n/a	8.7	n/a	n/a	Tracked
Cluster 3	Corporate databases	n/a	25.3	n/a	n/a	Tracked
Cluster 4	Corporate databases	n/a	5.4	n/a	n/a	Tracked
5.3.2 Ratio of budgeted staff positions in ICOs	Corporate databases	42.7	45.5	43	<b>47</b>	45
5.3.3 Loan and grant commitments in US\$ per US\$1 of administrative expenditure <sup>c</sup>	Corporate databases	7.9 (2011-2013)	n/a	7.7	<b>8.6</b>	8.2
5.3.4 Loan and grant commitments and project cofinancing in US\$ per US\$1 of administrative expenditure <sup>c</sup>	Corporate databases	14.9 (2011-2013)	n/a	15.3	<b>16.7</b>	15.2
5.3.5 Disbursements in US\$ per US\$1 of administrative expenditure <sup>c</sup>	Corporate databases	5.1 (2011-2013)	5.3 <sup>d</sup>	5.5	<b>5.9</b>	5.5

<sup>a</sup> These results were reported in the 2016 RIDE.

<sup>b</sup> These results were reported in the 2017 RIDE.

<sup>c</sup> The ratio is calculated based on a 36-months average (2015-2017).

<sup>d</sup> In the IFAD9 RMF, the corresponding indicator was defined as “Ratio of actual expenditures (including expenditure financed by management fees) to annual disbursements”, which in 2015 stood at 19. To ensure comparability across years, it has been recalculated according to the current formula.

## Methodology and Process

1. **Methodology.** The data underpinning the RIDE is drawn from IFAD's self-evaluation system, which includes the use of internationally recognized evaluation criteria (e.g. project effectiveness, efficiency and sustainability), and specific indicators to assess IFAD's country-level development outputs (e.g. overall outreach, roads constructed/rehabilitated), non-lending activities (policy dialogue and partnership-building), portfolio management, quality at entry, human resources management and administrative efficiency.
2. Multiple sources inform the findings of the report including evaluation ratings from project completion reports (PCRs), client surveys, IFAD's new Core Indicators and the ex ante quality assurance system, as well as various corporate databases. In terms of data sets, taking into account availability of data for the indicators in the five levels of the Results Management Framework (RMF), the 2018 RIDE analyses and reports on performance up to the end of 2017. This allows the report to provide a more current account of IFAD's performance.
3. With regards to project level outcomes, the disconnect between Management's project completion report (PCR) ratings and IOE's project completion report validation (PCRv) ratings, has been calculated by comparing the average rating of the Independent Office of Evaluation of IFAD's (IOE) available PCRvs for projects closed in the 2014-2016 period with the average of corresponding PCRs. The disconnect is presented in section III of the main report.
4. With regards to output measurement at the corporate level (RMF level 3), fluctuating yearly performance is due to a sample-related issue: new ongoing projects enter the sample and projects completed exit the sample every year. Given the demand-driven nature of IFAD-financed projects, establishing targets presents a number of challenges, as the focus areas of the projects approved depend on country-specific demands.
5. **Process.** Over the past years Management has strengthened the quality assurance process for the production of the RIDE and thereby improving its analytic underpinning. This process includes an internal peer review of the draft document with technical staff, as well as a review at the Management level. These discussions have generated valuable feedback that has been carefully considered in preparing the final document. Moreover, a thorough review was undertaken to analyse the comments of IFAD's governing bodies and IOE on last year's RIDE, to ensure their concerns are duly addressed.
6. **Limitations.** Management has identified three limitations in the production of the RIDE. First, the availability of information and quality of data for certain indicators might not provide a sufficiently robust account of performance. This limitation applies, for example, to the performance of non-lending activities, which is reported solely based on feedback from IFAD client surveys. This limitation will be addressed in the Eleventh Replenishment of IFAD's Resources (IFAD11) through improvements currently being introduced in the methodology and process for conducting client surveys and the development of a more robust methodology for assessing the results of IFAD's non-lending activities including through country strategic opportunities programme (COSOP) completion reviews.
7. Second, it should be noted that the entry-exit dynamics of projects have an effect on results reported in the RIDE each year. Thus, comparing results from one RIDE to the next should be done with caution, keeping in mind the different project cohorts being reviewed. Likewise, the closure of certain large projects had a significant impact on the results of selected indicators in RMF level 3.
8. Third, the word limit on the main RIDE document does not allow for a more comprehensive treatment of lessons learned and discussion on the proximate

causes of performance. However, in order to ensure wider institutional learning around the RIDE, as previously mentioned, a series of in-house reviews have been conducted, also with the aim of sharing the main findings from the RIDE and determining any follow-up actions necessary. Moreover, a number of annexes have been included in the document to provide additional insight on different topics.

## In focus: Climate change mainstreaming in IFAD operations

1. The purpose of this chapter is to provide an overview of IFAD's climate change mainstreaming initiatives during the Ninth Replenishment of IFAD's Resources (IFAD9) and IFAD10 and to outline how IFAD11 will build on those foundations.
2. **The importance of mainstreaming climate change in order for IFAD to deliver on its mandate:** Climate change is a major cross-cutting theme on the international development agenda. It cannot be addressed in isolation from overall development and country contexts. Climate change is not only directly related to one of the specific targets of Sustainable Development Goal 13 of the 2030 Agenda – which calls upon the international community to “take urgent action to combat climate change and its impacts” – but is also directly related to worldwide actions aimed at achieving other Sustainable Development Goals (SDGs). As the adverse effects of climate change have become the object of growing attention and concern, climate change has increasingly been integrated into policymaking and development programming processes, including those linked to economic growth, agricultural production and food security. IFAD is taking a leading role in helping its clients to cope with climate change, to raise global and national awareness of climate change issues and to build the capacity needed to confront them.
3. In recent years, IFAD has built upon its extensive experience in environmental and natural resource management in rural areas. The climate change mainstreaming agenda has been progressively shaped by the IFAD Climate Change Strategy (2010) (currently under revision), its Environment and Natural Resource Management Policy (2011) (currently under revision), the IFAD10 programme of work (2014), the report entitled “Climate Mainstreaming in IFAD-funded Programmes” and its revised version (2016), the report entitled “IFAD's Social, Environmental and Climate Assessment Procedures: Managing Risks to Create Opportunities” (SECAP, 2015) and its revised version (2018), and evolving agreements between IFAD and multilateral environment and climate change funds. This effort is highlighted in IFAD's Strategic Framework 2016-2025, one of whose strategic objectives is to “strengthen the environmental sustainability and climate resilience of poor rural people's economic activities”.
4. For IFAD, climate change mainstreaming entails integrating the consideration of climate-related risks and opportunities into its investments as a way of increasing the capacity of its clients to address climate change. Through the establishment of an institutional mindset and the deployment of IFAD's expertise, tools and processes, climate change mainstreaming can increase the effectiveness of development investments and add value to them. During the last two replenishment cycles, IFAD has been doing this in the following ways:
  - (i) **Strengthen the analysis of climate-related risks, vulnerabilities and opportunities:** Since 2015, all IFAD investments and COSOPs have undergone a more detailed screening for climate risks based on the application of its Social, Environmental and Climate Assessment Procedures (SECAP). Using tools such as earth observation and geographic information systems, the corresponding designs have supported IFAD's project appraisals and thus contributed to an understanding of how risks are evolving. Currently, the Fund is in the process of institutionalizing and systematizing a climate change adaptation framework.
  - (ii) **More innovative approaches to climate risk management in agricultural investment programmes:** In line with the agreement on agriculture reached at the Twenty-third session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (the

Koronivia Decision), IFAD is actively engaged in supporting countries' efforts to develop and implement new strategies for adaptation and mitigation within the agricultural sector in order both to reduce emissions and to build resilience to the effects of climate change.

- (iii) **Scaling up of sustainable farming, land and water management techniques:** Climate change mainstreaming raises awareness of landscape-level agriculture and encourages the scaling up of sustainable forms of natural resource management. This, in turn, enhances climate change resilience and promotes sustainable development pathways.
5. IFAD witnessed significant advances in climate change mainstreaming over the course of IFAD9 (2013-2015) and IFAD10 (2015-2018) thanks, in large part, to the operationalization of the first phase of the Adaptation for Smallholder Agriculture Programme (ASAP). More than US\$305 million in bilateral climate finance was mobilized and used for the integration of urgently needed adaptation actions in 41 vulnerable countries; in parallel with this, climate change issues were mainstreamed into a number of IFAD's in-house processes and practices.
  6. During IFAD10, the Fund entered into a decisive transition towards full climate change mainstreaming in its country strategies and project portfolios. It also established a 10-point plan for enhancing climate resilience and environmental sustainability across all IFAD country strategies and investments.<sup>13</sup>
  7. **Progress made:** Workstreams designed to enhance performance in the implementation of the 10-point plan were initiated and are being monitored. The enhancements include:
    - The integration of climate change issues into IFAD's SECAP. In IFAD10, 100 per cent of project designs were screened for climate risk through the systematic application of SECAP procedures. Every new investment project receives a climate change risk rating and commensurate technical support. This key achievement has supported IFAD in its corporate commitment to mainstream climate change into 100 per cent of the portfolio by 2018;
    - The inclusion of a climate vulnerability index in the performance-based allocation system formula;<sup>14</sup>
    - Increased technical support through the integration of climate change in guidelines for COSOPs, project design templates and project completion reports and the integration of climate change adaptation indicators into the new core indicators system and into the Operational Results Management System;
    - Enhanced IFAD in-house training on climate integration through specific SECAP seminars, climate change training and the inclusion of this topic in IFAD's corporate training calendar for the Operations Academy;
    - Expanded communication and knowledge-sharing and lessons learned from IFAD's climate-related work through a comprehensive set of actions (i.e. the *Advantage* series of reports that integrate climate issues with IFAD's other mainstreaming areas, campaigns, the *Recipes for Change* video series, side events, exhibitions, donor and media events, the ASAP knowledge portal and specific products on the IFAD web portal);
    - IFAD has expanded its use of environmental and climate cofinancing resources. Approximately US\$500 million has been mobilized for 62 countries, mostly through the ASAP, Global Environment Facility (GEF), Least Developed Countries Fund, Special Climate Change Fund and

<sup>13</sup> IFAD10 programme of work (2014) – paragraph 38, 10-point plan for climate mainstreaming. See <https://webapps.ifad.org/members/repl/10/2/docs/IFAD10-2-R-4.pdf>.

<sup>14</sup> November 2016. EB 2016/119/R.5. Approach to the review of the performance-based allocation system.

Adaptation Fund. This has leveraged IFAD financing of approximately US\$2.5 billion from IFAD investments, which makes IFAD one of the largest recipients of smallholder agriculture adaptation resources;

- IFAD has expanded its role in managing climate finance. It is currently piloting the use of the multilateral development bank methodology for tracking climate-related finance. As part of the IFAD11 commitments, this methodology will be used to help the Fund to build trust and accountability in the tracking of climate finance commitments and the monitoring of trends and progress in climate-related investments.

#### Box 1

##### The importance of climate mainstreaming in regional portfolios

In the Asia and the Pacific region, six ASAP-funded projects totalling US\$67 million, building upon US\$212 million in cofinancing, have fuelled most of IFAD's climate-related and environmental work in the region. In addition, IFAD has mobilized US\$18 million, with US\$27 million in cofinancing, from two ongoing GEF projects which are expected to disburse significant additional funds. Rural communities have benefited from climate-resilient infrastructure, irrigation, flash flood early warning systems, integrated watershed planning and renewable energy sources. Additionally, special attention and efforts have been devoted to building a subregional programme for sustainable peatland and haze management in cooperation with the Association of Southeast Asian Nations with US\$120 million in funding (including cofinancing). This programme is expected to mobilize US\$1.5 billion by means of a 10-year investment framework.

The East and Southern Africa region has attracted climate finance investments amounting to US\$105 million through 16 projects in 13 countries as at 2018, building on approximately US\$595 million in IFAD cofinancing. Adaptation and resilience strategies have been the focus of these efforts. These projects have provided capacity-building assistance in communities that are vulnerable to climate change and support for the enhancement of climate-resilient smallholder agricultural practices through improvements in productivity, post-production management practices and market linkages for targeted value chains.

