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Report on IFAD's Development Effectiveness Comments by the Independent Office of Evaluation of IFAD

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Action: The Executive Board is invited to review the comments of the Independent Office of Evaluation of IFAD on the report on IFAD's Development Effectiveness.

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Report on IFAD's Development Effectiveness

Comments by the Independent Office of Evaluation of IFAD

- 1. In line with the Terms of Reference and Rules of Procedure of the Evaluation Committee and the decision of 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 report is the Fund's main corporate document analysing institutional and development effectiveness.
- 2. Overall, the RIDE 2022 presents a comprehensive overview of IFAD performance during the Eleventh Replenishment of IFAD's Resources (IFAD11). The RIDE 2022 reviews the results against the indicators and targets set forth in the corporate Results Management Framework (RMF) for the replenishment cycle and thus covers the entire IFAD11 period (2019-2021). The IOE acknowledges the continuing collaboration, particularly in improving methodological alignment between its Annual Report on the Independent Evaluation of IFAD (ARIE) and the RIDE.
- 3. The comments below aim to further strengthen the RIDE's performance reporting to help it better guide IFAD's strategic and operational direction and resource planning.
- 4. **Data collection and monitoring progress in COVID-19 times.** The global recession and supply chain disruption have caused the agricultural sector to shrink in several programme countries. The report finds that beneficiaries' income increased, noting at the same time the challenges to in-person supervision missions in 2020 and 2021 and the slow resumption of in-person missions in 2022 (executive summary, paras. 27-29). Remote data collection is a challenge, particularly with respect to accurately tracking the changes in beneficiary income. It would therefore be helpful if Management could indicate the dataset used, along with the considerations taken into account, given the pandemic and the inability to ground-truth the data.
- 5. **Unresolved issues from the RIDE 2021.** In its comments on the RIDE 2021, IOE noted the following two issues that need attention:
 - (i) Sources of performance ratings. The need to use the same performance ratings data in the ARIE and RIDE for shared indicators is an issue that remains unresolved. As this has been brought to Management's attention in earlier comments, IOE requests an agreement on a timeframe to resolve this matter. The IOE reiterates that using ratings from independent evaluations would help the RIDE conform to standard international practices and lend more credibility to its reporting. The differences between the performance ratings of project completion reports and independent evaluations may be smaller than in the past, but they persist. The source of ratings thus remains an important issue.
 - (ii) Identifying and managing risks to future programme delivery and performance. As the RIDE 2022 notes (executive summary, paras. 39-43), IFAD is undergoing rapid decentralization and "the share of staff positions in country or multi-country offices jumped from 32 in 2019 to 36.5 in 2021, thus exceeding the RMF11 target of 33". This change is accompanied by heavier mainstreaming requirements and sharply increased investments in emerging priorities such as climate response. The RIDE 2022 notes that RMF indicator 3.8.3 (Time to fill Professional vacancies) sharply increased from 94 days in 2019 to 132 days in 2021 (annex I, p. 20). It is important to assess and manage the immediate- and intermediate-term risks to

operational performance and the delivery of IFAD12 commitments posed by ongoing decentralization processes and the mobility framework.

6. In conclusion, IOE recognizes Management's efforts to improve RIDE data and analysis. In this regard, consideration should be given to reporting on the potential limitations of the dataset used in the RIDE, given the pandemic and remote validation. The IOE urges Management to align IFAD fully with the practices of other international financial institutions when using performance ratings from independent evaluations. It should also report on progress in managing risks to delivering IFAD12 commitments and operational performance arising from the ongoing decentralization and reassignment processes. IOE thanks Management for this opportunity to comment and looks forward to continuing this productive collaboration around improving the evaluation function, as reflected in the Evaluation Policy.