

Document: EC 2018/102/W.P.7/Add.1
Agenda: 8
Date: 21 August 2018
Distribution: Public
Original: English

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Report on IFAD's Development Effectiveness (RIDE)

Comments by the Independent Office of Evaluation of IFAD

Note to Evaluation Committee members

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Evaluation Committee – 102nd Session
Rome, 4 September 2018

For: Review

Document: EB 2018/124/R.13/Add.1
Agenda: 5
Date: 21 August 2018
Distribution: Public
Original: English

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Investing in rural people

Report on IFAD's Development Effectiveness (RIDE)

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Note to Executive Board representatives

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Executive Board —124th Session
Rome, 11-13 September 2018

For: Review

Report on IFAD's Development Effectiveness (RIDE)

Comments by the Independent Office of Evaluation of IFAD

1. Background. 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).
2. The RIDE provides Management's perspectives on the organization's overall performance. This opportunity for IOE to review and share its comments enhances the credibility and transparency of IFAD's self-evaluation system.
3. General comments. Overall, the 2018 RIDE is well-written and clear in presenting the mixed results of an organization in transition. This is evident in IFAD's notable delivery of its approved programme of loans and grants and disbursements in 2017, but decline in country-level outcome results. This assessment is in line with the 2018 Annual Report on Results and Impact of IFAD Operations (ARRI), which also found performance to be moderately satisfactory or better for 80 per cent of projects on five indicators.¹ However, the ARRI also highlighted deteriorating performance in the recent period, which was largely below targets of the Tenth Replenishment of IFAD's Resources (IFAD10).
4. IOE welcomes the changes to the 2018 RIDE that reflect IOE's previous comments, especially the: overview of 2017 performance; clarification of the methodology; and the inclusion of more evidence from country programmes and a way forward. IOE also commends IFAD Management for: successfully detecting and correcting weak performance, as evidenced by 73 per cent of problem projects receiving positive ratings at completion; and for strengthening the results and self-evaluation architecture, as evidenced by the improved quality of project completion reports² to 83 per cent and a recent reduction in the disconnect between IOE and Management ratings.
5. The RIDE is clear in presenting highlights of performance in 2017 in relation to IFAD10 targets. However, the analytical content was based more on these highlights rather than on a detailed, in-depth analysis. The 2018 RIDE reported more on new initiatives undertaken by IFAD Management rather than presenting the underlying reasons for the decline (which was mainly attributed to countries with fragile situations), and drawing knowledge and lessons from IFAD operations. Therefore, the conclusions do not present a clear case for why IFAD's performance was below target and declining, or how IFAD can concretely and realistically address this within IFAD11.
6. Project portfolio performance. The 2018 ARRI reflected the performance of projects that were completed in 2014-2016 while Management reported on the 2015-2017 period in the RIDE. Nonetheless, the RIDE and ARRI had a number of common findings. Similar to the ARRI, the RIDE reported a general decline in performance and that the outcome ratings for a majority of Results Management Framework (RMF) indicators were below their IFAD10 targets. Both reports highlighted the fact that countries with fragile situations are lagging behind other countries and affecting IFAD's overall recent performance. On average, the strongest outcome ratings were found in the Asia and Pacific region, whereas the West and

¹ Innovation, scaling up, environment and natural resources management, rural poverty impact and adaptation to climate change (as opposed to government performance according to the RIDE).

² According to the 2018 ARRI, the quality of project completion reports improved from 79 per cent to 83 per cent rated moderately satisfactory or better as opposed to 90 per cent as reported in the 2018 RIDE.

Central Africa region showed the weakest performance. Among the ten criteria the ARRI and RIDE reported on in common, they both found performance strongest in innovation and scaling up, and weakest in efficiency and sustainability. However, ARRI reporting differed in the areas of gender equality, government performance, partnership and policy dialogue – all of which had a lower percentage of positive ratings.

7. For country-level development outcomes, the RIDE reported results based on three-year moving periods in order to show long-term trends and smooth annual fluctuations; these results are presented in the annexes. However, in the main text of the 2018 RIDE, trends in outcome ratings were analysed on an annual basis in order to highlight improved performance in 2017. Yet as is evident in the table below of the RIDE, the percentage of positively rated projects for individual criteria fluctuated greatly each year due to the small annual sample sizes. Therefore, the results should be presented as standard moving averages or multi-annual averages.
8. For the reasons stated above, IOE prefers to compare the required three-year moving reporting periods as shown in the table below. This table clearly presents the decline between the 2017 and 2018 RIDE results in all indicators except gender equality. The 2018 results bring IFAD's operational performance further away from the IFAD10 results expected by the end of 2018. This is a particular concern given the IFAD10 targets are the same as the IFAD9 targets for all indicators in the table below, except efficiency and sustainability (which increased by 5 per cent and 10 per cent respectively).
9. When comparing the 2018 RIDE period (2015-2017) to the 2018 ARRI period (2014-2016), there is little difference in performance, except on gender equality, government performance as a partner, efficiency and sustainability. However, the divergence in positive ratings on these four becomes wider when compared with performance data for the same reporting period (2014-2016). Notably, while the RIDE and ARRI are aligned in their assessments of declining performance on efficiency, sustainability of benefits and government performance, the ARRI also found performance declining in gender equality. Management attributes the general decline to performance in West and Central Africa and Latin America and the Caribbean. In the ARRI, the decline in ratings was correlated with declines across criteria in all regions except the Asia and Pacific region.