In the Latin America and the Caribbean region, climate finance is of increasing significance, as it represents one of the main sources of concessional development financing provided by IFAD. As at 2018, the region has eight climate change projects with specific climate financing (ASAP and GEF) totalling US\$48.8 million in the Plurinational State of Bolivia, Ecuador, El Salvador, Honduras, Nicaragua, Paraguay and Peru, with cofinancing of US\$102 million from IFAD investments. The main focus of these projects has been on increasing rural families' resilience to climate change through the implementation of adaptation strategies. These strategies have dealt with the promotion of sustainable land use systems, biodiversity and water conservation, climate-resilient agricultural production chains, technical support and climate risk management based on suitable information systems and market access. The region is progressively incorporating climate change mitigation strategies and promoting reductions in greenhouse gas emissions. The portfolio is increasingly focused on the most vulnerable populations within given communities, such as indigenous groups, women and youth.

In the Near East, North Africa and Europe region, IFAD's portfolio of environmental and climate-related funding has reached a value of US\$110 million, divided among 20 projects in 14 countries as at 2018, building upon approximately US\$320 million in IFAD cofinancing. The portfolio in the region has grown steadily, with project designs focused on facilitating innovation in order to buffer long-term risks, capacity-building, promoting knowledge management and supporting the collective management of public resources and government commitments.

In the West and Central Africa region, as at 2018, climate-related finance has reached US\$114 million, divided among 16 projects in 12 countries, building upon more than US\$310 million in IFAD cofinancing. These projects have been aimed at improving land management and climate-resilient agricultural practices and technologies, increasing the availability of water and the efficiency of water use in smallholder agriculture, enhancing human capacity for the management of climate risks and making rural infrastructure more climate-resilient.

8. **Challenges:** In recent years, IFAD has faced a number of challenges while developing and implementing initiatives and actions related to climate change. Climate-related finance is an increasingly complex, less predictable and more competitive field. For IFAD, fully blended operations are preferable, but they are not always feasible when working with external sources of climate-related finance. In dealing with these challenges, lessons have been learned that have led to the planning of alternative approaches for different contexts. These approaches have, for example, focused on strengthening partnerships to build synergies, the intensification of technical and operational support, the use of ASAP2 funds for compiling evidence on successful approaches and enhancing the sharing of key operation tools (e.g. earth observation and mapping systems).
9. **Moving forward:** For the new replenishment cycle, IFAD has committed to ensuring that 25 per cent of its programme of loans and grants is climate-focused; the fulfilment of this commitment will be measured using the multilateral

development bank methodology for tracking climate change finance. This will enable IFAD to share its climate change mainstreaming results more effectively with its country clients, donors, Board members and other stakeholders. This exercise will also allow IFAD to promote more transparency and accountability in the assessment of the results of climate-related investments, thereby facilitating the mobilization of new resources.

10. IFAD has undertaken a detailed analysis of recipient countries' agriculture-related adaptation commitments with a view to the fulfilment of their nationally determined contributions under the Paris Agreement and is undertaking a similar analysis of mitigation commitments. During IFAD11, all country strategies (COSOPs and country strategy notes) will include such an analysis in order to better inform IFAD's interventions and to facilitate the tracking of IFAD support for the implementation of these commitments. In addition, the second phase of ASAP (ASAP2) will continue to support climate change mainstreaming in IFAD's portfolio and beyond by, among other actions, seeking to foster greater complementarity between environmental mitigation activities (alternative energy sources, carbon sequestration, etc.) and gender and nutrition outcomes.
11. A new environment and climate change strategy and action plan will be prepared by the end of 2018. It will ensure that environmental sustainability and climate change adaptation and mitigation activities are aligned with all current international commitments and best practices. The new replenishment cycle will maintain the operationalization of the climate change mainstreaming agenda as part of the transformative approaches now being undertaken, thereby contributing to efforts to meet the overarching SDG goal of "no one left behind". In collaboration with its client governments and relevant partners, IFAD will continue to strengthen and systematize its methodologies for climate change mainstreaming, knowledge management and the collection of robust evidence to guide future programming work. These aspects will be the focus of IFAD11.



## Summary status of IFAD10 commitments

The report provides an account of progress as of 31 March 2018 in implementing commitments of the Tenth Replenishment of IFAD's Resources (IFAD10). Progress towards these commitments is monitored quarterly by Management to identify implementation issues.

Table 1  
Summary implementation status of IFAD10 commitments

Areas	Total commitments	On track (Green)		Minor Issues (Yellow)		Major Issue (Red)	
		Amount	%	Amount	%	Amount	%
IFAD's strategic vision and role	1	1	100	-	-	-	-
Operational effectiveness and efficiency	24	24	100	-	-	-	-
Institutional effectiveness and efficiency	21	17	81	4	19	-	-
Results Measurement System for IFAD10	4	4	100	-	-	-	-
Financial framework	5	5	100	-	-	-	-
<b>Total (percentage of total)</b>	<b>55</b>	<b>51</b>	<b>93</b>	<b>4</b>	<b>7</b>	<b>-</b>	<b>-</b>

Table 2  
IFAD10 Consultation: selected key milestones for IFAD's engagement with the Executive Board

Workstream	Total milestones	On track (Green)		Minor Issues (Yellow)		Major Issue (Red)	
		Amount	%	Amount	%	Amount	%
IFAD Strategic Framework 2016-2025	3	3	100	-	-	-	-
Performance-based allocation system (PBAS)	5	5	100	-	-	-	-
Sovereign Borrowing Framework (SBF)	3	3	100	-	-	-	-
Updated information in middle-income country strategy	2	1	50	1	50	-	-
<b>Total (percentage of total)</b>	<b>13</b>	<b>12</b>	<b>92</b>	<b>1</b>	<b>8</b>	<b>-</b>	<b>-</b>

# Annual report on the IFAD Policy on Gender Equality and Women's Empowerment

## I. Introduction

1. IFAD has a long and well-established history of supporting gender equality and women's empowerment (GEWE). This commitment spans a period of 25 years, starting with the 1992 paper entitled "Strategies for the Economic Advancement of Poor Rural Women" and continuing on to the 2003-2006 Plan of Action for Mainstreaming a Gender Perspective in IFAD's Operations, the 2010 Corporate-level Evaluation of IFAD's Performance with Regard to Gender Equality and Women's Empowerment conducted by the Independent Office of Evaluation of IFAD (IOE), the 2012 Gender Equality and Women's Empowerment Policy, annual reports on GEWE submitted within the framework of the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women (UN-SWAP) since 2012, the 2016 midterm review of the gender policy, the 2016 evaluation synthesis entitled "What Works for Gender Equality and Women's Empowerment – A review of practices and results" and the IFAD annual reports.
2. This is the seventh annual report on the progress made in implementing IFAD's policy on GEWE.

## II. Results achieved in relation to the strategic objectives

3. Women's proportional representation in overall outreach efforts has been increasing since 2013 and now, for the first time ever, has reached the level of 38 per cent of all household members receiving support for coping with the effects of climate change (see annex I, table 3). The best-performing projects in addressing gender inequalities and empowering women were recognized at the Gender Awards event held in Rome in November 2017. The winners (from Bangladesh, Colombia, Mauritania, Morocco and Mozambique) were all high-performing projects that had achieved transformative results in terms of gender equality.

## III. Results achieved in relation to the implementation plan

4. IFAD's policy on gender equality is implemented in five action areas, each with specific output indicators. Action areas 1 to 3 relate to IFAD's core activities, while action areas 4 and 5 relate to organizational structures and resources for policy delivery.

### A. Action area 1: IFAD-supported country programmes and projects

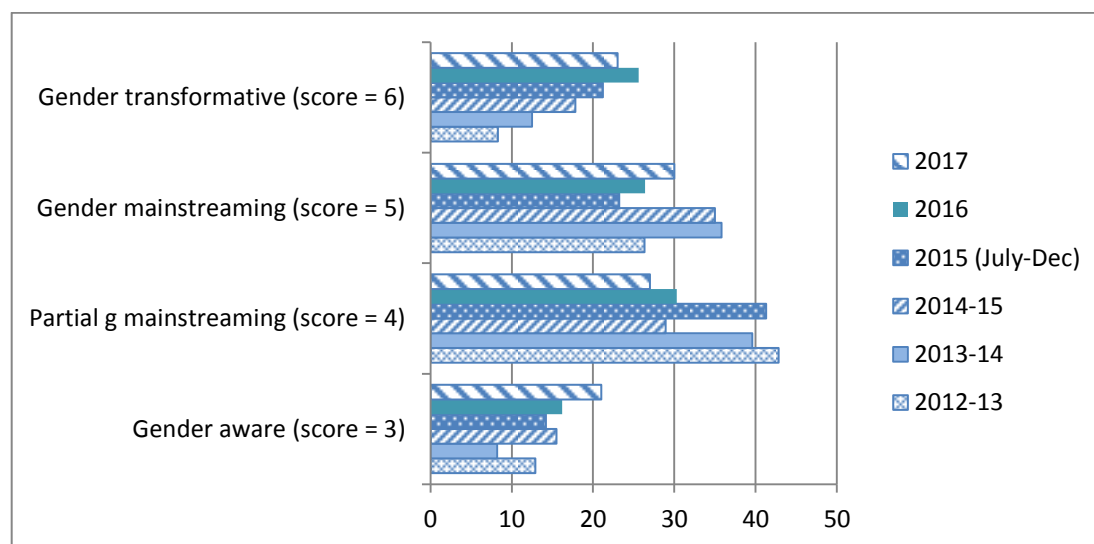
5. Specialist gender staff at headquarters and at the regional level worked with gender consultants to provide technical support to country programmes and projects. The revised Results and Impact Management System (RIMS) and new core indicators have been implemented, and the gender perspective has been strengthened. IFAD's impact assessment studies have been augmented to include key elements of the Women's Empowerment in Agriculture Index (WEAI) for measurement, reporting, knowledge management and advocacy.

#### **Indicator 1.1: Increase in the proportion of loans and grants with gender-specific objectives supported by clear budget allocations**

6. The figure below presents data on loans approved by the Executive Board each year. An ex ante analysis of the gender sensitivity of the IFAD loan portfolio, measured in terms of value, shows that, out of the 41 loans approved in 2017, which amounted to approximately US\$1.238 billion, 34 projects, for a total budget

of US\$1.056 billion, qualified for the analysis and 80 per cent of those projects, by value, were rated as “moderately satisfactory or above” (gender score 4). While 30 per cent of the total loan value was classified as meeting requirements for “gender mainstreaming” (gender score 5), the proportion of “gender transformative” (gender score 6) projects, at 23 per cent in 2017, was down slightly from the 26 per cent level recorded in 2016 but was still above the 21 per cent figure registered for 2015 and the 18 per cent level recorded in 2014.

Figure  
**Distribution of total approved loan value by gender score**  
(Percentage of total loan value)



## B. Action area 2: IFAD as a catalyst for advocacy, partnerships and knowledge management

### Indicator 2.1: Increase in IFAD inputs on gender issues in international forums and publications

- IFAD actively contributed to a number of international forums and global campaigns concerned with gender issues. The Fund also hosted the United Nations Expert Group Meeting: Challenges and opportunities in achieving gender equality and the empowerment of rural women and girls, which was organized by UN-Women in collaboration with the Rome-based agencies. The outputs of this meeting assisted the United Nations Commission on the Status of Women to prepare for its consideration of the priority theme of its sixty-second session (2018) -- the empowerment of rural women and girls -- and to take stock of current research and ongoing debates.

### Indicator 2.2: Inclusion in key IFAD policy documents and knowledge products of references to GEWE

- The IFAD Strategic Framework 2016-2025 identifies gender equality as one of the five principles of engagement at the core of IFAD's identity and values, which cut across the delivery of all its development outputs. The mandatory outline for country strategic opportunities programmes (COSOPs) also includes gender analysis of rural poverty and gender profiling of target groups.
- The paper entitled "Mainstreaming of Climate, Gender, Nutrition and Youth" informed the development of a horizontal mainstreaming approach for promoting the integration of the climate, gender, nutrition and youth agendas. It was endorsed at the September 2017 meeting of the Executive Board.

10. On June 2017, a toolkit for targeting, gender equality and empowerment was launched to support the design and implementation of IFAD operations.

