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Investing in rural people

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

### **Comments by the Independent Office of Evaluation of IFAD**

#### **Note to Executive Board representatives**

##### Focal points:

##### Technical questions:

**Fabrizio Felloni**  
Interim Officer-in-Charge  
Independent Office of Evaluation of IFAD  
Tel.: +39 06 5459 2361  
e-mail: f.felloni@ifad.org

**Suppiramaniam Nanthikesan**  
Lead Evaluation Officer  
Tel.: +39 06 5459 2243  
e-mail: s.nanthikesan@ifad.org

##### Dispatch of documentation:

**Deirdre Mc Grenra**  
Chief  
Institutional Governance and  
Member Relations  
Tel.: +39 06 5459 2374  
e-mail: gb@ifad.org

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**For: Review**

1. In accordance with the IFAD Evaluation Policy,<sup>1</sup> the Independent Office of Evaluation of IFAD (IOE) provides comments on the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions (PRISMA), for consideration by the Evaluation Committee and the Executive Board. IOE welcomes the PRISMA as an important instrument within IFAD's evaluation architecture for promoting accountability and organizational learning.
2. **Coverage of follow-up to recommendations.** The 2020 PRISMA reviews the implementation status of the 68 recommendations<sup>2</sup> from 16 independent evaluations. Of these evaluations, one was covered in previous editions of the PRISMA (with the reporting covering the historical follow-up) and 15 are evaluations finalized in 2018 and 2019. PRISMA also includes Management's responses to recommendations from the 2019 Annual Report on Results and Impact of IFAD Operations (ARRI) and to IOE's comments on the 2019 Report on IFAD's Development Effectiveness.
3. **Implementation status and PRISMA coverage.** IOE appreciates Management's commitment to providing and tracking its responses to independent evaluations. It recognizes the efforts under way to review the self-evaluation products and agrees with Management that this will be a good opportunity to introduce necessary changes to PRISMA in order to enhance its usefulness.
4. IOE agrees with Management that PRISMA is important in promoting accountability and learning from independent evaluations. It acknowledges the hard work required to achieve these objectives with limited resources. However, IOE does not agree with the proposal to cease providing coverage for portfolio-level evaluations such as country strategy and programme evaluations (CSPEs), project performance evaluations (PPEs) and impact evaluations (IEs). This move would undermine PRISMA's contribution to accountability and learning. Operations are at the heart of IFAD's contribution to development results. Strengthening future operations is vital – and evidence from project-level evaluations and CSPEs are critical for achieving this.
  - (i) From an accountability perspective, it is crucial to demonstrate that new operations have taken the relevant evaluation recommendations fully on board.
  - (ii) From a learning perspective, IFAD needs to build a body of knowledge through evidence from all levels – project, country and corporate. PRISMA contributes to this knowledge base by presenting how recommendations at all levels are translated into improvements in interventions, and the challenges that IFAD faces in identifying and implementing appropriate follow-up to recommendations.
5. PRISMA argues that CSPEs and project-level evaluations cover operations designed prior to 2009, and that their recommendations may no longer be relevant. This calls for further reflection and scrutiny. CSPEs cover not only completed projects, but also the ongoing projects that have been designed recently. Project-level IOE evaluations assess not only the validity of designs, but also the implementation of operations. Their recommendations also reflect implementation practices at the time of the evaluation.<sup>3</sup> Moreover, as explained in the 2020 ARRI, project design

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<sup>1</sup> See paras. 11 and 31(i) of the revised IFAD Evaluation Policy EC 2011/66/W.P.8.

<sup>2</sup> PRISMA identified 67 recommendations. This count excludes the first recommendation of the corporate-level evaluation (CLE) of IFAD's engagement in pro-poor value chain development that Management did not accept (see footnote 7).

<sup>3</sup> For the 2020 PRISMA, this corresponds to the period from 2017 to 2019, clearly reflecting the current implementation practices.

issues tend to be recurrent: some of the issues identified in project designs from 2009 through 2011 were echoed in the 34 projects approved in 2019.<sup>4</sup>

