Report on IFAD’s Development Effectiveness 2019

Comments by the Independent Office of Evaluation of IFAD

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1. In line with the Terms of Reference and Rules of Procedure of IFAD’s Evaluation Committee and the decision taken by the Executive Board at its December 2006 session, this document contains the comments of the Independent Office of Evaluation of IFAD (IOE) on the Report on IFAD’s Development Effectiveness (RIDE). The RIDE is the Fund’s main corporate document reporting on institutional and development effectiveness. This opportunity for IOE to review and share its comments enhances the credibility and transparency of IFAD’s self-evaluation system.

2. Overall, the 2019 RIDE is well-written and presents a succinct overview of performance during the Tenth Replenishment of IFAD’s Resources (IFAD10). This year’s report provides a detailed analysis and discussion on the operational performance of IFAD’s country programmes but less discussion of institutional aspects. As a corporate report, the RIDE needs to provide a balanced presentation of all aspects measured by the Results Measurement Framework (RMF). The comments below relate to the achievements and areas for improvement presented in the RIDE with respect to the IFAD10 RMF targets.

3. The delivery of the historically high programme of loans and grants (PoLG) in IFAD10 in the midst of extensive organizational change is commendable. The 2019 RIDE presents many positive results in the context of an intensive reform programme which included the reorganization of departments, creation of new divisions, inclusion of all operational staff in a reassignment exercise and decentralization into the new subregional hub model. Amid these changes, IFAD delivered the record-high US$3.3 billion in approved loans and grants during IFAD10. In addition, IFAD exceeded all targets related to its impact indicators, in particular the number of people experiencing economic mobility, and number of people with improved market access.

4. Notably, delivery of the PoLG included a very high number of ongoing projects receiving additional financing (34). Given their greater frequency, more information should be provided on additional financing, such as the total financial amount, the rationale for the additional financing (i.e. scaling up, filling-in financing gaps when cofinancing did not materialize, or funding pre-approved additional project phases).

5. An improvement across the disbursement indicators is evident in IFAD10. The 17.8 per cent disbursement ratio against the overall portfolio in 2018 surpassed the IFAD10 target of 15 per cent. The time from project approval to first disbursement also declined to 15.7 months from a baseline of 17 months, although the target of 14 months was not met. This quicker disbursement time may have been affected by the large number of additional financings and/or better implementation readiness of new project designs. These aspects could have been discussed in the RIDE.

6. The 2019 RIDE highlights that ratings for closed projects are subjective; however this issue may be raised with regard to data presented for other indicators as well. Despite the strengthened review process for project completion reports, the RIDE highlights the subjectivity of its project completion report (PCR) ratings. However, supervision and implementation support ratings are not questioned even though their review process varies among divisions. The quality assurance ratings are also not questioned though the rating method is not disclosed, making it difficult to ensure that inter-evaluator variability is mitigated. The RIDE also asserts the greater objectivity of data derived from impact assessments.
However, it should be recalled that the IFAD10 impact assessments were conducted on a sample of projects whose selection was not random and they were not necessarily representative of IFAD’s portfolio. For further details, see IOE’s comments on the IFAD10 Impact Assessments. Though the RIDE asserts that impact assessment is sufficient to measure rural poverty impact, ratings of closed projects produced through rigorous processes still provide useful information for individual projects and additional data for triangulating results.

7. The undisclosed change in the methodology for analysing and presenting Management’s PCR ratings raises concern about consistency in the reporting of results in the RIDE. The 2016 RIDE stated that: "The three-year project cohorts are organized according to project completion date, ensuring alignment with practice in the Annual Report on Results and Impact of IFAD Operations (ARRI)." However, since the 2017 RIDE, the three-year project cohorts are presented by project closing date, six months after the completion date. The change in methodology was not mentioned in that edition of the RIDE nor raised with IOE in the context of greater harmonization between self- and independent evaluation. Consequently, since 2017, the results in the RIDE are not fully comparable to those in the ARRI nor with past RIDEs.

8. PCR ratings by completion date and IOE ratings indicate that only the adaptation to climate change target was fully met. As shown in table 1, government performance as a partner is only one percentage point below target based on PCR ratings by completion date. When considering the 2019 RIDE presentation of results by closing date, the targets for adaptation to climate and government performance as a partner are both fully met and innovation is only one percentage point away.

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Source: 2019 RIDE data and IOE project completion report, validation/project performance evaluation database. All figures present the percentage of MS+ projects by three-year moving periods, *based on project closing date; **actual completion date.