**Indicator 2.3: Increase in focus on gender issues in policy dialogue and scaling up**

11. Scaling-up activities and policy dialogue are carried out at the project level. In addition, the following global-level activities took place:
- (i) The IFAD Country Office in the Sudan, the IFAD Policy and Technical Advisory Division and the Ministry of Agriculture and Forests of the Sudan organized a national workshop on the Gender Action Learning System (GALS) methodology for four IFAD-financed projects in October 2017;
  - (ii) The new four-year, US\$2.5 million grant-financed programme with Oxfam Novib-HIVOS entitled Scaling Up Empowerment through Household Methodologies: From Thousands to Millions was approved in December 2017 and will start up in 2018;
  - (iii) A large grant for the integration of household methodologies into agricultural extension, value chains and rural finance in Burundi, the Democratic Republic of the Congo and Rwanda is approaching completion. The results and lessons learned will be shared with IFAD in 2018.

**Indicator 2.4: Increase in joint initiatives on gender-related activities with other development agencies**

12. IFAD has strengthened its partnerships with global gender networks, including the Multilateral Development Bank Working Group on Gender, the Development Assistance Committee Network on Gender Equality of the Organisation for Economic Co-operation and Development (OECD) and the Global Donor Platform for Rural Development. Collaboration with the Rome-based agencies (RBAs), UN-Women and other bodies has been strengthened through regular working meetings and joint activities such as the celebration of International Women's Day and the organization of side events at the meeting of the United Nations Commission on the Status of Women and the Committee on World Food Security. Under the Joint Programme on Accelerating Progress towards the Economic Empowerment of Rural Women, which has been under way since 2014 in cooperation with the RBAs and UN-Women in seven countries, IFAD supported activities in Ethiopia, Kyrgyzstan, the Niger and Rwanda.

**C. Action area 3: Capacity-building of implementing partners and government institutions**

13. In addition to ongoing support, capacity-building and gender training at the field level, specific training sessions and South-South exchanges were organized on a number of topics, including the integration of gender- and nutrition-sensitive approaches, household methodologies, financial inclusion and value chains. Monthly gender-themed breakfasts with guest presenters on a variety of topics have been organized to build the capacity of IFAD staff on various gender topics.

**Indicator 3.1: Improvement in gender ratings for the loan and grant portfolio at completion**

14. Since 2012, at least 90 per cent of projects have been rated as at least moderately satisfactory at completion. In 2015-2017, 88 per cent were rated as at least moderately satisfactory at completion, with 33 per cent being rated as moderately satisfactory, 53 per cent as satisfactory and 4 per cent as highly satisfactory.<sup>15</sup>
15. The 2016 Annual Report on Results and Impact of IFAD Operations (ARRI) noted an improvement in GEWE since 2008-2010, when 78 per cent of the projects that

<sup>15</sup> The above percentages refer to the ratings based on GEWE criteria used in the project completion report (PCR) rating matrix. Source: PCR rating database.

were evaluated had been rated as moderately satisfactory or better, compared with 88.4 per cent in 2013-2015. This was, however, slightly lower than in 2011-2013, when the corresponding figure was 89 per cent.

**Indicator 3.2: Increase in the number and quality of initiatives to support GEWE undertaken by government institutions**

16. There have been many initiatives and activities in connection with IFAD-supported programmes that come under this heading, including:
- A gender and targeting training workshop for the Sustainable Agricultural Production Programme (SAPP) and the Smallholder Tea and Rubber Revitalization Programme (STARR); and
  - The Youth Agribusiness Leadership and Entrepreneurship Summit on Innovation, with a focus on young women in sustainable value chains, organized by the Government of Senegal, the Global Youth Innovation Network (GYIN) and the IFAD Country Office in Dakar.

**D. Action area 4: Gender and diversity balance in IFAD**

17. Gender considerations have been mainstreamed in the IFAD competency framework and gender issues have been addressed in security awareness training.

**Indicator 4.1: Increase in the number of women employed by IFAD at grade P-5 or above**

18. As at 31 December 2017, women accounted for 45.6 per cent of the 327 Professional and higher category staff and 81.8 per cent of the 198 General Service staff. Of the 84 IFAD national staff paid through other United Nations agencies, women accounted for 33.3 per cent of the 51 national officers and 63.6 per cent of the 33 General Service field staff.
19. Women accounted for 28 per cent of staff at grade P-5 or above, which was an increase relative to the situation as at 31 December 2016. Within the United Nations,<sup>16</sup> IFAD compares well at overall Professional and higher categories and is at par for women at grade P-5 and above.

**Indicator 4.2: Improvement in scores on gender-related staff survey questions by both women and men**

20. Improvements have continued to be seen since 2010, with no significant differences being noted between the responses of women and men. In 2017, the Human Resources Gender Action Plan was developed to address gender equity in staffing, first and foremost at the Professional and higher categories and later also in the General Service category. Corporate recruitment procedures have been revised to increase the minimum proportion of women candidates from one third to one half of all shortlists. All corporate training programmes, including leadership and management development programmes, have been reviewed to incorporate the gender perspective.

**E. Action area 5: Resources, monitoring and professional accountability**

21. The Operations Management Committee is the reporting mechanism for gender issues, and the Associate Vice-President, Programme Management Department (PMD), is the Senior Management gender champion. The midterm review of the GEWE policy acknowledged its clarity and focus and noted that it is well integrated into the Strategic Framework and programming systems.

<sup>16</sup> United Nations system data obtained from: <http://www.unwomen.org/en/digital-library/publications/2017/8/improvement-of-the-status-of-women-in-the-un-system-2017>.

**Indicator 5.1: Increase in human and financial resources from IFAD's core budget invested to support GEWE**

22. During the year and up until mid-December 2017, the gender staffing team at IFAD headquarters included a senior technical specialist (P-4) who was assisted by a staff member from the Junior Professional Officer (JPO) Programme, a General Service staff member on a part-time basis, two long-term consultants and other temporary support.
23. The P-4 retired in December 2017 and vacancy announcements for the P-5 and P-4 positions were posted in November 2017. These positions will be filled in 2018. With the realignment of corporate functions, gender-related work will be coordinated by the newly created Environment, Climate, Gender and Social Inclusion Division. The gender team is complemented by divisional gender focal points and alternates.
24. The Office of Budget and Organizational Development is working to introduce a financial benchmark for use in tracking the number and/or cost of gender consultants participating in design and supervision work. For 2017, 6.3 per cent of the Independent Office of Evaluation of IFAD (IOE) budget was directly allocated to gender issues, as compared to 5.8 per cent in 2016.

**Indicator 5.2: Increase in the number of substantive references to gender issues in agricultural and rural development by IFAD Management in public forums and the media**

25. GEWE are embedded in corporate communications and public advocacy materials and campaigns, including speeches by Senior Management and blog posts. The President's speeches and statements regularly report on IFAD's gender work and/or carry stories on rural women.

**Indicator 5.3: Increase in score in the annual review of IFAD's performance on GEWE**

26. In 2017, IFAD's overall performance under UN-SWAP improved somewhat, with 13 out of 15 indicators meeting or exceeding the requirements. IFAD continues to be a leader among United Nation entities in terms of progress in meeting UN-SWAP indicators. Nevertheless, additional work is needed on gender architecture and parity and on resource allocation.

# Annual report on quality assurance in IFAD's projects and programmes

## I. Summary of 2017 quality assurance reviews

1. This report refers to the review by the Operational Strategy and Policy Guidance Committee (OSC) chaired by IFAD's President of results-based country strategic opportunities programmes (RB-COSOPs) and concept notes for loan- and grant-financed projects. It also summarizes reviews of final loan and grant project design reports by the Quality Assurance Committee chaired by IFAD's Vice-President. The Quality Assurance Group serves as secretariat of both committees.
2. In 2017, OSC reviewed five COSOPs, of which four were endorsed, and 43 concept notes for investment projects and loans, of which 42 concept notes were endorsed and one required additional work and was not re-submitted. The Quality Assurance Committee reviewed and approved 53 final project designs for investment projects, of which 15 were requests for additional financing (including for filling financing gaps) related to ongoing or already approved projects.
3. The Quality Assurance Committee cleared 10 investment projects<sup>17</sup> (26 per cent of all such projects) with only minor changes required, while 28 projects (74 per cent) required further refinement during loan negotiations or implementation (see table 1). The significant increase in projects requiring additional work during negotiations and implementation may be attributable to IFAD's large programme of loans and grants in 2017 compared to previous years and subsequent pressure regarding the scheduled design processes.
4. A total of 50 grant concept notes were reviewed by the OSC. Of these, the OSC endorsed 43, which were authorized to proceed with full project design. Subsequently, 42 grant design documents were submitted to – and reviewed by – the Quality Assurance Committee, which cleared 40 of them. Each grant document was rated against specified criteria as shown in table 3 below. It is worth highlighting that 91 per cent of grant-funded projects had an overall rating of 5 or better at entry.

Table 1

### Quality at entry review results 2011-2017 (investment projects)

	2017	2016	2015	2014	2013	2012	2011
Number of project rated at entry (only new projects – additional financing excluded)	38	26	34	31	27	30	38
Projects ready to proceed with minor changes (%)	26	77	44	68	59	60	39
Projects ready to proceed after addressing recommendations during negotiations or implementation (%)	74	23	56	29	41	40	61

5. Projects were rated "at entry" across the dimensions presented in table 2 below, which shows that the targets have been exceeded. Of the 38 projects rated at entry, 34 were judged as likely to meet their objectives.

<sup>17</sup> Excludes additional financing proposals, which are not rated.

Table 2

<b>At-entry RMF ratings (24 month rolling average) Indicators</b>		<i>Baseline</i> Years 2013/14	<i>Results</i> 2015	<i>Results</i> 2016	<i>Results</i> 2017
<b>4.3</b>	<b>Percentage of projects rated 4 or better at entry<sup>a</sup></b>				
4.3.1	Overall quality of design	91	91	93	97
4.3.2	Overall quality of design – projects in fragile situations <sup>b</sup>	83	90	96	90
4.3.3	Gender	81	89	97	97
4.3.4	Monitoring and evaluation	88	88	88	92
4.3.5	Scaling up <sup>c</sup>	83	92	95	92
4.3.6	Environment and climate change	n/a	n/a	90	98
4.3.7	Projects have a published and verifiable economic analysis	n/a	n/a	100	100

<sup>a</sup> Ratings are based on a scale of 1 to 6, with 1 being highly unsatisfactory and 6 highly satisfactory.

<sup>b</sup> In 2017, eight projects rated at entry were located in countries with fragile situations.

<sup>c</sup> Scaling-up ratings for 2017 were based on 17 projects that explicitly includes scaling-up activities.

Table 3

### Results framework and performance indicators for Grant Policy implementation<sup>18</sup>

<i>Expected results – performance indicators</i>	<i>2014</i> <i>(baseline)</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i> <i>target</i>
<b>1. Improved relevance and focus of grant-funded projects</b>					
(a) Percentage of grant-funded projects with an overall rating of 4 or better at entry	N/A	N/A	100	97	90
(b) Percentage of grantees selected via competitive processes	Global/ regional: 4	Global/ regional: 30	Global/ regional: 36	Global/ regional: 39	Global/ regional: 70
<b>2. Increased effectiveness and impact of grant-funded projects</b>					
(a) Percentage of grant-funded projects rated 4 or better at completion for effectiveness	N/A	100 <sup>19</sup>	91	96	80
(b) Percentage of grant-funded projects rated 4 or better for overall implementation progress	92	95	91	92	95
(c) Number of grants resulting in scaled-up development interventions, including IFAD investment projects	Not available for 2014	31	31	37	30
(d) Cofinancing mobilized by partners of IFAD grant-funded projects per US\$ invested by IFAD	1.3:1 <sup>4</sup>	1.3:1	1.4:1	0.8:1 <sup>20</sup>	1.5:1
<b>3. Greater efficiency in grant management</b>					
(a) Number of (working) days required to process both small and large grants, from clearance of concept note to final approval <sup>21</sup>	Small: 186 Large: 193 <sup>22</sup>	Small: 125 Large: 174	Small: 174 Large: 269	Small: 228 Large: 279	Small: 150 Large: 180

<sup>18</sup> The 2015 Grant Policy only came into effect in 2016, so indicators from grant status reports (i.e. 2a, 2b, 2c, and 4b) only reflect Programme Management Department data before 2016. In addition, the indicators do not include loan component grants.