Comparison of RIDE and ARRI ratings for RMF level 2 indicators

<i>Indicators</i>	<i>2017 RIDE results</i>	<i>2018 RIDE results</i>	<i>2018 ARRI results</i>	<i>Target 2018</i>
	<i>2014-2016 (84)</i>	<i>2015-2017 (94)</i>	<i>2014-2016 (59)</i>	
Outcome indicators (percentage of projects rated moderately satisfactory or better) at completion				
2.1.1 Effectiveness	84	78	76	90
2.1.2 Efficiency	77	68	53	80
2.1.3 Rural poverty impact	86	82	81	90
2.1.4 Gender equality	87	88	77	90
2.1.5 Sustainability of benefits	78	69	61	85
2.1.6 Innovation	93	88	86	90
2.1.7 Scaling up	92	87	84	90
2.1.8 Environment and natural resources management	88	84	85	90
2.1.9 Support for smallholder adaptation to climate change	84	77	81	50
2.1.10 Government performance as a partner	90	81	72	80

Source: 2017 RIDE and IOE database (project completion report, validation/project performance evaluation data), 2017.

10. Fragile situations. Projects with fragile situations were a common concern in both the ARRI and RIDE since their performance is lagging. In the 2018 ARRI, 18 per cent of projects in the 2014-2016 cohort were in countries with fragile situations, contributing to the reported decline. Management also cited the high percentage of projects in countries with fragile situations in the 2015-2017 cohort as a driver for the recent decline in performance, and particularly for weak performance in efficiency and sustainability of benefits. While Management's attention to fragile situations through the proposed special programme on countries with fragile situations is welcome, the ARRI found that performance can be improved by ensuring differentiated approaches, realistic designs appropriate to the institutional capacities and sufficient project duration.
11. Efficiency. As already noted, both the ARRI and RIDE found performance weakest in the efficiency of IFAD's operations. IOE notes that Management found the 2014 corporate-level evaluation on IFAD's Institutional Efficiency and Efficiency of IFAD-funded Operations to still be relevant by attributing the issues raised in that evaluation to its current performance. However, by doing so, Management confirmed the 2018 ARRI finding that problems such as excessive complexity of project design, lack of implementation readiness and slow response to issues emerging during implementation have still not been addressed. IOE concurs, based on the findings of the 2018 ARRI, that weak performance in efficiency is exacerbated by the remoteness and dispersion of poor rural communities. To improve efficiency in IFAD's operations, IFAD Management has recently revised the project design process, prepared a disbursement action plan and proposed the Faster Implementation of Project Start-Up (FIPS) instrument. However the effects of these interventions will only be observed in a few years. IFAD's current drive towards decentralization also provides an opportunity for a stronger dialogue with governments to identify the factors driving inefficiency on both sides and mitigate them.
12. Non-lending activities. The 2018 RIDE and ARRI both found that IFAD's performance in partnership-building and engagement in national-level policy dialogue declined compared to the previous period. Nonetheless, according to the results presented in the RIDE, performance in these areas continued to surpass their IFAD10 targets, whereas for the ARRI they were far from their targets. The apparent positive performance in partnership-building found in the RIDE is not supported by the decline in IFAD's cofinancing – a key indicator of partnership-building with international organizations and governments. This disconnect in ratings between the ARRI and RIDE has arisen from Management's use of client surveys exclusively for this rating for the RIDE, while the ARRI is based on country visits and discussions with key partners. Since respondent countries for the client survey alternate each year, IOE concurs with Management's plan to strengthen the client survey and validate its results with other data.
13. Gender and equality. There is a large disconnect between IOE and Management's reporting on performance regarding the country-level outcome indicator on gender equality. For IFAD Management, gender equality is an area of strength whereas IOE has found performance to be over 10 percentage points from its IFAD10 target, and declining.
14. In addition, IOE finds the reported 28 per cent of women in P-5 and above positions by December 2017 remarkable given that it was only 25 per cent in the 2017 RIDE and 24 per cent according to the Q2/Q3 Corporate Performance Report from April to September 2017. While this improvement is commendable, Management should provide more feasible reasons for this result than the Gender Action Plan, which was only approved by Management in November 2017. According to the IFAD11 Replenishment Consultation Report, the methodology for determining the number of women in P-5 and above positions will be revised. The new methodology should differ from the Human Resources Division's current methodology (for internal

reporting purposes) of including women on secondment to other United Nations and international organizations since this would result in double counting within the United Nations and multilateral systems.

15. Finally, the Annual Report on IFAD's Policy on Gender Equality and Women's Empowerment, in annex V, mentions under indicator 4.2: Improvement in scores on gender-related staff survey questions by both women and men, that, "Improvements have continued since 2010, with no significant difference between women and men in responses". Yet according to gender analysis by IFAD's gender desk of IFAD's 2014 Global Staff Survey,³ "...women are consistently more negative than men in all survey categories...". In addition, compared to the 2012 Global Staff Survey, women showed higher levels of dissatisfaction than men in terms of career and staff development, and work-life balance, while men were less satisfied with people management and recognition.
16. In conclusion, the 2018 RIDE confirmed the overall trend of decline in country-level development outcome indicators (RMF level 2) in the 2018 ARRI. In fact, the 2018 RIDE showed a decline in all indicators except gender equality compared to the 2017 RIDE. Although Management initiated a number of new measures in 2017 to address longstanding issues such as efficiency, the existing data predate these reforms and it will be up to future evaluations to assess their effects. While these results may not be realized within the IFAD11 period, it is nonetheless commendable that IFAD Management acknowledges these areas for improvement and has identified a way forward to address them.

³ Gender Analysis of IFAD Global Staff Survey 2014. PTA Gender Desk, November 2015.