6. IOE recognizes the challenges in providing full PRISMA coverage with limited resources. In this regard, lessons from the practices of other international financial institutions (IFIs) and the United Nations agencies are instructive. The African Development Bank, Asian Development Bank, and United Nations Development Programme (UNDP) have web-based platforms to upload and track recommendations and management responses.<sup>5</sup> A web-based database for management responses constitutes standard practice in major United Nations agencies, where units responsible for operations are also responsible for uploading and updating the management response and actions. The web-based platform can become a learning platform for the entire organization, offering a searchable database that can be used for further analysis of recommendations and for follow-up.
7. **Actionable recommendations.** IOE agrees that evaluations should formulate recommendations that are strategic, relevant and actionable. IOE is revisiting its evaluation processes, enhancing its engagement with Management and other stakeholders, to ensure that its recommendations are shaped by evaluative evidence and stakeholder needs, and that they are formulated within the framework of IOE independence. Two measures by PRISMA will facilitate IOE's ongoing efforts to improve the relevance of evaluation recommendations: (i) as suggested by Management, an analysis should be produced of the challenges to implementing past and existing recommendations; and (ii) PRISMA should make visible the recommendations that are not agreed by Management.<sup>6</sup>
8. **Internalizing learning from recommendations.** PRISMA observes that the recommendations are clustered around five thematic areas. IOE would like to draw attention to the following:
  - (i) **Targeting.** PRISMA notes that 14 per cent of the recommendations are about strengthening geographic and direct targeting. It states that recent and future designs have adequately addressed this issue, citing: (i) the revisions introduced in 2019 to targeting guidelines; (ii) the high quality of recent designs, according to the quality-at-entry assessments; and (iii) the positive ratings by recent supervision reports on ongoing projects. IOE evaluation evidence suggests some caution. As recognized by PRISMA, good design does not always translate into good implementation. Implementation challenges are common, and may make it difficult for the project to reach the targets identified in the design. For instance, hard statistical data for direct targeting are rarely available, and monitoring systems are generally not equipped to track the socio-economic status of beneficiaries – as embodied, for example, in their assets and incomes.
  - (ii) **Non-lending activities.** Another recurring evaluation recommendation is the need to strengthen the synergies between lending and non-lending activities within country programmes. Management agreed with this assessment and proposed a two-pronged strategy: (i) bringing the technical capacities for non-lending activities closer to the interventions, by means of the decentralization efforts under way; and (ii) streamlined portfolios, with fewer

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<sup>4</sup> For example, weak reflection of country specificities in project design was identified as a recurring design issue by the 2020 ARRI and the 2020 Quality Assurance Group report on the quality-at-entry of the 34 projects approved in 2019. The issue persisted in 2019 designs, even when over 90 per cent of these new projects received a quality-at-entry rating of moderately satisfactory or better.

<sup>5</sup> In the ADB and AfDB, the automated system to track management's response is called the Management Action Record System; in the UNDP, management response tracking is housed within the Evaluation Resource Centre – the evaluation repository managed by the Independent Evaluation Office.

<sup>6</sup> For example, CLE value chains has seven recommendations, the first of which was not accepted by Management and is excluded in this PRISMA (which thus includes only the six agreed recommendations).

but larger projects. IOE notes that it will be important for supervision missions to systematically assess the effectiveness of these measures.

(iii) **Project management.** PRISMA acknowledges that weak implementation capacities on the part of governments continue to be a constraint on project performance. It outlines the remedial steps, which include the development of capacities in procurement, financial management, and monitoring and evaluation. IOE welcomes these steps, noting that it will be important to explore measures to attract and retain more qualified staff in the project management units.

9. **IOE review of implementation of recommendations.** According to the 2020 PRISMA, the rate of follow-up is 97 per cent, compared to 72 per cent historically for evaluations since 2010. IOE has determined that of the 68 recommendations, 66 were accepted by Management.<sup>7</sup> Out of Management's responses to the 66 accepted recommendations considered in this PRISMA, 33 of them (50 per cent) were assessed by IOE to have fully followed up the recommendations. Fifteen ongoing actions (23 per cent) were found to be aligned with the recommendations. Among the remaining responses, 14 (21 per cent) may require further review at the implementation stage to fully assess their alignment with the issues raised by the recommendations. Four responses (6 per cent) were deemed to not have directly addressed the issues raised by the evaluation recommendations.
10. This analysis suggests the need to strengthen the categories of progress status listed under PRISMA. For example, there is no category to show follow-up that is only partially aligned with issues raised by evaluation recommendations, or to capture the situation when there has been an extended gap in follow-up for any reason.
11. In conclusion, IOE appreciates the usefulness of PRISMA. It recommends that PRISMA continue to provide full coverage of all IOE evaluations, including project- and country-level evaluations. In order to manage this workload with the available resources, Management may benefit from reviewing the experiences of other IFIs and United Nations agencies. Ongoing efforts to review self-evaluation and independent evaluation products provide an opportunity to make changes to PRISMA, so as to strengthen its usefulness and ensure that it is used widely by IFAD programme staff. This includes the possibility of a dedicated user-friendly database of recommendations, the responses to them by Management, and the status of implementation of Management responses. IOE will continue to improve the relevance and effectiveness of its recommendations. To do so, it will work closely with Management and draw from the experience in implementing evaluation recommendations and the lessons from recommendations that were not accepted by Management.