<sup>19</sup> Only the Policy and Technical Advisory Division reported on this indicator in 2015. Therefore the total number of grant status reports analysed for grants completed in 2015 is 13.

<sup>20</sup> Excludes cofinancing for a grant to the Consultative Group to Assist the Poor, which is considered an outlier in which IFAD contributed a relatively small amount of funding to a major multi-donor initiative.

<sup>21</sup> Refers to stand-alone grants with concept note approved by the OSC and does not include loan-component grants.

<sup>22</sup> The baseline refers to the clearance of the divisional strategic workplan for global and regional grants, and excludes country-specific grants since they do not require concept notes.



## II. Achievements and challenges

### Learning from the COSOP reviews

6. The number of COSOPs reviewed decreased from 13 in 2016 to five in 2017. Of these five COSOPs, the proposed strategic objectives of three were endorsed by the OSC while two needed to be resubmitted for OSC consideration. One of these resubmissions was received and approved by the OSC within the same year.
7. **Rationale for engaging.** The importance of clearly defining the rationale of IFAD's engagement in different countries was discussed at length during several OSC reviews of COSOPs. It is worth noting that despite the small number of RB-COSOPs reviewed, they were representative of many diverse country contexts including upper middle-income countries, small island developing states and low-income countries.
8. **Operationalizing the strategy.** A main focus of the COSOP reviews was to ensure that the strategies proposed through the COSOPs had good prospects for a successful implementation through projects. As in 2016, in some instances the COSOP reviews found that the COSOP strategic objectives were not well aligned with the objectives and components of the proposed projects as described in the attached concept notes. In other cases, the focus of proposed projects was considered too narrow to meet the expectations raised by the COSOPs and did not sufficiently complement the country portfolios.
9. **Policy dialogue.** Particular attention was devoted to assessing the proposed policy dialogue dimension of the COSOPs being reviewed. While in some cases, it was suggested that policy dialogue be reflected more prominently in the proposed strategic objectives, in others the intended level of policy engagement was considered overly ambitious.
10. **Target group.** The selection of appropriate target groups was a subject of discussion for country strategies reviewed in 2017. To start, an explicit pro-poor focus must be present at the COSOP level and be reflected in subsequent project activities. Country teams were not only invited to explicitly include gender and youth in the target group, but to link these dimensions to concrete activities in which women and young people could be involved.
11. **Non-lending activities.** As in 2016, some of COSOP reviews highlighted the need to ensure that sufficient attention is devoted to non-lending activities.

### Learning from investment projects

12. **Key strategic issues: mainstreaming.** There was notable progress in implementing the mainstreaming agenda with a focus on youth. Strong examples of differentiated approaches were noted, especially in fragile situations and middle-income countries.
13. **Policy dialogue.** A growing number of projects proposed policy engagement activities. However, the themes of these activities were too broad and they included initiatives aimed at improving or developing dialogue with decision makers, which cannot be considered concrete policy dialogue. There is a need to define specific policy activities and undertake a realistic assessment of IFAD's capacity to engage in proposed policy initiatives.
14. **Additional financing.** There was a notable increase in proposals for additional financing of ongoing projects and for filling financing gaps in projects with budgets larger than available resources from the performance-based allocation system and other sources. Country programme approaches, larger projects and scaling-up investments can facilitate long-term relationships between IFAD and the countries. In addition, designing larger projects is generally more efficient than designing

smaller ones. Overall, it is preferable to allocate additional resources to well-performing projects instead of designing new ones.

15. **Scaling up.** Scaling up should be proposed in cases when success has been demonstrated. However in some proposals, continuing activities carried out by previous projects – sometimes even without sufficient evidence of success – is presented as a rationale for scaling up. This is particularly concerning in requests for additional financing.
16. **Log frame.** Despite recent efforts to streamline them, shortcomings were still found in many of the log frames. There are also still frequent inconsistencies between the economic and financial analysis results, and log frame indicators.
17. **Knowledge management.** IFAD assigns high priority to knowledge management and learning from IFAD-funded projects. However, this issue is not always accorded a similar level of priority in project design. New projects often do not benefit from experiences and lessons learned from previous projects.

#### **Learning from the grants programme**

18. There have been noticeable efforts to ensure relevance to IFAD's corporate priorities. In addition, most grant proposals clearly articulate country ownership and contributions to global public goods. The proposals' relevance to IFAD's target group (including women and youth) is almost always clearly defined. However, greater efforts are required to: be explicitly pro-poor; pay sufficient attention to gender and youth; and clarify selection criteria for target groups and target areas.
19. Greater attention should be paid to ensure that goals and objectives are not overly broad and ambitious, which increases the risk of losing focus and reduces the probability of success.
20. Greater attention should be paid to recipient selection, noting that the preferred approach to selecting recipients is through competition. When direct selection is proposed (and justified as per the provisions of the grant policy), strong recipients must be identified and strategic partnerships established. There is need for further improvement in promoting competitive selection.
21. Several concept notes focused on building partnerships and country capacity, which is a strategic objective of IFAD's grant programme. While there has also been an increasing focus on building new grant proposals upon previous experience, there is still room for improvement.
22. There has also been greater attention to mobilizing cofinancing, although more effort is needed to ensure value for money, including an adequate budget structure.
23. Inter-divisional and inter-departmental collaboration is being pursued. This enhances the ability of IFAD's staff to learn and share knowledge. In addition, there have been more proactive efforts to establish concrete linkages with country programmes. However, more effort should be made to proactively promote sustainability and scaling up.
24. Finally, greater attention needs to be paid to the President's Report, which should be of high quality and provide a good description of each component. It should also detail the recipient-selection process and provide accurate budget tables.

## Progress Report on the Adaptation for Smallholder Agriculture Programme

### ASAP financial status

1. As of May 2018, the Adaptation for Smallholder Agriculture Programme (ASAP) Trust Fund has the following financing status:

Table 1  
**Financial status of the ASAP Trust Fund – as at May 2018**  
 (Thousands of United States dollars)

<i>Donor</i>	<i>Year</i>	<i>Received</i>
Belgium	2012	7 884
Canada	2012	19 849
Finland	2014	6 833
Flanders (Belgium)	2014	2 379
Netherlands	2012	48 581
Norway	2013/2014/2015	9 240
Republic of Korea	2015	3 000
Sweden	2013	4 492
Switzerland	2013	11 058
United Kingdom	2012/2013/2014	186 596
<b>Total</b>		<b>316 205</b>

2. Following the strong depreciation of the pound sterling relative to the United States dollar from 2016 and considering that a large portion of the ASAP contribution by the United Kingdom is still a receivable, the commitment authority for ASAP-related programming has been reduced substantively, from US\$366.5 million in May 2016 to US\$316.2 million in April 2018; a reduction of 14 per cent. Administrative expenses incurred for management of the programme to date have drawn US\$6.5 million from the ASAP Trust Fund.

### ASAP programming

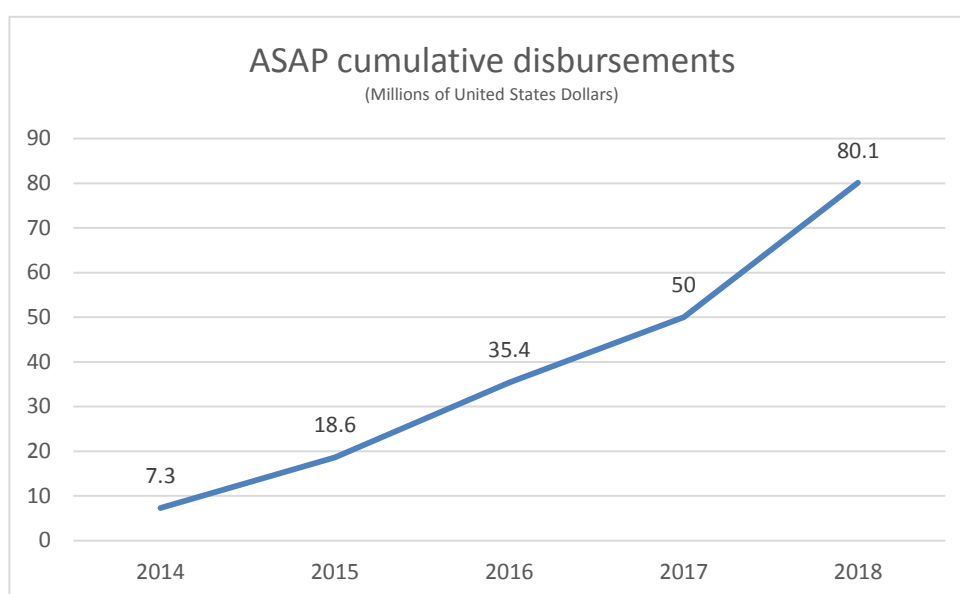
3. The depreciation of the pound sterling had also an adverse effect on IFAD's ability to meet the demand for climate-change adaptation actions in its investment programmes. In response to this development, IFAD reprioritized projects under design and the final batch of ASAP investments approved were done in 2017. As of 1 May 2018, there are 42 approved ASAP grants for 41 countries totalling US\$298.8 million<sup>23</sup> (see table 2). A new approval is not expected until the situation improves. IFAD's Accounting and Controller's Division has established a contingency window of US\$7.5 million in the ASAP Trust Fund to be able to buffer a future downturn in the exchange rate and has operationalized additional protocols to monitor the development of the ASAP commitment authority in the future.
4. The second phase of the ASAP (ASAP2) was approved by the Executive Board in September 2016. The Norwegian Agency for Development Cooperation agreed to contribute NOK80 million – equivalent to about US\$9.5 million – and the Swedish International Development Agency agreed to contribute SEK60M – equivalent to US\$9.5 million. The contributions agreements of both Nordic nations follows from their strong support of ASAP1. The renewed commitments will go towards addressing the additional costs of climate change in IFAD's investments programmes and beyond, contributing to specific elements of the Sustainable Development Goals. The target floor for ASAP II is US\$100 million; while the first phase of ASAP was programmed along IFAD investments to mainstreaming climate

<sup>23</sup> Source: IFAD's Grants and Investments Project System (GRIPS).

change, ASAP2 is being programmed to offer technical assistance beyond the IFAD portfolio. This new modality allows IFAD to work with different partners, instruments and tools to continue its mandate to support countries in climate mainstreaming.

5. As at May 2018, the cumulative disbursement for ASAP1 was US\$80 million (37 projects) and disbursements from January 2017 to April 2018 was US\$49 million (36 projects). In order to improve ASAP's disbursements and to enhance the monitoring and the reporting of the trends, project targets were established using an ASAP disbursement proxy tool facilitated by the Treasury Services Division. According to this tool, to reach its target, ASAP should have disbursed US\$112 million. From the ASAP portfolio, five projects have disbursed over 50 per cent and Mali is currently at 99 per cent. Mali will be the first ASAP project to close, in late 2018.

### Graph 1



6. In order to enhance the ASAP reporting as of 2018, intermediate results from projects actively disbursing ASAP financing are officially captured through the IFAD Operational Results Management Systems (ORMS). One of the key features of ORMS is that it links project monitoring and evaluation (M&E) with corporate results, including the ASAP indicators. During the last months of 2017, regional divisions went through a "retrofitting exercise" of their projects to include revised and validated targets and results into the new ORMS system. As such, the ASAP-supported projects have led to adjustments in programmed targets and results. Aggregate target projections of 42 ASAP-supported projects approved by the Executive Board as of May 2018 and official results reported by 39 projects in the ORMS system are summarized in table 3. The added value of ORMS for ASAP is that from RIDE 2018, results will be tracked through this online tool.

### **ASAP knowledge management and communications**

7. In October 2017 the second South-South exchange between projects supported by ASAP was conducted in Mali. The exchange, organized jointly by IFAD and the CGIAR Research Program on Climate Change, Agriculture and Food Security brought together participants from eight francophone ASAP projects in Africa (from Benin, Cabo Verde, Chad, Djibouti, Madagascar, Mali, Mauritania and Niger).
8. In terms of communication efforts, from May 2017 to May 2018 over 40 blogs and web stories on ASAP-supported projects were produced and uploaded onto the

IFAD website. Media outreach reached in excess of 2,000 outlets, with four press releases and one media advisory sent to international media.