9. The 2019 RIDE has also introduced a new concept of "materially within the target ranges" which may be viewed as lowering IFAD’s standards for quality measurement. In reporting achievement against the IFAD9 Results Measurement Framework, the 2016 RIDE did not consider the Environment and Natural Resources Management (ENRM) target met, though performance was one percentage point from the target. However, the 2019 RIDE considers targets
"materially" met within a wide range from 1 to 10 percentage points. If the same standards used to measure IFAD9 RMF targets were applied to IFAD10, the 2019 RIDE would only consider the targets for adaptation to climate change and government performance met based on the closing date. Yet, the 2019 RIDE cites the targets for 8 out of 10 criteria as either fully met or materially within range.

10. **Performance in IFAD9 was better than in IFAD10 for country-level development outcomes, although the majority of targets were the same and many of the IFAD10 targets were below their baseline.** IFAD10 maintained the same targets as IFAD9 for all criteria except sustainability of benefits and efficiency which were increased by 10 and 5 percentage points respectively. Against these targets, the 2016 RIDE reported that all the IFAD9 targets were met, except ENRM, and that results exceeded the target for 8 out of 10 criteria. Even sustainability of benefits and efficiency exceeded their targets. In contrast, in the 2019 RIDE, 8 out of 10 criteria are below the actual IFAD10 targets. The 2016 RIDE also compares results against the baseline revealing that ENRM made significant progress towards its target. The 2019 RIDE does not compare progress against its baselines. Notably, many of the IFAD10 targets are below their 2013-2014 baselines (e.g. partnership-building and quality of design). For IFAD12, targets should be realistically set as an improvement over an established baseline.

11. **The main report of the RIDE provides limited discussion on RMF level 5 indicators on IFAD’s institutional effectiveness.** Areas that require more attention based on the results achieved are improved resource mobilization and management. Given the need to improve resource mobilization, better sources of data are needed to understand recent trends in agricultural investment. For example, the reference to public agricultural investment makes comparisons with the mid-1980s, which does not capture increases over the last 10 years. In addition, while the staff engagement index is still high at 74 per cent, the target of 75 per cent was not reached, though it was set lower than the baseline. Reasons and actions taken to address this should be mentioned.

12. **Additional information is needed to explain improvements related to IFAD's recruitment targets.** Overall, the number of days to fill professional vacancies declined from 109 to 76, well below the 100-day target. An explanation of how this was achieved so quickly would be valuable. Though only tracked, the percentage of staff from Lists B and C has steadily increased to 44 per cent which is commendable. The 2 per cent increase over the baseline in the percentage of women in P-5 and above positions to 31 per cent is also positive. However, in order to reach the target of 35 per cent, IFAD may need to focus on the issue of retaining women at the managerial level.

13. **The report on gender, equality and women's empowerment (GEWE) in the annex highlights interesting points deserving discussion in the main report.** First, the report shows that the proportion of the total loan value classified as gender transformative declined from 26 per cent in 2016 to 14.6 per cent in 2018. The decline is attributed to a more stringent definition of gender transformation and a reduced focus on in-depth GEWE assessments during missions. The latter is a concern linked to issues raised in the 2019 ARRI regarding sufficient technical support provided for project design, supervision and implementation support missions.

14. **Finally, the way forward presents appropriate issues and measures to address them.** The RIDE identifies government performance, sustainability of benefits, and capacities in countries in fragile situations as key issues to address in order to improve performance. Simpler designs should prove beneficial for government performance as well as for projects in fragile situations. Capacity-building programmes in financial management and procurement also have been recommended in the ARRI. The inclusion of exit strategies in all new designs aligns
well with past ARRI recommendations on improving sustainability of benefits. The framework for stakeholder feedback focusing on beneficiary participation is a good measure for ensuring continued relevance of projects. While countries with fragile situations certainly require a differentiated approach and special support, analysis conducted by IOE for the 2019 ARRI showed that the difference in average ratings between projects in fragile and non-fragile situations was small for all criteria and significant only in terms of sustainability of benefits. That said, strengthening in-country capacities and the newly introduced government and Management joint reviews are positive measures.

15. **In conclusion, the 2019 RIDE succinctly presents an IFAD undergoing transformational change.** In 2018, Management commendably introduced many new policies and strategies, which have laid the foundation for IFAD’s proposed pathway to reach its ambitious IFAD11 targets, and still delivered the historically high PoLG of IFAD10. While the results are still pending, the RIDE has identified the right issues and outlined concrete actions for addressing them. IOE thanks Management for this opportunity to contribute to this change process by commenting on the results reported in the RIDE.