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<sup>7</sup> PRISMA 2020 noted only one, but there are in fact two recommendations not agreed to by Management – Recommendation 1 of CSPE Georgia and Recommendation 1 of CLE value chains. Please note that the CLE recommendation that was not accepted by Management was not included in this PRISMA. Both recommendations should bear the status notation of “not agreed upon”.

## Ongoing follow-ups that may require further review

### A. Responses that address in part the issues raised by recommendations and may require further review at the implementation stage

1. At the country level, recommendation 2 of CSPE Sri Lanka, calling for developing a strategy for inclusive targeting was addressed in the new project design approved in December 2019 but the response does not present a plan to address this recommendation in the upcoming country strategic opportunities programme (COSOP). Similarly, the response to recommendation 4 of CSPE Kenya that called for engaging the private sector was broadly presented as an intent in the design of the new programme, Kenya Livestock Commercialization Programme. In addition, recommendation 3 of the CSPE Kenya called for addressing recurrent design and institutional issues undermining programme efficiency within the context of the ongoing devolution process. The follow-up focuses on operation manual and project staff recruitment through competitive processes, involving specialized human resources firms. These are relevant actions, although issues related to ambitious design could have deserved a specific response.
2. One of the elements of the recommendation 3 of CSPE Tunisia was to include in the COSOP the areas of engagement aligned with portfolio approaches and results (e.g. inclusive and sustainable development approaches in agropastoral value chains). The response mainly addresses collaborations with new partners with focus on women and the youth and on non-lending activities.
3. At the project level, recommendation 1 of the PPE Eswatini called for context-specific, simplified designs that would need minimal redesign during implementation. Follow-up committed to ensuring that the new project, Financial Inclusion and Cluster Development will follow such a design approach. A validation of this follow-up will probably require the first supervision mission of the new project. Recommendation 1 of Rwanda PPE called for future projects to use a programmatic approach. The response agrees to pursue a programmatic approach in the follow-on project but does not explain how issues such as the current capacity of the target population and institutional maturity of participating implementation partners will be addressed. Recommendation 2 of Kenya IE called to allocate sufficient time for capacity development and behavioural shifts when strengthening relationships among value chain actors. The follow-up focuses on aquaculture value chain and public-private-producer-partnerships. Similarly, the response to recommendation 3 of Kenya IE (target individual entrepreneurs or smaller enterprises for agroprocessing while positioning farmers as suppliers of raw materials) focuses on producer groups and mentions country-level multi-stakeholder platforms but is less specific as to how micro, small and medium enterprises will be supported for agroprocessing.
4. At the corporate level, responses to corporate-level evaluation on IFAD's engagement in pro-poor value chain development recommendations 2-7 are reasonable. The follow-up measures are proposed mainly at the country level and project level. However, this may also require strategic thinking at sub-regional, regional level or beyond to capture existing knowledge and good practices. For instance, IFAD financed a multi-country grant to Netherlands Development Organization to support the capacity-building of project management unit to work on value chain development. The corporate-level evaluation observed the important positive differences this made to the quality and effectiveness of projects. This suggests that successful approaches can be devised beyond individual countries.

**B. Responses that do not directly address the issues raised by recommendations.**

5. In the case of CSPE Kenya, recommendation 2 called for geographic and thematic focus of country portfolio. The Kenya COSOP proposed supporting new value chains (aquaculture, livestock) which are very different in their thematic and geographic focus, and require engagement with new sets of value chain stakeholders. CSPE Burkina Faso recommendation 4 called for strengthened policy dialogue and recommendation 5 called for improved knowledge management. These were accepted in November 2018. PRISMA lists the follow-up as ongoing. However, the follow-up is mainly linked to COVID-19 related actions. Recommendation 2 of CSPE Georgia called to establish strategic focus on rural finance and rural institution-building in line with government priorities. The CSPE had found that the effectiveness of providing matching grants was limited. The response mentions matching grants as practice adopted by ongoing projects. It could have explained under what conditions these grants are expected to be more effective than in the past. In addition, the response could have explained the progress made in linking up with the (emerging) institutional framework in rural areas.