9. In collaboration with other Rome-based agencies, IFAD organized a number of events, both at international conferences and at headquarters at which ASAP-supported projects were presented. This has included side events at the Subsidiary Body for Scientific and Technological Advice of the United Nations Framework Convention on Climate Change (UNFCCC) and at the Committee on World Food Security. At the UNFCCC COP23 in Bonn and the COP13 Convention to Combat Desertification, IFAD participated in numerous side events, media relations events and high-level segments. IFAD also submitted to the Koronivia Decision on Agriculture at UNFCCC and participated in the Talanoa Dialogue.
10. Key knowledge products from the reporting year include the following publications: The Marine Advantage, The Nutrition Advantage and The Water Advantage. These publications were promoted through dedicated events, press releases or donor/media receptions. Finally, IFAD released two new videos for its Recipes for Change campaign.

Table 2  
ASAP-supported projects/programmes approved by the IFAD Board

Country	ASAP-supported project/programme name	Country financial terms	ASAP allocation (US\$)	Grant type	Executive Board date	Total amount ASAP disbursed (US\$ equivalent)	% ASAP disbursed	Thematic Focus
<b>Asia and the Pacific region</b>								
Bangladesh	Climate Adaptation and Livelihood Protection Project	HC	15 047 193	AG	Sep-13	7 671 992	55	Village protection to prevent flood damage; diversified food production and income generation systems; capacity-building in climate risk management; flash-flood early warning system
Bhutan	Commercial Agriculture and Resilient Livelihoods Enhancement Programme	Blend	5 022 615	FB	Sep-15	1 279 004	25	Climate-resilient agriculture systems (permaculture), value chains, dairy and irrigation; renewable energy technologies; policy dialogue on building resilience to climate change in the agriculture sector
Cambodia	Agricultural Services Programme for Innovations, Resilience and Extension	HC	14 995 000	AG	Dec-14	6 999 903	49	Mainstreaming climate risk resilience in agricultural extension services; participatory scenario development; climate risk information and early warning services; promotion of "no-regrets" technologies to manage climate variability and hazards (system of rice intensification, agro-sylvo-pastoral systems, conservation agriculture, biogas)
Lao People's Democratic Republic	Adaptation to Climate Change in Southern Laos (ACCSL)	HC	5 000 000	AG	Apr-15	1 190 619	24	Participatory climate vulnerability risk assessment and scenario development; development of community based adaptation investment plans; investments in small-scale water infrastructure and community based forest management (adaptation fund); enhancing climate risk management capacity at policy and planning levels.
Nepal	Adaptation for Smallholders in the Hilly Areas (ASHA)	HC	14 999 000	FB	Sep-14	1 252 083	9	Participatory climate risk and vulnerability assessments; development of local adaptation plans; sustainable land, water and forest management; diversification of crops; improved storage systems
Viet Nam	Project for Adaptation to Climate Change in the Mekong Delta in Ben Tre and Tra Vinh Provinces (AMD)	Blend	12 000 136	FB	Dec-13	4 605 795	38.3	Combined rice/aquaculture systems, salinity monitoring and management in soil & groundwater; saline-tolerant catfish breeding, institutional capacity development

**Legend: Lending Terms**

D = 100% grant – debt sustainability countries

DHC = 50% grant, 50% HC

HC = highly concessional – 40 years repayment, 0.75% annual cost, 10-year grace period

Blend = same cost as HC but repayment over 20 not 40 years

O = Ordinary terms

AG = additional grant (added to an ongoing investment programme)

FB = fully blended grant (co-programmed with IFAD baseline investments)

**East and Southern Africa region**

Burundi	Value Chain Development Programme – Phase II	D	4 926 000	FB	Sep-15	1 530 206	31	Improved livestock management to enable soil regeneration; improved infrastructure to protect agricultural production from extreme events; support for development of a risk management plan at the landscape level; design and application of revised building codes
Comoros	Family Farming Productivity and Resilience Support Project	DHC	1 000 000	FB	May-17	n/a	n/a	The project's focus is on the promotion of climate-smart production practices for cassava, banana and vegetable crops, and improved natural resource management to reduce erosion risk

Country	ASAP-supported project name	Country financial terms	ASAP allocation (US\$)	Grant type	Executive Board date	Total amount ASAP disbursed (US\$ equivalent)	% ASAP disbursed	Thematic Focus
Ethiopia	Participatory Small-scale Irrigation Development Programme – Phase II	HC	11 000 000	FB	Sep-16	1 140 940	10	Promotion of improved smallholder irrigation practices and associated management of rainfed catchments
Kenya	Kenya Cereal Enhancement Programme – Climate-Resilient Agricultural Livelihoods Programme	HC	10 000 000	FB	Apr-15	1 378 331	14	Community-based vulnerability mapping and natural resource management (NRM); strengthening of agro-meteorological services; modelling food security; multiple-benefit interventions for soil and water conservation that also reduce GHG emissions (e.g. conservation agriculture, agroforestry, renewable energy)
Lesotho	Wool and Mohair Production Project	Blend	7 000 000	FB	Sep-14	848 523	13	Climate change adaptation in wool and mohair value chains; community-based rangeland management; strengthened access of herders to agro-meteorological information; applied research to optimize livestock management practices; disease early warning system
Madagascar	Project to Support Development in the Menabe and Melaky Regions – Phase II	HC	6 000 000	FB	Sep-15	823 244	14	Consolidation of existing and creation of new irrigation-based pôles du développement (areas with high production potential and other necessary conditions for development); catchment management around these areas; climate-proofing of irrigation system design and crop varieties; diversification of water management options; spatially based planning; capacity-building with local government; diversification of livelihood options
Malawi	Programme for Rural Irrigation Development	DHC	7 000 000	FB	Dec-15	582 673	8	Watershed management; landscape-level ecosystem management; sustainable agricultural intensification; climate-proofing of irrigation schemes
Mozambique	Pro-Poor Value Chain Development Project in the Maputo and Limpopo Corridors	DHC	4 907 560	FB	Sep-12	3 035 335	66	Climate change adaptation in value chains for irrigated horticulture, cassava and for livestock products; improved water management and irrigation; strengthened weather station network; community-based NRM plans; pest and disease monitoring
Rwanda	Post-Harvest and Agribusiness Support Project	HC	6 923 865	FB	Dec-13	2 859 533	45	Climate-resilient, post-harvest processing and storage for maize, cassava, bean, potato and dairy value chains; improved climate information services and storage building codes



Country	ASAP-supported project name	Country financial terms	ASAP allocation (US\$)	Grant type	Executive Board date	Total amount ASAP disbursed (US\$ equivalent)	% ASAP disbursed	Thematic Focus
Uganda	Project for Restoration of Livelihoods in the Northern Region	HC	10 000 000	FB	Dec-14	1 236 003	13	Efficient and sustainable water management practices for development of commercial crop production
<b>Latin America and the Caribbean region</b>								
Bolivia (Plurinational State of)	Economic Inclusion Programme for Families and Rural Communities in the Territory of the Plurinational State of Bolivia with funding from the Adaptation for Smallholder Agriculture Programme	Blend	9 999 815	AG	Dec-13	6 215 710	68	Utilization of indigenous adaptation knowledge; incorporation of resilience parameters into public investment projects; community-based NRM at the landscape level; climate information management; local-level bidding processes for community-based adaptation
Ecuador	Project to Strengthen Rural Actors in the Popular and Solidary Economy	O	4 000 000	FB	Sep-15	n/a	n/a	Climate vulnerability assessment; incorporation of adaptation measures in community-based enterprises; capacity-building and technical assistance; risk management
El Salvador	National Programme of Rural Economic Transformation for Living Well - Rural Adelante	O	5 000 000	FB	Dec-15	n.a	n/a	Incorporation of adaptation measures into community-based rural development business plans; creation of environmental fund to cofinance plans targeting NRM and adaptation to climate change
Nicaragua	Adapting to Markets and Climate Change Project (NICADAPTA)	HC	8 000 293	FB	Dec-13	3 961 962	53	Sustainable water resources management; agricultural diversification and strengthening of meteorological services in coffee and cocoa value chains
Paraguay	Project for Improved Family and Indigenous Production in Departments of Eastern Paraguay	O	5 093 000	FB	Dec-15	n/a	n/a	Focus on livelihood diversification and climate risk management in agricultural value chains; improvement of early warning systems; incorporation of adaptation criteria in business-planning; cofinancing of biodigesters in dairy value chain
<b>Near East, North Africa and Europe region</b>								
Djibouti	Programme to Reduce Vulnerability in Coastal Fishing Areas	Blend	5 996 000	FB	Dec-13	1 748 084	31	Reduced climate risk in fisheries value chains; participatory management of coastal resources; protection of coastal infrastructure; improved post-harvest cooling and storage; improved access to freshwater for fisheries value chains; protection of coastal mangrove ecosystems and coral reefs
Egypt	Sustainable Agriculture Investments and Livelihoods Project	O	5 000 000	FB	Dec-14	763 688	16	Sustainable agriculture investments and livelihoods

Country	ASAP-supported project name	Country financial terms	ASAP allocation (US\$)	Grant type	Executive Board date	Total amount ASAP disbursed (US\$ equivalent)	% ASAP disbursed	Thematic Focus
Iraq	Smallholder Agriculture Revitalization Project	DHC	2 000 000	FB	Sep-17	n/a	n/a	Integrated watershed management; water conservation in drought prone areas; rehabilitation and improvement of rural feeder roads; diversifying energy systems in rural areas
Kyrgyzstan	Livestock and Market Development Programme II	DHC	9 999 520	FB	Dec-13	3 171 057	35	Protection of livestock from climate-related disasters and diseases; community-based management and restoration of degraded pastures and rangelands; climate-resilient dairy value chain; early warning systems
Republic of Moldova	Rural Resilience Project	Blend	5 000 000	FB	Dec-16	500 000	10	Productive rural infrastructure; climate-resilient cropping systems and technologies; business diversification among groups of women in areas of high climate vulnerability and poverty; support to public and private investments in ecological restoration measures to reduce climate-related risks and improve ecosystem services for agriculture
Morocco	Rural Development Programme in the Mountain Zones – Phase I	O	2 004 000	FB	Sep-14	145 165	8	Diversification of livelihoods and energy systems; water-efficient irrigation systems
Sudan 2	Butana Integrated Rural Development Project	D	3 000 000	AG	Sep-16	1 080 194	16	Conservation and restoration of ecosystem services on which livestock and agriculture production depend; sustainable management of natural resources; efficient use of scarce water resources; integrated management of forest/ rangelands/agroforestry farming systems
Sudan 1	Livestock Marketing and Resilience Programme	D	7 000 000	FB	Dec-14	826 986	27	Food security, income diversification and climate resilience for poor households in pastoralist and agropastoralist communities; rehabilitation of depleted rangelands
Montenegro	Rural Clustering and Transformation Project	O	2 000 000	FB	Apr-17	585 003	27	Resilient rural infrastructure; value chains
Tajikistan	Livestock and Pasture Development Project II	HC	5 000 000	FB	Dec-15	2 393 765	47	Rangeland management and diversification
<b>West and central Africa</b>								
Benin	Market Gardening Development Support Project	HC	4 500 000	FB	Dec-15	468 831	10	Improved water management and integrated pest control in horticulture
Cabo Verde	Rural Socio-economic Opportunities Programme	HC	4 000 000	AG	Dec-16	476 102	12	Improved water management and landscape approach

<i>Country</i>	<i>ASAP-supported project name</i>	<i>Country financial terms</i>	<i>ASAP allocation (US\$)</i>	<i>Grant type</i>	<i>Executive Board date</i>	<i>Total amount ASAP disbursed (US\$ equivalent)</i>	<i>% ASAP disbursed</i>	<i>Thematic Focus</i>
Chad	Project to Improve the Resilience of Agricultural Systems in Chad	D	5 000 000	FB	Dec-14	1 235 664	27	Efficient water management for agricultural production; farmer field schools with climate-change adaptation training; access to climate-resilient farming inputs (e.g. drought-resistant crop varieties)
Côte d'Ivoire	Support to Agricultural Production and Marketing Project – Western expansion	HC	6 994 750	FB	Sep-14	921 439	14	Integration of climate risk management into agronomic value chains; improved drainage in lowland field rice production; sustainable land management (SLM) in uplands
Gambia (The)	Strengthening Climate Resilience of the National Agricultural Land and Water Management Development Project	DHC	5 000 000	AG	Dec-15	2 052 179	41	Resilient lowland rice production and ecosystem rehabilitation (mangroves)
Ghana	Ghana Agricultural Sector Investment Programme	Blend	10 000 000	FB	Apr-14	1 007 546	11	Integration of climate risk management into agricultural value chains; scaling up of efficient irrigation and SLM technologies
Liberia	Tree Crops Extension Project	HC	4 500 000	FB	Dec-15	28 432	1	Coffee and cocoa resilience to climate change
Mali	Fostering Agricultural Productivity Project – Financing from the Adaptation for Smallholder Agriculture Programme	DHC	9 942 704	AG	Dec-13	9 096 162	99	Increased ecosystem and smallholder resilience through farmers' access to renewable energy technologies, weather information and local planning
Mauritania	Inclusive Value Chain Development Project	D	6 000 000	FB	Dec-16	608 478	10	Economic diversification and resilient non-timber forest products value chain; efficient use of water
Niger	Family Farming Development Programme in Maradi, Tahoua and Zinder Regions	DHC	13 000 000	FB	Apr-15	4 205 051	32	Improved resilience of agro-sylvo-pastoral production systems through sustainable and integrated watershed management, including: SLM and improved water management; strengthened institutional and regulatory framework for sustainable natural resource management
Nigeria	Climate Change Adaptation and Agribusiness Support Programme in the Savannah Belt	HC	14 949 000	FB	Dec-13	2 237 332	16	Integration of climate risk management into rural agribusiness value chains; improved access to diversified, renewable energy sources; water harvesting, water points and erosion control

Table 3  
Targets from reported results of 42 ASAP-supported projects

ASAP results hierarchy	ASAP results at global portfolio level	Portfolio results indicators	2020 target	Programmed to date <sup>24</sup>	Results achieved <sup>25</sup>
<b>Goal</b>	Poor smallholder farmers are more resilient to climate change	1 No. of poor smallholder household members whose climate resilience has been increased	8,000,000 household members	5,484,742	1,509,589
<b>Purpose</b>	Multiple-benefit adaptation approaches for poor smallholder farmers are scaled up	2 % of new investments in environment and natural resource management (ENRM) in IFAD9 compared with IFAD8	20%	376%	376%
		3 Leverage ratio of ASAP grants versus non-ASAP financing	1:4	1:7:5	1:7:5
		4 % of extent of land and ecosystem degradation in productive landscapes	-30%	To be analysed after a critical number of ASAP-supported projects have been completed	n/a
		5 No. of tons of greenhouse gas emissions (CO <sub>2</sub> e) avoided and/or sequestered	80,000,000 tons	To be analysed after a critical number of ASAP-supported projects have been completed	n/a
<b>Outcome 1</b>	Improved land management and gender sensitive climate-resilient agricultural practices and technologies	6 No. of hectares of land managed under climate-resilient practice	1,000,000 hectares	1,654,980 hectares	19,053 hectares
<b>Outcome 2</b>	Increased availability of water and efficiency of water use for smallholder agriculture production and processing	7 No. of households, production and processing facilities with increased water availability	100,000 households	7,350 facilities 151,658 households	1,933 facilities 2,669 households
<b>Outcome 3</b>	Increased human capacity to manage short-term and long-term climate risks and reduce losses from weather-related disasters	8 No. of individuals (including women) and community groups engaged in climate risk management, ENRM or disaster risk reduction activities	1,200 groups	394,333 people 6,707 groups	111,365 people 3,324 groups
<b>Outcome 4</b>	Rural infrastructure made climate resilient	9 United States dollar value of new or existing rural infrastructure made climate resilient	US\$80,000,000	US\$89,000,000 625 km	US\$11,659 133 km
<b>Outcome 5</b>	Knowledge on climate-smart smallholder agriculture documented and disseminated	10 No. of international and country dialogues on climate issues where ASAP-supported projects or project partners make an active contribution	40 dialogues	20	7

<sup>24</sup> As of May 2018. Based on aggregated quantitative targets reported by 40 ASAP-supported projects through IFAD's Operational Results Management System (ORMS).

<sup>25</sup> As of May 2018. Based on aggregated quantitative results reported by 22 ASAP-supported projects through IFAD's Operational Results Management System (ORMS).

Table 4  
Intermediate results derived from ASAP-supported projects with active disbursements

Country	Project title	Entry into force	Intermediate result <sup>26</sup>
<b>Asia and the Pacific region</b>			
Bangladesh	Climate Adaptation and Livelihood Protection Project	04-Sep-14	<ul style="list-style-type: none"> <li>• 81,891 individuals supported to cope with the effects of climate change</li> <li>• 1,352 production and processing facilities with increased water availability</li> <li>• 15,259 individuals engaged in natural resource management activities</li> <li>• 265 beel user groups have been formed</li> <li>• 1,659 trainings have been conducted in: crop, poultry, livestock, fisheries and wood products</li> <li>• 64 village protection infrastructure works constructed</li> <li>• 3 earthen mounds (killas) for paddy harvest storing</li> <li>• 9 km of canal excavated</li> </ul>
Bhutan	Commercial Agriculture and Resilient Livelihoods Enhancement Programme	11-Dec-15	<ul style="list-style-type: none"> <li>• 619 hectares of land under climate-resilient practices</li> <li>• 115 community groups engaged in natural resource management activities</li> <li>• 6 climate-smart villages established</li> <li>• 22.13 km of dysfunctional irrigation schemes have been renovated</li> <li>• 18 Water Users' Associations (WUAs) formed</li> <li>• 4 WUAs strengthened</li> </ul>
Cambodia	Agricultural Services Programme for Innovations, Resilience and Extension	05-Mar-15	<ul style="list-style-type: none"> <li>• 43,467 farmers reached</li> <li>• 160 lecturers trained in active learning principles and training techniques</li> <li>• 89 infrastructure projects selected for commune fund resources</li> </ul>
Lao People's Democratic Republic	Adaptation to Climate Change in Southern Laos (ACCSL)	28-Jul-15	<ul style="list-style-type: none"> <li>• 10,814 individuals supported to cope with the effects of climate change</li> <li>• 110 villages planning and implementing community-based forest management</li> <li>• 500 improved cook stoves distributed</li> <li>• 30 solar-powered home garden irrigation systems distributed</li> <li>• 350 agricultural production groups established</li> <li>• 4 capacity-building trainings held</li> </ul>
Nepal	Adaptation for Smallholders in the Hilly Areas Project	26-Feb-15	<ul style="list-style-type: none"> <li>• 46 hectares of land under climate-resilient practices</li> <li>• 1,218 community groups engaged in natural resource management activities</li> <li>• 45 improved water mills</li> <li>• 10 biogas digesters distributed</li> <li>• 210 solar home systems distributed</li> <li>• 5,530 improved cook stoves distributed</li> <li>• Training workshops for local social mobilizers</li> </ul>
Viet Nam	Project for Adaptation to Climate Change in the Mekong Delta in Ben Tre and Tra Vinh Provinces	28-Mar-14	<ul style="list-style-type: none"> <li>• 15,226 individuals supported to cope with the effects of climate change</li> <li>• 65 climate-resilient packages identified and provided to 4,000 households</li> <li>• 296 common interest groups have been supported</li> <li>• 50% water-saving during intense 2015/16 drought in the Mekong river delta, leading to mitigating on farm soil salinity</li> <li>• Climate change awareness and capacity-building for 85,000 people</li> <li>• 820 handheld hydrometers distributed</li> </ul>

<sup>26</sup> As of May 2018. Based on results projects through IFAD's Operational Results Management System (ORMS) and information from the Project Management Units.

Country	Project title	Entry into force	Intermediate result <sup>26</sup>
<b>East and Southern Africa region</b>			
Burundi	Value Chain Development Programme – Phase II	03-Nov-15	<ul style="list-style-type: none"> <li>• 6,261 individuals supported to cope with the effects of climate change</li> <li>• 6,261 hectares of land under climate-resilient practices</li> <li>• 1,050 households with increased water availability</li> <li>• 107 community groups engaged in natural resource management activities</li> <li>• 762 producers trained through Farmer Field Schools (FFSs)</li> </ul>
Comoros	Family Farming Productivity and Resilience Support Project	Information not available	Information not available
Ethiopia	Participatory Small-scale Irrigation Development Programme – Phase II	13-Feb-17	<ul style="list-style-type: none"> <li>• 263 participants trained on climate risk adaptation</li> <li>• 4,900 hectares of climate-resilient irrigation schemes constructed</li> <li>• Established WUAs</li> <li>• 282 participants trained on national watershed guidelines</li> </ul>
Kenya	Kenya Cereal Enhancement Programme – Climate-Resilient Agricultural Livelihoods Programme	26-Aug-15	Biophysical and socioeconomic baselines commenced
Lesotho	Wool and Mohair Production Project	17-Jun-15	<ul style="list-style-type: none"> <li>• 13 hectares of land under climate-resilient practices</li> <li>• Capacity building of the Lesotho Meteorological Services</li> <li>• Climate information training of ministerial staff, extension service workers and farmers</li> </ul>
Madagascar	Project to Support Development in the Menabe and Melaky Regions – Phase II	30-Dec-15	107,880 individuals supported to cope with the effects of climate change
Malawi	Programme for Rural Irrigation Development	20-Dec-16	No information available
Mozambique	Pro-Poor Value Chain Development Project in the Maputo and Limpopo Corridors	03-Oct-12	<ul style="list-style-type: none"> <li>• 77,549 individuals supported to cope with the effects of climate change</li> <li>• Improved climate information services with the Mozambican Meteorological Authority</li> <li>• Protocol and promotion training for farmers through FFSs</li> </ul>
Rwanda	Post-Harvest and Agribusiness Support Project	28-Mar-14	<ul style="list-style-type: none"> <li>• 185,238 individuals supported to cope with the effects of climate change</li> <li>• 9,393 individuals engaged in natural resource management activities</li> <li>• 9,848 maize and bean drying tarpaulins distributed</li> <li>• 100,000 hermetic bags distributed</li> <li>• Financially supporting the Rwanda Meteorological Agency</li> <li>• 6084 farmers receiving daily SMS on climate information</li> <li>• New maize, potato and cassava varieties distributed</li> <li>• Solar powered lighting and drying systems distributed</li> <li>• Training of partners in Mali on renewable energy technologies</li> <li>• Hosted a PROCASUR learning route in November 2016 and ASAP knowledge management workshop gathering 8</li> <li>• Large-scale hybrid biogas and solar units established at 2 communal cow sheds</li> </ul>
Uganda	Project for Restoration of Livelihoods in the Northern	05-Aug-15	No information available

Country	Project title	Entry into force	Intermediate result <sup>26</sup>
	Region		
<b>Latin America and the Caribbean region</b>			
Bolivia (Plurinational State of)	Economic Inclusion Programme for Families and Rural Communities in the Territory of the Plurinational State of Bolivia with funding from the Adaptation for Smallholder Agriculture Programme	17-Mar-14	<ul style="list-style-type: none"> <li>• 57,448 individuals supported to cope with the effects of climate change</li> <li>• 3,416 hectares of land under climate-resilient practices</li> <li>• 39,542 individuals engaged in natural resource management activities</li> <li>• Construction of climate-resilient infrastructure against flooding and droughts benefiting 263 families</li> </ul>
Ecuador	Project to Strengthen Rural Actors in the Popular and Solidary Economy	05-Sep-17	Information not available
El Salvador	National Programme of Rural Economic Transformation for Living Well - Rural Adelante	Information not available	Information not available
Nicaragua	Adapting to Markets and Climate Change Project	01-Jul-14	<ul style="list-style-type: none"> <li>• 194,754 individuals supported to cope with the effects of climate change</li> <li>• 493 production and processing facilities with increased water availability</li> <li>• 490 households with increased water availability</li> <li>• 36,873 individuals engaged in natural resource management activities</li> </ul>
Paraguay	Project for Improved Family and Indigenous Production in Departments of Eastern Paraguay	Information not available	Information not available
<b>Near East, North Africa and Europe region</b>			
Djibouti	Programme to Reduce Vulnerability in Coastal Fishing Areas	01-Aug-14	<ul style="list-style-type: none"> <li>• 2.14 hectares of mangroves cleaned</li> <li>• 1.04 hectares of mangroves replanted</li> <li>• 720 metres of dunes fixed</li> <li>• 2,000 various plants planted</li> <li>• Investing in fishing infrastructure and renewable energy equipment</li> </ul>
Egypt	Sustainable Agriculture Investments and Livelihoods Project	15-Jun-15	<ul style="list-style-type: none"> <li>• 248 households with increased water availability</li> <li>• Established modern irrigation techniques on 6 farms</li> <li>• Solar energy powered pumping systems established</li> <li>• Drip and sprinkler irrigation systems established</li> <li>• 5,000 metres of irrigations canals rehabilitated and using solar-powered pumps</li> <li>• 40% water consumption savings</li> <li>• Irrigation time reduction of 60%</li> </ul>
Iraq	Smallholder Agriculture Revitalization Project	Information not available	Information not available
Kyrgyzstan	Livestock and Market Development Programme II	06-Aug-14	<ul style="list-style-type: none"> <li>• 503,500 individuals supported to cope with the effects of climate change</li> <li>• 40 pasture management and annual health plans implemented</li> </ul>

Country	Project title	Entry into force	Intermediate result <sup>26</sup>
Republic of Moldova	Rural Resilience Project	14-Aug-17	<ul style="list-style-type: none"> <li>• 5,150 individuals supported to cope with the effects of climate change</li> <li>• 6,739 hectares of land under climate-resilient practices</li> </ul>
Morocco	Rural Development Programme in the Mountain Zones – Phase I	23-Feb-15	<ul style="list-style-type: none"> <li>• 58 hectares of Ceratonia Siliqua trees planted</li> <li>• Implementation of the underground water resource assessment</li> <li>• 6 WUAs trained</li> <li>• Investment in weather stations</li> <li>• Development of biomass-based energy systems</li> </ul>
Sudan 2	Butana Integrated Rural Development Project	24-Jan-17	156,925 individuals supported to cope with the effects of climate change
Sudan 1	Livestock Marketing and Resilience Programme	31-Mar-15	75 community adaptation plans (CAPs) prepared
Montenegro	Rural Clustering and Transformation Project	05-Dec-17	Information not available
Tajikistan	Livestock and Pasture Development Project II	03-Feb-16	Information not available
<b>West and central Africa</b>			
Benin	Market Gardening Development Support Project	01-Jun-16	<ul style="list-style-type: none"> <li>• 1 climate change adaptation strategy and 1 workplan elaborated with concerned government entities to better integrate project's activities within national priorities</li> <li>• Prior to the launch of gardening supported activities, the project has established a list of organic inputs providers for potential partnerships and has realized a study on pesticide management</li> </ul>
Cabo Verde	Rural Socio-economic Opportunities Programme	15-Jun-17	<ul style="list-style-type: none"> <li>• 4 weather stations acquired</li> <li>• 25,759 community groups engaged in natural resource management activities</li> <li>• 13 transformative community projects</li> <li>• Upgrading of local development plans to include climate resilience</li> </ul>
Chad	Project to Improve the Resilience of Agricultural Systems in Chad	17-Feb-15	<ul style="list-style-type: none"> <li>• 19,690 individuals supported to cope with the effects of climate change</li> <li>• 380 individuals engaged in natural resource management and climate risk management activities</li> <li>• 27 environmental clubs created in high schools</li> <li>• 1 Climate Change adaptation module integrated into alphabetisation handbooks</li> <li>• Promotion of conservation agriculture, soil fertility and pest management through 74 FFSs</li> <li>• 245 wells constructed</li> <li>• 1 agro-ecology and climate monitoring system developed in 6 divisions, supporting rehabilitation of 100 km of rural roads</li> </ul>
Côte d'Ivoire	Support to Agricultural Production and Marketing Project – Western expansion	21-Nov-14	<ul style="list-style-type: none"> <li>• Restoration of 1,320 hectares of degraded foothills</li> <li>• 230 hectares of land under climate-resilient practices</li> <li>• Installation of 23 rain gauges</li> <li>• Installation of 10 automatic weather stations</li> </ul>
Gambia (The)	Strengthening Climate Resilience of the National Agricultural Land and Water Management Development Project	01-Mar-16	<ul style="list-style-type: none"> <li>• FFS manual updated to integrate climate change adaptation aspects</li> <li>• 600 people participated in climate change risk sensitization workshops</li> <li>• Community watershed plans were set up in 50 villages under a participatory approach</li> <li>• 50 communities sensitized about literacy and numeracy programme with training material on climate resilience</li> </ul>

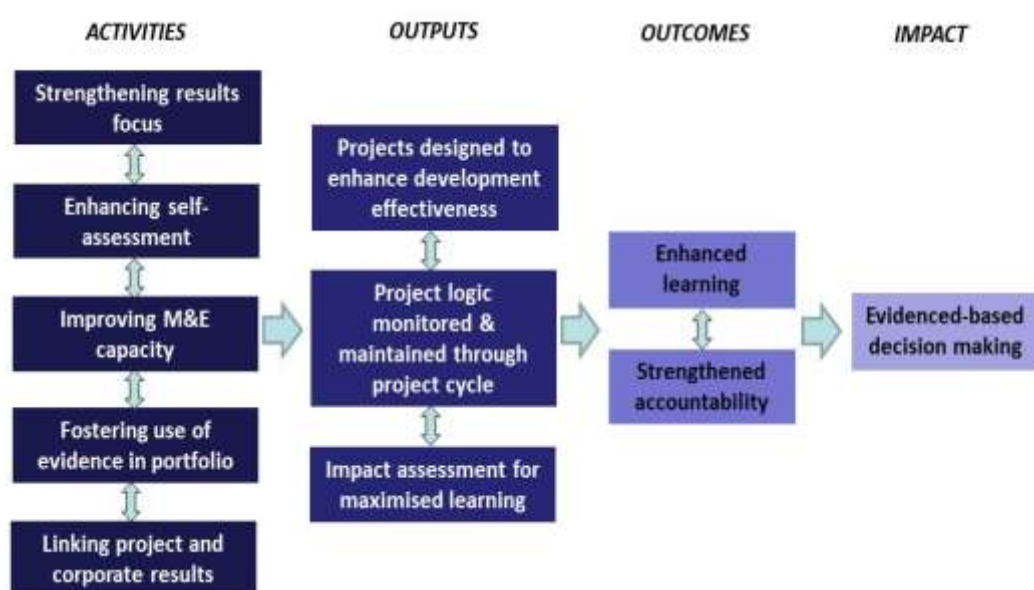


Country	Project title	Entry into force	Intermediate result <sup>26</sup>
Ghana	Ghana Agricultural Sector Investment Programme	18-May-15	<ul style="list-style-type: none"> <li>• 2,185 individuals engaged in NRM and climate risk management activities</li> <li>• 1 research institute engaged to undertake adaptive trials on rice, maize, soybean and cowpea value chains in 9 districts</li> </ul>
Liberia	Tree Crops Extension Project	01-Jun-17	Information not yet available as project has not effectively launched
Mali	Fostering Agricultural Productivity Project – Financing from the Adaptation for Smallholder Agriculture Programme	21-Jan-14	<ul style="list-style-type: none"> <li>• 94,490 individuals supported to cope with the effects of climate change</li> <li>• 165 hectares of land under climate-resilient practices</li> <li>• 28,971 individuals engaged in natural resource management activities</li> <li>• Protected 5 lowland areas</li> <li>• Protected 17 villages' groves</li> <li>• Developed 20 market gardens benefiting 1,600 women</li> <li>• Installation of 1,000 rain gauges</li> <li>• Installation of 240 biogas digesters</li> <li>• Installation of 100 solar home systems</li> </ul>
Mauritania	Inclusive Value Chain Development Project	12-Jan-17	Information not yet available as project has not started to implement its climate change adaptation related activities
Niger	Family Farming Development Programme in Maradi, Tahoua and Zinder Regions	21-Sep-15	<ul style="list-style-type: none"> <li>• Reduced erosion in 1,131 hectares of watershed</li> <li>• Invested in better water infiltration systems on 331 FFSS</li> <li>• Rehabilitation of rural roads to cope with flooding</li> </ul>
Nigeria	Climate Change Adaptation and Agribusiness Support Programme in the Savannah Belt	25-Mar-15	<ul style="list-style-type: none"> <li>• 84,000 individuals supported to cope with the effects of climate change</li> <li>• Completion of a rainfall prediction and participatory land use baseline survey</li> <li>• Implemented innovative and effective soil and water conservation techniques</li> <li>• Monitoring of degraded areas for public community land investments</li> <li>• Testing of climate-smart prototypes</li> <li>• Construction of climate-resilient roads</li> </ul>

## Implementation of IFAD's Development Effectiveness Framework

- The IFAD Development Effectiveness Framework (DEF), presented to the Executive Board in December 2016, provides a comprehensive institutional approach to measuring results including impact. It details a series of interrelated activities meant to ensure the systematic generation, collection and use of evidence from projects to inform decision-making and ultimately enhance the effectiveness of IFAD's investments. DEF activities are organized into five areas as part of the theory of change described in figure 1.

**Figure 1: DEF theory of change**



- Details of progress made in each DEF activity area as of 1 June 2018 are presented in table 1.

Table 1  
Update on activities undertaken through the DEF

<b>ACTIVITY AREA 1: Strengthening the focus on results throughout the project cycle</b>		
<i>Activity proposed through the DEF</i>	<i>Completed as of 1 June 2018</i>	<i>Planned next steps</i>
<p><b>1.1 Project logic.</b> Consistently articulate a results-based project logic in design reports and assess its relevance throughout implementation and at completion.</p>	<p>The Operational Policy and Results Division (OPR): (i) consistently validates all project logframes and their linkages to the economic and financial analysis; and (ii) reviews the relevance of project logic at the project completion report (PCR) stage.</p> <p>The new Operational Results Management System (ORMS) performance indicators are used to measure projects' relevance and logic at mid-term and (when relevant) during supervision.</p>	<p>The new project design process (effective 1 July 2018) will have a special emphasis on how project logic is presented, with a dedicated section on the project's theory of change.</p> <p>Project logic at design will be reviewed through the development effectiveness matrix (called the checklist in the DEF) as part of the new design review process. New supervision guidelines are being developed.</p>
<p><b>1.2 PCRs.</b> Gather and present evidence to draw lessons for future projects.</p>	<p>Since the operational guidance on PCRs was issued in November 2015, PCRs are reviewed in-house before finalization with a focus on learning. Country programme management teams and annual PCR review meetings are organized to discuss lessons learned.</p> <p>In an effort to increase transparency and</p>	<p>With the completion module, ORMS will provide a mechanism to facilitate learning loops. Lessons learned from completion and supervision will be flagged in order to be useful for project design. A revision of the PCR guidelines is also expected.</p> <p>In the new project design process, there will</p>

	<p>learning, in December 2017 the Executive Board approved the systematic disclosure of PCRs submitted from 2018 onwards, subject to agreement by governments.</p> <p>All new project designs must explicitly reference lessons drawn from PCRs.</p>	be a greater emphasis on lessons learned.
<p><b>1.3 Results tracking.</b> Track the collection of project data from design through supervision to completion.</p>	<p>ORMS is an online system that produces real-time data on results. This system is expected to integrate all key initiatives and elements of IFAD's results agenda progressively, as outlined in the DEF.</p> <p>Since 1 December 2017, all regional divisions have been using the ORMS logframe tool and supervision module (phases I and II).</p>	An online design module is being developed and should be launched by the end of 2018, with the concept note template online by 1 July. A completion module will be developed for 2019.
<p><b>1.4 Project restructuring policy.</b> Formulate a project restructuring policy that identifies: (i) when a project adjustment is sufficient; and (ii) if so, what actions need to be taken.</p>	The existing cancellation policy is being revised to include restructuring and other measures to enhance flexibility in project implementation.	The project restructuring policy will be presented to the Board in December 2018.
<p><b>1.5 Development effectiveness checklist.</b> Design and pilot a development effectiveness checklist.</p>	Renamed the development effectiveness matrix, the tool is being developed as part of the new project design process.	As of 1 July 2018, the new design process will be effective along with the use of the development effectiveness matrix in the review of project design documents.

**ACTIVITY AREA 2: Enhancing self-evaluation and accountability for results**

<i>Activity proposed through the DEF</i>	<i>Completed as of 1 June 2018</i>	<i>Planned next steps</i>
<p><b>2.1 Creation of the Operational Programming and Effectiveness Unit (OPE).</b> Create the OPE Unit to oversee the Fund's operational self-evaluation frameworks.</p>	<p>OPE was established in 2016 following a functional review of the Programme Management Department.</p> <p>In April 2018, as part of IFAD's operational realignment, OPR was created to replace OPE. OPR is mandated to oversee IFAD's self-evaluation function.</p>	
<p><b>2.2 Advancing monitoring and evaluation (M&amp;E) practices.</b> OPE to advance M&amp;E practices in operations and Member States.</p>	In addition to various initiatives designed to enhance Member States' M&E capacities (see activity areas 3 and 5 below), OPR is ensuring enhanced monitoring and reporting practices from country strategy development through project design and supervision to completion.	Provisions of the OPR memo on an enhanced operational approach to results-based management are being mainstreamed into new operational guidance on country strategies (to take effect on 1 January 2019), the new design process and new supervision and implementation-support guidelines.
<p><b>2.3 Reporting on results.</b> OPE to report on results to Senior Management, the Board, its subsidiary committees, donors and stakeholders.</p>	OPR oversees corporate reporting on results and operational performance through: (i) the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA); (ii) tracking implementation of IOE recommendations; and (iii) the Report on IFAD's Development Effectiveness (RIDE).	
<p><b>2.4 Interface with IOE.</b> OPE will act as the interface with IOE.</p>	<p>OPR acts as the interface between IFAD Management and IOE.</p> <p>IOE and OPR are working to harmonize IFAD's independent evaluation and self-evaluation functions. Phase I of a harmonization agreement was completed in March 2017 to ensure common use of indicators and their definitions.</p>	<p>A peer review of IFAD's evaluation function will be carried out in 2018 as recommended by the Evaluation Committee. The learning generated is expected to strengthen both IFAD's independent and self-evaluation functions.</p> <p>Phase II of the harmonization agreement will capitalize on the outcomes of the peer review; it is planned for 2020.</p>

<p><b>2.5 Harmonization with partners.</b> OPE to foster harmonization with other partners, in particular international financial institutions (IFIs).</p>	<p>OPR represents IFAD in several working groups of multilateral development banks for cross-organizational learning and harmonization of practices on self-evaluation and development effectiveness.</p>	
<p><b>2.6 Co-responsibility for projects.</b> Assign co-leadership responsibilities to country programme managers and technical advisers for project design and implementation to increase incentives for quality.</p>	<p>The IFAD business model paper prepared for the Eleventh Replenishment of IFAD's Resources (IFAD11) consultation envisions this as a component of a broader reform package.</p>	<p>The new design process currently in development gives more responsibility to technical leaders in the preparation of design documents.</p>

**ACTIVITY AREA 3: Improved M&E capacity in the rural sector**

<i>Activity proposed through the DEF</i>	<i>Completed as of 1 June 2018</i>	<i>Planned next steps</i>
<p><b>3.1 Training in M&amp;E and impact assessment.</b> Collaborate with Centers for Learning on Evaluation and Results (CLEAR) to design a curriculum for certification in M&amp;E and impact assessment through an IFAD grant.</p>	<p>The IFAD training and certification Programme in Rural M&amp;E (PRiME) was launched in October 2017 in collaboration with CLEAR. Staff from 44 IFAD-funded projects have been trained in the fundamentals of PRiME.</p>	<p>Discussions are ongoing for a second phase of the programme given the interest shown by other multilateral development banks and organizations.</p>
<p><b>3.2 Assessment of country M&amp;E systems.</b> Analyse country M&amp;E capacity as part of country strategic opportunities programme (COSOP) formulation.</p>	<p>The three-year grant-financed AVANTI project developed a tool to help 20 countries self-diagnose their M&amp;E needs and gaps. Results and action plans produced will be used to inform IFAD COSOPs.</p> <p>Implementation started in 2018 in Indonesia, Peru, Rwanda and Sierra Leone.</p>	<p>The results of national M&amp;E system assessments are expected by the end of 2018. In 2019, seven or eight additional countries will be assessed.</p>
<p><b>3.3 Operations Academy.</b> Design and roll out an internal academy for country programme managers to develop project management skills based on the use of evidence.</p>	<p>The IFAD Operations Academy – aimed at ensuring a solid baseline of skills for all operational staff – was launched in December 2017.</p>	<p>The new Enhanced Country-based Model in a Realigned Organization is being developed. Delivery will start in each region by the end of 2018.</p>

**ACTIVITY AREA 4: Fostering the use of evidence in portfolio management**

<i>Activity proposed through the DEF</i>	<i>Completed as of 1 June 2018</i>	<i>Planned next steps</i>
<p><b>4.1 Corporate-level performance indicators.</b> Identify adequate corporate-level indicators of success by reviewing and understanding IFAD's portfolio and analysing potential impact.</p>	<p>As part of the Tenth Replenishment of IFAD's Resources (IFAD10) consultation process, IFAD reviewed and updated its Results Measurement Framework (RMF). The review identified a new set of impact-level indicators linked to IFAD's strategic framework: increased production; increased market access; greater resilience; and enhanced economic mobility.</p>	<p>Impact indicators and targets will continue to be based on IFAD's strategic objectives with the additional of nutrition.</p>
<p><b>4.2 Thematic reviews.</b> Conduct systematic reviews of key components of IFAD's portfolio to build an evidence base.</p>	<p>A thematic review on land tenure in IFAD-financed operations was published in the IFAD Research Paper Series and the Effective Rural Development publication. A review of irrigation programmes and IFAD policy engagement in Asia was also published in the publication Effective Rural Development.</p>	<p>It is expected that one or two additional systematic reviews will be commissioned and undertaken each year.</p>
<p><b>4.3 Portfolio analysis.</b> Analyse IFAD's portfolio to improve performance.</p>	<p>IFAD has undertaken two studies to understand the dynamics of its portfolio – including one on disbursements in 2016.</p>	<p>IFAD will continue to conduct empirical analyses of its portfolio of loans and grants to improve performance.</p>

**ACTIVITY AREA 5: Linking project M&E to corporate results reporting**

<i>Activity proposed through the DEF</i>	<i>Completed as of 1 June 2018</i>	<i>Planned next steps</i>
<b>5.1 RIMS reform.</b> Reform the Results and Impact Management System (RIMS) by cascading IFAD's corporate goals into country programmes and projects, and integrating RIMS into supervision reporting.	New core indicators were approved by the Executive Board in April 2017 to replace RIMS. Linked to IFAD's strategic objectives, they measure key outputs and outcomes of IFAD's operations.	The process of retrofitting the core indicators into the logframes of ongoing projects should be completed by the end of 2018.  From 2019, all projects will be reporting on the core indicators through ORMS.
<b>5.2 Project evaluability.</b> At the project level, assess logframes to ensure that they reflect project logic and corporate requirements, and include RIMS.	Since July 2017, all new projects have been reviewed to ensure they are "evaluatable", i.e. that they have a comprehensive M&E and impact assessment plan that is aligned with country M&E capacities and systems, and clearly articulates the methods and tools used to assess performance.	Project evaluability is now assessed at the design stage through the development effectiveness matrix as part of the new project design process, which took effect on 1 July 2018.
<b>5.3 Impact assessments.</b> Select a representative subset of IFAD projects for impact assessment and project the results of the analysis onto the portfolio for corporate reporting.	Impact assessments will be undertaken on 18 projects by the end of 2018, reaching approximately 15 per cent of IFAD's project portfolio. Project selection was based on established criteria to reflect regional and thematic focus areas.  For the remaining 85 per cent of the portfolio, there is flexibility to choose from quantitative, qualitative and mixed-method approaches for assessing outcomes and impact.	The results of the impact assessments will be used to project results onto the IFAD portfolio and reported against IFAD10 targets.  The selection of projects for impact assessments during IFAD11 will be initiated in July 2018, with a proposed list of projects selected for impact assessment finalized by September 2018.
<b>5.4 Lessons from impact assessments.</b> Since impact assessments will focus on lessons learned, provide a synthesis of these lessons from the analyses.		Lessons will be drawn from impact assessments as part of the synthesis of impact assessments for IFAD10, which will be provided to the Executive Board in April 2019.

## List of Countries with Fragile Situations as Found in the IFAD Strategy for Engagement in Countries with Fragile Situations<sup>27</sup>

<i>Region</i>	<i>Country</i>
APR	Afghanistan
APR	Democratic People's Republic of Korea
APR	Myanmar
APR	Papua New Guinea
APR	Pakistan
ESA	Burundi
ESA	South Sudan
LAC	Haiti
NEN	Bosnia and Herzegovina
NEN	Iraq
NEN	Lebanon
NEN	Somalia
NEN	Sudan
NEN	Syrian Arab Republic
NEN	West Bank and Gaza
NEN	Yemen
NEN	Tajikistan
NEN	Uzbekistan
WCA	Central African Republic
WCA	Chad
WCA	Democratic Republic of the Congo
WCA	Côte D'Ivoire
WCA	Guinea
WCA	Guinea-Bissau
WCA	Liberia
WCA	Mali
WCA	Sierra Leone
WCA	Niger
WCA	Sao Tome and Principe
WCA	Togo

<sup>27</sup> See EB 2016/119/R.4, appendix III.

## Audit Trail of Key Comments by the Executive Board and IOE IFAD on the 2017 RIDE<sup>28</sup>

<i>Source</i>	<i>Comment</i>	<i>Follow-up</i>
IOE	The inclusion of an explanation of the methodology for the new analysis (e.g. rating disconnect) would further enhance the report's transparency and credibility.	The 2018 RIDE includes an explanation of the methodology for the new analysis presented in the report (e.g. "rating disconnect") in line with the Independent Office of Evaluation of IFAD's (IOE's) comment on the 2017 RIDE.
IOE	There is no overview of the performance to give context to the results. At a minimum, it would have been useful to provide the total value and size of IFAD's portfolio and the amount of financing approved by end of December 2016.	In the 2018 Report on IFAD's Development Effectiveness (RIDE), an overview is included to provide an overall picture of IFAD's current portfolio of investments.
IOE	Regarding climate change, many relevant strategies and policies are mentioned in addition to the plan for intensive mobilization of additional climate-related cofinancing in IFAD11, rather than presenting evidence of increased climate mainstreaming in IFAD10 using the unrestricted complementary contributions mobilized for climate change.	A specific "in focus" chapter on climate mainstreaming is included in the 2018 RIDE. This chapter addresses IOE's comments on the analysis of climate change in the 2017 report.
IOE	The discussion on cofinancing lacks coherence and requires context, such as information on total cofinancing (broken down by domestic and international sources), total IFAD financing and an explanation of the significance of cofinancing (i.e. as an indicator of government commitment).	In the context of the Eleventh Replenishment of IFAD's Resources (IFAD11) commitments and the transition framework, Management undertook an in-depth analysis of cofinancing to inform the cofinancing strategy and action plan currently being developed. The RIDE will include a deeper analysis of cofinancing if it is relevant. However, the RIDE should not be used for a comprehensive analysis of these topics.
IOE	It would be useful to present a comparison of the difference in performance of countries with fragile situations.	The 2018 report includes a comparison of the differences in performance between countries with fragile situations and the overall portfolio. A disaggregation of regional contributions to overall performance is also provided.
IOE	The RIDE would have done well to maintain its standard practice of highlighting actions to improve performance in a final "way forward" section.	A section highlighting specific actions undertaken at the corporate level to address recurrent drivers of weak performance is included in the RIDE. In addition, the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions includes follow-up actions undertaken by Management to address IOE's recommendations on recurrent themes including mainstreaming, targeting, monitoring and evaluation, and project design.
Executive Board	The Board also welcomed the annex on the Adaptation for Smallholder Agriculture Programme and encouraged Management to include reference to challenges, lessons learned and next steps to be undertaken in future editions.	The "in focus" chapter of the 2018 RIDE includes challenges, lessons learned and the way forward for mainstreaming climate into IFAD's portfolio.
Executive Board	Management would explore better ways to measure smallholders' linkages to value chains, and would also include examples of private sector engagement in future editions.	The 2018 RIDE includes a box with recent examples of private-sector engagement.

<sup>28</sup> See EB 2017/121/R.10/Add.1.